

National CineMedia, Inc.  
Form DEF 14A  
March 20, 2013  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

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

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

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only** (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**NATIONAL CINEMEDIA, INC.**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.  
(1) Title of each class of securities to which transaction applies:

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

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:



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**9110 E. Nichols Ave., Suite 200**

**Centennial, Colorado 80112-3405**

**Notice of Annual Meeting of Stockholders to be held on May 1, 2013**

You are cordially invited to attend the Annual Meeting of Stockholders of National CineMedia, Inc., which will be held at United Artists Theatre Meadows 12, 9355 Park Meadows Drive, Littleton, Colorado 80124 on Wednesday, May 1, 2013 at 9:00 a.m., Mountain Time, for the following purposes:

1. To elect three directors to serve until the 2016 Annual Meeting of Stockholders, and until their respective successors are elected and qualified;
2. To approve the National CineMedia, Inc. Executive Performance Bonus Plan;
3. Advisory approval of the Company's executive compensation;
4. To approve the amendment to the National CineMedia, Inc. 2007 Equity Incentive Plan to increase the number of shares available for issuance and to approve performance goals;
5. To ratify the appointment of Deloitte & Touche LLP as our independent auditors for our 2013 fiscal year ending December 26, 2013;
6. To consider a stockholder proposal regarding majority voting in director elections, if properly presented at the annual meeting; and
7. To transact such other business as may properly come before the meeting.

The close of business on March 12, 2013 has been set as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting and any and all adjournments.

Consistent with prior years, we are electronically disseminating our Annual Meeting materials by using the "Notice and Access" method approved by the Securities and Exchange Commission. We believe this process should continue to provide a convenient way to access your proxy materials and vote. The Notice of Internet Availability of Proxy Materials contains specific instructions on how to access Annual Meeting materials via the internet as well as instructions on how to receive paper copies if preferred. The Proxy Statement and Annual Report for the fiscal year ended December 27, 2012 are available at [www.edocumentview.com/ncmi](http://www.edocumentview.com/ncmi).

Whether or not you are able to attend the Annual Meeting, it is important that your shares be represented regardless of the size of your holdings. Please vote your proxy promptly in accordance with the instructions you receive on the Notice of Internet Availability of Proxy Materials as a quorum of the stockholders must be present, either in person or by proxy, in order for the Annual Meeting to take place.

**Please note that brokers may not vote your shares on the election of directors or any other non-routine matters if you have not given your broker specific instructions as to how to vote. Please be sure to give specific voting instructions to your broker so that your vote can be counted.**

Ralph E. Hardy

*Executive Vice President, General Counsel*

*and Secretary*

Centennial, Colorado

March 20, 2013

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**NATIONAL CINEMEDIA, INC.**

**PROXY STATEMENT FOR THE 2013**

**ANNUAL MEETING OF STOCKHOLDERS**

The accompanying proxy is solicited by the board of directors of National CineMedia, Inc., a Delaware corporation ( "NCM, Inc.," or the "Company"), for use at the 2013 Annual Meeting of Stockholders to be held at United Artists Theatre Meadows 12, located at 9355 Park Meadows Drive, Littleton, Colorado 80124, on Wednesday, May 1, 2013, at 9:00 a.m., Mountain Time, and at any and all adjournments and postponements thereof (the "Annual Meeting"). Unless the context otherwise requires, the references to "we," "us" or "our" refer to the Company and its consolidated subsidiary National CineMedia, LLC ( "NCM LLC"). The proxy may be revoked at any time before it is voted. If no contrary instruction is received, signed proxies returned by stockholders will be voted in accordance with the board of directors' recommendations.

This proxy statement and accompanying proxy are first being made available to stockholders on or about March 20, 2013.

**SHARES OUTSTANDING AND VOTING RIGHTS**

Our board of directors has fixed the close of business on March 12, 2013 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting. Our only outstanding voting stock is our common stock, \$0.01 par value per share, of which 56,932,231 shares were outstanding as of the close of business on the record date, which includes 2,092,097 shares of unvested restricted stock with voting rights. Each outstanding share of common stock is entitled to one vote.

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its use by delivering to us (Attention: Secretary) a written notice of revocation or a duly executed proxy bearing a later date, or by attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not in itself constitute a revocation of a proxy.

At the Annual Meeting, stockholders will vote on six proposals: to elect three directors to serve until the 2016 Annual Meeting of Stockholders, and until their respective successors are elected and qualified (Proposal 1); to approve the National CineMedia, Inc. Executive Performance Bonus Plan (Proposal 2); advisory approval of the Company's executive compensation (Proposal 3); to approve the amendment to the National CineMedia, Inc. 2007 Equity Incentive Plan to increase the number of shares available for issuance and to approve performance goals (Proposal 4); to ratify the appointment of Deloitte & Touche LLP as our independent auditors for our 2013 fiscal year ending December 26, 2013 (Proposal 5); and to consider a stockholder proposal regarding majority voting in director elections if properly presented (Proposal 6).

Stockholders representing a majority in voting power of the shares of stock outstanding and entitled to vote must be present or represented by proxy in order to constitute a quorum to conduct business at the Annual Meeting. With respect to the election of directors, our stockholders may vote in favor of the nominees, may withhold their vote for all of the nominees, or may withhold their vote as to specific nominees. The affirmative vote of the holders of a plurality of the votes of the holders of shares present in person or represented by proxy at the Annual Meeting and entitled to vote thereon is required to approve the election of each nominee named in Proposal 1. Under the Delaware General Corporation Law ( "DGCL") and our Bylaws and Certificate of Incorporation, the affirmative vote of the holders of a majority in voting power of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote thereon is required to approve Proposals 2, 3, 4, 5 and 6.

Abstentions may be specified on all proposals and will be counted as present for the purposes of the proposal for which the abstention is noted. A vote withheld for a nominee in the election of directors will have no effect. For purposes of determining whether any of the other proposals have received the requisite vote, where a stockholder abstains from voting, it will have the same effect as a vote against the proposal.



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The independent tabulator appointed for the Annual Meeting will tabulate votes cast by proxy or in person at the Annual Meeting. For the purposes of determining whether a proposal has received the requisite vote of the holders of the common stock in instances where brokers are prohibited from exercising or choose not to exercise discretionary authority for beneficial owners who have not provided voting instructions (so-called broker non-votes), those shares of common stock will not be included in the vote totals and, therefore, will have no effect on the vote on any of such proposals. Pursuant to the Financial Industry Regulatory Authority (FINRA) Conduct Rules, brokers who hold shares in street name have the authority, in limited circumstances, to vote on certain items when they have not received instructions from beneficial owners. A broker will only have such authority if:

the broker holds the shares as executor, administrator, guardian or trustee or is a similar representative or fiduciary with authority to vote; or

the broker is acting pursuant to the rules of any national securities exchange of which the broker is also a member.

Prior to 2010, the election of directors was considered a routine matter for which brokers were permitted to vote shares without customer direction, however brokers are no longer permitted to vote shares for the election of directors in this manner. Brokers also will not be permitted to vote shares with respect to the approval of the Company's Executive Performance Bonus Plan, the advisory approval of the Company's executive compensation or the approval of the amendment to the Company's 2007 Equity Incentive Plan without customer direction. **Therefore, we urge you to give voting instructions to your broker on all six proposals.** Shares that are not voted by a broker given the absence of customer direction are called broker non-votes. Broker non-votes are not considered votes for or against a proposal and therefore will have no direct impact on any proposal. Under these rules, absent authority or directions described above, brokers will not be able to vote on Proposals 1 through 4 and Proposal 6, which are considered non-routine matters. Proposal 5 is a routine proposal on which a broker or other nominee is generally empowered to vote. Accordingly, no broker non-votes will likely result from Proposal 5.

## **Costs of Solicitation**

We will pay the cost of soliciting proxies for the Annual Meeting. Proxies may be solicited by our regular employees, without additional compensation, in person, or by mail, courier, telephone or facsimile. We may also make arrangements with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of stock held of record by such persons. We may reimburse such brokerage houses, custodians, nominees and fiduciaries for reasonable out-of-pocket expenses incurred by them in connection therewith.

## **Annual Report**

Our 2012 Annual Report on Form 10-K, including the audited consolidated financial statements as of and for the year ended December 27, 2012, is available to all stockholders entitled to vote at the Annual Meeting together with this proxy statement, in satisfaction of the requirements of the Securities and Exchange Commission (the SEC). Additional copies of the Annual Report are available at no charge upon request. To obtain additional copies of the Annual Report, please contact us at 9110 E. Nichols Ave., Suite 200, Centennial, Colorado 80112-3405, Attention: Investor Relations, or at telephone number (303) 792-3600 or (800) 844-0935 investor relations. You may also view the Annual Report at <http://www.ncm.com> at the Investor Relations link. The Annual Report does not form any part of the materials for the solicitation of proxies.

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Beneficial ownership is determined under the rules of the SEC and generally includes voting or investment power over securities. Except in cases where community property laws apply or as indicated in the footnotes to this table, we believe that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by the stockholder. As of March 12, 2013, the percentage of beneficial ownership for NCM, Inc. is based on 56,932,231 shares of common stock outstanding (including unvested restricted stock) and 112,371,713 membership units outstanding for NCM LLC, of which 54,840,134 are owned by NCM, Inc. Unless indicated below, the address of each individual listed below is 9110 E. Nichols Ave., Suite 200, Centennial, Colorado 80112- 3405. The following table sets forth information regarding the beneficial ownership of our common stock as of March 12, 2013, by:

each person (or group of affiliated persons) who is known by us to own beneficially more than 5% of our common stock;

each of our named executive officers;

each of our directors and nominees for director; and

all directors and executive officers as a group.

| Name of Beneficial Owner                        | Shares of NCM,<br>Inc. Common<br>Stock | NCM LLC Common<br>Membership Units<br>(1) | Percent of Class |
|---|--|---|------------------|
| <b>Five Percent Stockholders</b>                |  |   |                  |
| Regal Entertainment Group and Affiliates (2)    |  | 22,113,150                                | 19.7%            |
| Cinemark Holdings, Inc. and Affiliates (3)      |  | 18,094,644                                | 16.1%            |
| American Multi-Cinema, Inc. and Affiliates (4)  |  | 17,323,782                                | 15.4%            |
| Janus Capital Management LLC and Affiliates (5) | 7,429,929                              |   | 13.5%            |
| AllianceBernstein LP (6)                        | 5,085,368                              |   | 9.3%             |
| BlackRock, Inc. (7)                             | 4,655,396                              |   | 8.5%             |
| Ameriprise Financial, Inc. and Affiliates (8)   | 4,086,902                              |   | 7.5%             |
| TimesSquare Capital Management, LLC (9)         | 2,797,200                              |   | 5.1%             |
| The Vanguard Group, Inc. and Affiliates (10)    | 2,961,829                              |   | 5.4%             |
| <b>Directors and Executive Officers</b>         |  |   |                  |
| Kurt C. Hall (11)                               | 1,805,382                              |   | 3.3%             |
| Clifford E. Marks (12)                          | 802,028                                |   | 1.5%             |
| Gary W. Ferrera (13)                            | 413,554                                |   | *                |
| Ralph E. Hardy (14)                             | 298,729                                |   | *                |
| Earl B. Weihe (15)                              | 221,207                                |   | *                |
| Gerardo I. Lopez                                | 0                                      |   | 0%               |
| Amy E. Miles                                    | 0                                      |   | 0%               |
| Lee Roy Mitchell                                | 0                                      |   | 0%               |
| Craig R. Ramsey                                 | 0                                      |   | 0%               |
| Lawrence A. Goodman                             | 16,617                                 |   | *                |
| David R. Haas                                   | 33,197                                 |   | *                |
| James R. Holland, Jr.                           | 27,197                                 |   | *                |
| Stephen L. Lanning                              | 18,736                                 |   | *                |
| Edward H. Meyer                                 | 20,736                                 |   | *                |
| Scott N. Schneider                              | 27,197                                 |   | *                |

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|   |           |      |
|---|-----------|------|
| All directors, nominees for director and executive officers as a group (15 persons) | 3,684,580 | 6.7% |
|---|-----------|------|

\* Less than one percent.

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- (1) NCM LLC common membership units are redeemable at any time at the option of the holder. Upon any redemption, we may choose whether to redeem the units for shares of our common stock on a one-for-one basis or for a cash payment equal to the market price of shares of NCM, Inc. common stock. If each member of NCM LLC chose to redeem all of its NCM LLC common membership units and we elected to issue shares of NCM, Inc. common stock in redemption of all of the units, AMC would receive 17,323,782 shares of NCM, Inc. common stock, Cinemark would receive 18,094,644 shares of NCM, Inc. common stock and Regal would receive 22,113,150 shares of NCM, Inc. common stock. These share amounts would represent 15.4%, 16.1% and 19.7%, respectively, of our outstanding common stock, assuming that all of the NCM LLC units are converted into our common stock.
- (2) Includes Regal Entertainment Group, Regal Entertainment Holdings, Inc., Regal Cinemas Corp., Regal CineMedia Holdings, LLC and Regal Cinemedia Corp. at 7132 Regal Lane, Knoxville, Tennessee 37918 and Anschutz Company and Phillip F. Anschutz at 555 Seventeenth Street, Suite 2400, Denver, Colorado 80202. Represents beneficial ownership as of March 15, 2012 based on the Statement of Changes in Beneficial Ownership of Securities on Form 4 filed on March 19, 2012.
- (3) Includes Cinemark Holdings, Inc., Cinemark USA Inc. and Cinemark Media, Inc. The address of these stockholders is 3900 Dallas Parkway, Suite 500, Plano, Texas 75093. Represents beneficial ownership as of March 15, 2012 based on the Statement of Changes in Beneficial Ownership of Securities on Form 4 filed on March 19, 2012.
- (4) Includes American Multi-Cinema, Inc., AMC Entertainment Inc., Marquee Holdings Inc. and AMC Entertainment Holdings, Inc. The address of these stockholders is 920 Main Street, Kansas City, Missouri 64105. Represents beneficial ownership as of March 17, 2011 based on the Statement of Changes in Beneficial Ownership of Securities on Form 4 filed on March 23, 2011.
- (5) The address of these stockholders is 151 Detroit Street, Denver, Colorado 80206. Represents beneficial ownership as of December 31, 2012 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on February 14, 2013.
- (6) The address of this stockholder is 1345 Avenue of the Americas, New York, New York 10105. Represents beneficial ownership as of December 31, 2012 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on February 12, 2013.
- (7) The address of this stockholder is 40 East 52<sup>nd</sup> Street, New York, New York 10022. Represents beneficial ownership as of December 31, 2012 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on February 1, 2013.
- (8) Includes Ameriprise Financial, Inc. and Columbia Management Investment Advisers, LLC. The address of these stockholders is 145 Ameriprise Financial Center, Minneapolis, Minnesota 55474 and 225 Franklin Street, Boston, Massachusetts 02110, respectively. Represents beneficial ownership as of December 31, 2012 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on February 13, 2013.
- (9) The address of this stockholder is 1177 Avenue of the Americas, 39<sup>th</sup> Floor, New York, New York 10036. Represents beneficial ownership as of December 31, 2012 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on February 11, 2013.
- (10) Includes Vanguard Fiduciary Trust Company and Vanguard Investments Australia, Ltd. The address of this stockholder is 100 Vanguard Blvd. Malvern, PA 19355. Represents beneficial ownership as of December 30, 2012 based on the Statement of Beneficial Ownership filed on Schedule 13G on February 12, 2013.
- (11) Includes 1,140,763 stock options that were vested and exercisable within 60 days of March 12, 2013.
- (12) Includes 478,651 stock options that were vested and exercisable within 60 days of March 12, 2013.
- (13) Includes 288,231 stock options that were vested and exercisable within 60 days of March 12, 2013.
- (14) Includes 189,536 stock options that were vested and exercisable within 60 days of March 12, 2013.
- (15) Includes 133,086 stock options that were vested and exercisable within 60 days of March 12, 2013.

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**Adoption of Share Ownership Guidelines**

On January 16, 2013, the Company adopted the following share ownership guidelines for its executive officers and directors:

| <b>Position</b>                                 | <b>Minimum Share Ownership Level</b>                          |
|---|---|
| President, Chief Executive Officer and Chairman | Lesser of: 3 times base salary or 140,000 shares              |
| Other executive officers                        | Lesser of: 1 times base salary or 20,000 shares               |
| Board members                                   | Lesser of: 3 times annual Board cash retainer or 8,000 shares |

Each individual is expected to attain the minimum ownership level within five years of the effective date of the policy, or the individual's date of appointment, if later. If the minimum ownership level is not attained within the required timeframe, holding restrictions will apply. Upon vesting of equity awards, 50% of the individual's shares that become vested will be subject to holding restrictions until the minimum ownership level is attained. Ownership levels are determined based on Company common stock owned by each individual, including shares of unvested timed-based restricted stock and in-the-money vested stock options.

**Anti-Hedging Policy**

The Company's insider trading policy includes provisions that prohibit all employees and directors from entering into hedging transactions with respect to Company stock.

**Anti-Pledging Policy**

The Company's insider trading policy includes provisions that prohibit all employees and directors from keeping Company stock in a margin account or using Company stock as collateral for a loan. To our knowledge, none of our officers or directors has pledged any of his or her shares.

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**PROPOSAL 1**

**ELECTION OF DIRECTORS**

Our board of directors currently consists of ten directors. Under the director designation agreement dated as of February 13, 2007, each of our founding members AMC Entertainment Inc. and its affiliates (AMC), Cinemark Holdings, Inc. and its affiliates (Cinemark) and Regal Entertainment Group and its affiliates (Regal) are permitted to appoint or designate up to two persons for nomination to election on our board of directors under the terms set forth in the agreement, one of which must qualify as independent as required by the rules promulgated by the SEC under the Securities Exchange Act of 1934, as amended (the Exchange Act), and by the Nasdaq Stock Market (Nasdaq). See Certain Relationships and Related Party Transactions Director Designation Agreement. The designees pursuant to this agreement for AMC are Edward H. Meyer and Gerardo I. Lopez; for Cinemark are James R. Holland, Jr. and Lee Roy Mitchell; and for Regal are Stephen L. Lanning and Amy E. Miles.

Our bylaws provide that directors are divided into three classes, designated as Class I, Class II and Class III. The members of each class serve for staggered three-year terms. In 2013, the Class III directors are up for re-election with the exception of Gerardo I. Lopez. Mr. Lopez will be replaced as the AMC designee under the director designation agreement by Craig Ramsey, the Chief Financial Officer of AMC. Mr. Lopez has served as a Director of NCM, Inc. since April 2009. At the Annual Meeting, the stockholders will elect three Class III directors including Mr. Ramsey to serve until the 2016 Annual Meeting of Stockholders, and until their respective successors are duly elected and qualified. Stockholders are not entitled to cumulate votes in the election of directors and may not vote for a greater number of persons than the number of nominees named.

We are soliciting proxies in favor of the election or re-election of each of the nominees identified below. We intend that all properly executed proxies will be voted for these three nominees unless otherwise specified. All nominees have consented to serve as directors, if elected. If any nominee is unwilling to serve as a director at the time of the Annual Meeting, the persons who are designated as proxies intend to vote, in their discretion, for such other persons, if any, as may be designated by the board of directors. The proxies may not vote for a greater number of persons than the number of nominees named. As of the date of this proxy statement, the board of directors has no reason to believe that any of the persons named below will be unable or unwilling to serve as a nominee or as a director.

**Business Experience of the Nominees**

The names of the nominees and other information about them, including their directorships at public companies held at any time during the past five years, if applicable, and their involvement in certain legal proceedings during the past 10 years, if applicable, are set forth below. In addition, we have included information about each nominee's specific experience, qualifications, attributes or skills that led the board to conclude that the nominee should serve as a director of the Company at the time we are filing this proxy statement, in light of our business and corporate structure.

*Amy E. Miles.* Ms. Miles has served as a director of NCM Inc. since June 2011. Ms. Miles has served as a director and Chief Executive Officer of Regal since June 2009. Ms. Miles previously served as Regal's Executive Vice President, Chief Financial Officer and Treasurer from March 2002 through June 2009 and in various executive roles at Regal Cinemas, Inc., Regal's wholly owned subsidiary. Ms. Miles was a Senior Manager with Deloitte & Touche from 1998 to 1999 and was with Pricewaterhouse Coopers, LLP from 1989 to 1998.

Ms. Miles has served in various executive positions at the most senior level of a public company in the theatre industry, which gives her the ability to understand the role of the board as well as the Company and its operations. Since Ms. Miles is a board designee for one of our founding members, she brings to the board the perspective of a major stakeholder.

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*Lee Roy Mitchell.* Mr. Mitchell has served as a director of NCM, Inc. since October 2006. Mr. Mitchell has served as Chairman of the Board of Cinemark USA, Inc. sin