

National CineMedia, Inc.
Form DEF 14A
March 18, 2016

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:

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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2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

9110 E. Nichols Ave., Suite 200

Centennial, Colorado 80112-3405

Notice of Annual Meeting of Stockholders to be held on April 29, 2016

You are cordially invited to attend the Annual Meeting of Stockholders of National CineMedia, Inc., which will be held at the offices of NCM, Inc., located at 9110 E. Nichols Ave., Suite 200, Centennial, Colorado 80112 on Friday, April 29, 2016 at 9:00 a.m., Mountain Time, for the following purposes:

1. To elect three directors to serve until the 2019 Annual Meeting of Stockholders, and until their respective successors are elected and qualified;
2. To approve, on an advisory basis, the Company's executive compensation;
3. To approve the National CineMedia, Inc. 2016 Equity Incentive Plan (the "2016 Equity Plan");
4. To ratify the appointment of Deloitte & Touche LLP as our independent auditors for our 2016 fiscal year ending December 29, 2016; and
5. To transact such other business as may properly come before the meeting.

The close of business on March 10, 2016 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 31, 2015 are available at 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 18, 2016

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NATIONAL CINEMEDIA, INC.

PROXY STATEMENT FOR THE 2016

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 2016 Annual Meeting of Stockholders to be held at the offices of NCM, Inc., located at 9110 E. Nichols Ave., Suite 200, Centennial, Colorado 80112, on Friday, April 29, 2016, 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 18, 2016.

SHARES OUTSTANDING AND VOTING RIGHTS

Our board of directors has fixed the close of business on March 10, 2016 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 62,390,044 shares were outstanding as of the close of business on the record date, which includes 2,587,474 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 four proposals: to elect three directors to serve until the 2019 Annual Meeting of Stockholders, and until their respective successors are elected and qualified (Proposal 1); to approve, on an advisory basis, the Company’s executive compensation (Proposal 2); to approve the 2016 Equity Plan (Proposal 3); and to ratify the appointment of Deloitte & Touche LLP as our independent auditors for our 2016 fiscal year ending December 29, 2016 (Proposal 4).

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 (on an advisory basis), 3 and 4.

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, if a stockholder abstains from voting it will have the same effect as a vote against the proposal.

The independent tabulator appointed for the Annual Meeting will tabulate votes cast by proxy or in person at the Annual Meeting. 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.

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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 advisory approval of the Company's executive compensation without customer direction. Therefore, we urge you to give voting instructions to your broker on all four 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, 2 and 3, which are considered non-routine matters. Proposal 4 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 4.

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 2015 Annual Report on Form 10-K, including the audited consolidated financial statements as of and for the year ended December 31, 2015, 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](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.

VOTING SECURITIES AND PRINCIPAL HOLDERS

Beneficial Ownership

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 10, 2016, the percentage of beneficial ownership for NCM, Inc. is based on 62,390,044 shares of common stock outstanding (including unvested restricted stock) and 135,706,388 membership units outstanding for NCM LLC, of which 59,802,570 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 10, 2016, 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 “NEOs”;
- each of our directors and nominees for director; and
- all directors and executive officers as a group.

Name of Beneficial Owner	Shares of	NCM LLC	Percent of	
	NCM, Inc.	Common	NCM, Inc.	
	Common	Membership	Common	
	Stock	Units (1)	Stock	
Five Percent Stockholders				
Regal Entertainment Group and Affiliates (“Regal”) (2)	—	26,409,784	30.6	%
Cinemark Holdings, Inc. and Affiliates (“Cinemark”) (3)	—	25,631,046	30.0	%
American Multi-Cinema, Inc. and Affiliates (“AMC”) (4)	200,000	23,862,988	28.7	%
Janus Capital Management LLC and Affiliates (5)	6,753,853	—	11.3	%
Arrowpoint Asset Management, LLC (6)	5,360,340	—	9.0	%
The Vanguard Group, Inc. and Affiliates (7)	4,092,692	—	6.8	%
BlackRock, Inc. (8)	3,352,962	—	5.6	%
Stephens Investment Management Group, LLC (9)	3,092,734	—	5.2	%
Directors and Executive Officers				
Andrew J. England	148,542	—	*	
Kurt C. Hall (10)	1,771,138	—	2.9	%
Clifford E. Marks (11)	620,541	—	1.0	%
David J. Oddo (12)	66,823	—	*	
Jeffrey T. Cabot (13)	71,337	—	*	
Ralph E. Hardy (14)	196,878	—	*	
Alfonso P. Rosabal, Jr. (15)	297,893	—	*	
Peter B. Brandow (16)	—	—	0.0	%
Lawrence A. Goodman	35,905	—	*	
David R. Haas	52,485	—	*	

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Stephen L. Lanning	12,320	—	*	
Thomas F. Lesinski	7,468	—	*	
Paula Williams Madison	7,468	—	*	
Lee Roy Mitchell (16)	—	—	0.0	%
Craig R. Ramsey (16)	—	—	0.0	%
Scott N. Schneider	59,633	—	*	
All directors, nominees for director and executive officers as a				
group (16 persons)	3,348,431	—	5.3	%

*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 chooses 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 23,862,988 shares of NCM, Inc. common stock, Cinemark would receive 25,631,046 shares of NCM, Inc. common stock and Regal would receive 26,409,784 shares of NCM, Inc. common stock. These share amounts would represent 17.6%, 18.9% and 19.5%, 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 Cinemas Inc., 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 17, 2015 based on the Statement of Changes in Beneficial Ownership of Securities on Form 4 filed on March 19, 2015.
- (3) Includes Cinemark Holdings, Inc. and Cinemark USA Inc. The address of these stockholders is 3900 Dallas Parkway, Suite 500, Plano, Texas 75093. Represents beneficial ownership as of March 17, 2015 based on the Statement of Beneficial Ownership of Securities filed on Schedule 13D/A filed on March 27, 2015.
- (4) Includes American Multi-Cinema, Inc., AMC Entertainment Inc., AMC Starplex, LLC and AMC Entertainment Holdings, Inc. The address of these stockholders is One AMC Way, 11500 Ash Street, Leawood, Kansas 66211. Represents beneficial ownership as of December 16, 2015 based on the Statement of Beneficial Ownership of Securities filed on Schedule 13D/A filed on December 22, 2015.
- (5) The address of these stockholders is 151 Detroit Street, Denver, Colorado 80206. Represents beneficial ownership as of December 31, 2015 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on February 16, 2016. These securities are owned by various individual and institutional investors, including Janus Triton Fund (which owns 3,721,196 shares, representing 6.2% of the shares outstanding), for which Janus Capital Management LLC (“Janus Capital”) serves as investment advisor. For purposes of the reporting requirements of the Exchange Act, Janus Capital is deemed to be a beneficial owner of such securities; however, Janus Capital expressly disclaims that it is, in fact, the beneficial owner of such securities.
- (6) The address of this stockholder is 100 Fillmore Street, Suite 325, Denver, Colorado 80206. Represents beneficial ownership as of December 31, 2015 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on February 16, 2016.
- (7) Includes Vanguard Fiduciary Trust Company and Vanguard Investments Australia, Ltd. The address of these stockholders is 100 Vanguard Blvd. Malvern, Pennsylvania 19355. Represents beneficial ownership as of December 31, 2015 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on February 10, 2016.
- (8) The address of this stockholder is 55 East 52nd Street, New York, New York 10055. Represents beneficial ownership as of December 31, 2015 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on January 27, 2016.
- (9) Includes Stephens Investment Management Group, LLC, Stephens Investments Holdings LLC, Stephens Inc. and Warren A. Stephens. The address of these stockholders is 111 Center Street, Little Rock, Arkansas 72201. Represents beneficial ownership as of December 31, 2015 based on the Statement of Beneficial Ownership filed on Schedule 13G on February 12, 2016.
- (10) Includes 1,031,894 stock options that were vested and exercisable within 60 days of March 10, 2016. Mr. Hall served as our President, Chief Executive Officer and Chairman until January 1, 2016.
- (11) Includes 262,166 stock options that were vested and exercisable within 60 days of March 10, 2016.
- (12) Includes 5,957 stock options that were vested and exercisable within 60 days of March 10, 2016.
- (13) Includes 7,744 stock options that were vested and exercisable within 60 days of March 10, 2016.
- (14) Includes 55,051 stock options that were vested and exercisable within 60 days of March 10, 2016.
- (15) Includes 117,581 stock options that were vested and exercisable within 60 days of March 10, 2016.

(16) Mr. Brandow, Mr. Mitchell and Mr. Ramsey are members of our board of directors that are employed by our founding members who receive compensation for their services as employees from their respective employers, but they do not receive any additional compensation (including equity awards) from us for their service as our directors.

Share Ownership, Anti-Hedging, Anti-Pledging and Clawback Policies

The Company has adopted share ownership guidelines, an anti-hedging policy, an anti-pledging policy and a clawback policy, which are discussed in further detail in “Compensation Discussion and Analysis”.

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 whom 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 Paula Williams Madison and Craig R. Ramsey; for Cinemark are Thomas F. Lesinski and Lee Roy Mitchell; and for Regal are Peter B. Brandow and Stephen L. Lanning.

Our bylaws provide that directors are divided into three classes, designated as Class I, Class II and Class III and that the number of total directors shall not be more than ten. The members of each class serve for staggered three-year terms. In 2016, the Class III directors are up for re-election. At the Annual Meeting, the stockholders will elect three Class III directors to serve until the 2019 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 re-election of each of the nominees identified below. All nominees have consented to serve as directors, if elected. If any nominee is unable or 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.

Peter B. Brandow. Mr. Brandow has served as a director of NCM, Inc. since April 2015. Mr. Brandow has served as Executive Vice President, General Counsel and Secretary of Regal Entertainment Group since March 2002. Mr. Brandow has served as the Executive Vice President, General Counsel and Secretary of Regal Cinemas, Inc. since July 2001, and prior to that time he served as Senior Vice President, General Counsel and Secretary of Regal Cinemas, Inc. since February 2000. Prior thereto, Mr. Brandow served as Vice President, General Counsel and Secretary from February 1999 when he joined Regal Cinemas, Inc. From September 1989 to January 1999, Mr. Brandow was an associate with the law firm Simpson Thacher & Bartlett LLP. Mr. Brandow is also a member of the board of directors of AC JV, LLC, of which NCM LLC has a 4% ownership interest.

Mr. Brandow has extensive experience and association in the theatre industry which gives him the ability to offer guidance to the Company and its operations. Since Mr. Brandow is a board designee for one of our founding members, he brings to the board the perspective of a major stakeholder.

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. since March 1996 and as a director since its inception in 1987. Mr. Mitchell was Chief Executive Officer of Cinemark USA, Inc. from its inception in 1987 until December 2006. Mr. Mitchell also served as a director of Texas Capital Bancshares, Inc. from 1999 to 2011.

Mr. Mitchell has over four decades of executive leadership experience, including a key role in the theatre industry and brings important institutional knowledge to the board. Mr. Mitchell's experience enables him to share with the board suggestions about how similarly situated companies effectively assess and undertake business considerations and opportunities. Since Mr. Mitchell is a board designee for one of our founding members, he brings to the board the perspective of a major stakeholder.

Craig R. Ramsey. Mr. Ramsey has served as a director of NCM, Inc. since May 2013. Mr. Ramsey serves as the Executive Vice President and Chief Financial Officer of AMC Entertainment Inc. and oversees all financial areas of the company, including accounting, information systems, asset and liability management, and investor relations. Mr. Ramsey began his career with AMC in 1995 as the Director of Financial Reporting. He was promoted to Vice President of Finance in January 1997; to Senior Vice President in August 1998; and to Chief Financial Officer in February 2000. Mr. Ramsey is a certified public accountant. His professional affiliations include memberships in the American Institute of Certified Public Accountants, the Financial Executives Institute and the Missouri Society of Certified Public Accountants.

Mr. Ramsey is qualified to serve on our board based on his extensive financial experience in the media industry. Since Mr. Ramsey is a board designee for one of our founding members, he brings to the board the perspective of a major stakeholder.

Board Composition

Shown below are the names and ages, as of March 10, 2016, of the ten members of our current board of directors.

Name	Age	Position
Scott N. Schneider	58	Non-Employee Executive Chairman (Class I)
Andrew J. England	51	Chief Executive Officer and Director (Class I)
Peter B. Brandow	55	Director (Class III)
Lawrence A. Goodman	61	Director (Class I)
David R. Haas	74	Director (Class II)
Stephen L. Lanning	62	Director (Class II)
Thomas F. Lesinski	56	Director (Class II)
Paula Williams Madison	63	Director (Class II)
Lee Roy Mitchell	79	Director (Class III)
Craig R. Ramsey	64	Director (Class III)

Set forth below is a brief description of the business experience of each of the individuals who, in addition to the nominees whose business experience is set forth above, currently serve on our board and are expected to continue to serve as our directors following the annual meeting, 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. In addition, we have included information about each director's specific experience, qualifications, attributes or skills that led the board to conclude that the director 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.

Scott N. Schneider. Mr. Schneider has been a director of NCM, Inc. since February 2007 and has served as Non-Employee Executive Chairman of NCM, Inc. since January 2016. He also served as lead director from October 2014 through January 2016. His current term as director expires in 2017. Mr. Schneider became the Chief Executive Officer of AHC LLC, a financial consulting and advisory firm in October 2009. He served as Operating Partner and Chairman, Media and Communications, of Diamond Castle Holdings, LP, a private equity firm, from January 2005 to September 2009. From 2001 to 2004, Mr. Schneider served in various senior executive capacities including President, Chief Operating Officer and Vice Chairman of the Board of Citizens Communications Company. Mr. Schneider formerly served as a director of Centennial Communications Corp.

Mr. Schneider's extensive experience in senior leadership positions at several public and private media companies makes him well suited to understand and advise the board on complex managerial, strategic and financial considerations. He has a strong knowledge of the nuances of financial markets and is able to provide a variety of perspectives on financial and operational issues as well as provide guidance to assist the Company with its public communications.

Andrew J. England. Mr. England was appointed Chief Executive Officer and Director of NCM, Inc. on January 1, 2016. Mr. England has a long career in marketing, previously serving as the Executive Vice President and Chief Marketing Officer of MillerCoors, LLC from 2010 until July 2015. From 2008 to 2010, Mr. England served as the Chief Marketing Officer of the then newly formed MillerCoors, LLC. From 2006 to 2008 he served as Chief Marketing Officer of Coors Brewing Co. Prior to that, Mr. England was Vice President and General Manager of Hershey's Snacks division, Director of the Reese's Brand, and carried out various marketing and brand management

roles for over ten years at Nabisco Biscuit Company and Cadbury Schweppes. Mr. England holds a Master of Business Administration degree from Stanford University and a bachelor's degree in Engineering Science from Durham University in the United Kingdom.

Mr. England's extensive experience as an executive in the marketing industry brings valuable experience to the board regarding our strategic and operating objectives. Further, his position as our Chief Executive Officer provides insight to all aspects of the Company, including its management, operations and financial requirements. Mr. England also offers exceptional leadership skills to the board.

Lawrence A. Goodman. Mr. Goodman has been a director and chairman of the Compensation Committee of NCM, Inc. since February 2007. His current term expires in 2017. Mr. Goodman founded White Mountain Media, a media consulting company, in July 2004 and has served as its president since inception. From July 2003 to July 2004, Mr. Goodman was retired. From March 1995 to July 2003, Mr. Goodman was the President of Sales and Marketing for CNN, a division of Turner Broadcasting System, Inc.

Mr. Goodman's extensive background in the media industry allows him to provide media sales and marketing advice to our management and board. Mr. Goodman brings significant business experience to provide strategies and solutions to address the complex compensation environment of the media business that is required to appropriately compensate and motivate our sales personnel and executives.

David R. Haas. Mr. Haas has served as a director of NCM, Inc. and chairman of the Audit Committee of NCM, Inc. since February 2007. His current term expires in 2018. He has been a private investor and financial consultant since January 1995. Mr. Haas was a Senior Vice President and Controller for Time Warner, Inc. from January 1990 through December 1994.

Mr. Haas' experience as a former high-ranking financial executive in a media company qualifies him to serve on our board of directors, the Audit Committee and to provide guidance to our internal audit function and financial advice to our board. In addition, Mr. Haas' previous experience serving on several public company boards and audit committees has provided him a broad-based understanding of financial risks and compliance expertise.

Stephen L. Lanning. Mr. Lanning has served as a director of NCM, Inc. and chairman of the Nominating and Governance Committee of NCM, Inc. since February 2007. His current term expires in 2018. Prior to his retirement in 2009, he served with URS Corp. EG&G Division from 2006 to 2009 as an independent consultant and Director of Space and Information Operations Strategic Business Element. Mr. Lanning served in the United States Air Force from 1977 until 2006. From 2005 to 2006, Mr. Lanning was the Director, Logistics and Warfighting Integration, and Chief Information Officer for the United States Air Force Space Command. Mr. Lanning was a Principal Director of the Defense Information Systems Agency from 2002 to 2005.

Mr. Lanning has significant experience in technology, operational leadership and policy development combined with his drive for innovation and excellence, which positions him well to serve as our Nominating and Governance Committee chairman. Mr. Lanning's background allows him to share best practices with our board of directors. His years of serving in the military have given him valuable knowledge and perspective.

Thomas F. Lesinski. Mr. Lesinski has served as a director of NCM, Inc. since December 2014. His current term expires in 2018. Mr. Lesinski has served as the Founder and CEO of Energi Entertainment, a multi-media content production company, since August 2014. From 2013 to 2014, Mr. Lesinski was President of Digital Content and Distribution at Legendary Entertainment, a leading media company dedicated to owning, producing and delivering content to mainstream audiences with a targeted focus on the powerful fandom demographic. Prior to that role, from 2006 to 2013, Mr. Lesinski served as President, Digital Entertainment at Paramount Pictures, a global producer and

distributor of filmed entertainment. Mr. Lesinski also served as President of Worldwide Home Entertainment at Paramount Pictures for three years, prior to which, he spent ten years in various leadership positions at Warner Bros. Entertainment and was a Managing Director for an advertising agency.

Mr. Lesinski's experience in home entertainment and digital media give him the experience to critically review the various business considerations necessary to run a business such as ours and offers a valuable perspective as the media marketplace becomes more competitive, particularly with the growth of online and mobile advertising platforms.

Paula Williams Madison. Ms. Madison has served as a director of NCM, Inc. since March 2014. Her current term expires in 2018. Ms. Madison has served as Chairman and CEO of Madison Media Management LLC, a company that invests in emerging media, entertainment and communication businesses, since 2011. From 2011 to

2014, Ms. Madison also was Chief Executive Officer of the Los Angeles Sparks, a WNBA professional women's basketball team. Prior to this role, Ms. Madison served as Executive Vice President of Diversity at NBCUniversal, as well as, Vice President of the General Electric Company, NBCUniversal's parent company at the time. Ms. Madison spent 22 years with NBCUniversal in various leadership positions and prior to that ran several different local affiliate television stations.

Ms. Madison's senior executive positions in the media and entertainment industries give her the experience to critically review the various business considerations necessary to run a business such as ours. Ms. Madison is able to offer the board sound business strategies. This, combined with her many years of business experience, makes her a valued contributor to the Board.

Our board of directors has determined that Lawrence A. Goodman, David R. Haas, Stephen L. Lanning, Thomas F. Lesinski, Paula Williams Madison and Scott N Schneider, all current directors, qualify as "independent" directors under the rules promulgated by the SEC under the Exchange Act, and by the Nasdaq. There are no family relationships among any of our executive officers, directors or nominees for director. The board of directors considered Mr. Goodman's service on the board of directors of a company that the Company uses to sell some of its online inventory concluded that this relationship does not affect his independence qualifications. For further detail of related party transactions, refer to "Certain Relationship and Related Party Transactions" located elsewhere in this document.

Company Leadership Structure

Our board recently determined to split the roles of Chairman of the Board of Directors and Chief Executive Officer. Our Chief Executive Officer is responsible for setting the strategic direction for the Company and the day to day leadership and performance of the Company, while our Chairman sets the agenda for board meetings and presides over meetings of the full board in their oversight role. We believe this leadership structure will best serve the objectives of the board's oversight of management, the board's ability to carry out its roles and responsibilities on behalf of our stockholders, and the Company's overall corporate governance.

Mr. Schneider assumed the position of Chairman of the Board of Directors on January 1, 2016 and on January 20, 2016, the board appointed him as the Non-Employee Executive Chairman to reflect the additional duties he will have during the transition period in 2016 following the change of our CEOs. The term of his appointment is from January 4, 2016 through the earliest of December 31, 2016, his death or his removal from the board.

The board plans to periodically review the leadership structure to determine whether it continues to best serve the Company and our stockholders.

Board's Role in Risk Oversight

The board as a whole has responsibility for risk oversight, including setting the "tone at the top" regarding the importance of risk management. The board reviews information on the Company's credit, liquidity and operations, as well as reports from management on enterprise risk and committee reports. The Compensation Committee is responsible for overseeing the management of risks relating to our executive compensation. The Audit Committee is responsible for overseeing the management of financial risks. The Nominating and Governance Committee is responsible for overseeing the management of risks associated with board independence and potential conflicts of interests. While each committee is responsible for evaluating and overseeing the management of such risks, the entire board is regularly informed of each committee's analysis.

Jeffrey T. Cabot, Senior Vice President, Controller and Interim Co-Chief Financial Officer is our Chief Risk Officer. The Chief Risk Officer provides periodic updates to the board on the strategic, operational, financial, compliance and

reputational risks facing the Company, which serves to ensure that risk management is a priority within the organization and the Company's risk oversight is aligned with its strategies. In addition, in 2014 Ernst & Young LLP assisted the Company's internal audit department to evaluate the Company's business risks and delivered a report to the board in January 2015 which the board incorporated into its evaluation.

Compensation Risk Assessment

We do not believe we have compensation practices that are reasonably likely to have a material adverse effect on the Company. Our Compensation Committee reviewed the compensation policies and practices for all employees, including executive officers. The Compensation Committee considered whether the compensation program encouraged excessive risk taking by employees at the expense of long-term Company value. Based upon its

assessment, the Compensation Committee does not believe that the compensation program encourages excessive or inappropriate risk-taking. The Compensation Committee believes that the design of the compensation program, which includes a mix of annual and long-term incentives, cash and equity awards and retention incentives, is balanced and does not motivate imprudent risk-taking.

Meetings of the Board of Directors and Standing Committees

The board of directors held thirteen meetings during the fiscal year ended December 31, 2015. During our 2015 fiscal year, no director then in office attended fewer than 75% of the aggregate total number of meetings of the board of directors held during the period in which he or she was a director and of the total number of meetings held by all of the committees of the board of directors on which he or she served. The Company does not have a formal policy regarding attendance by members of the board of directors at the Company's Annual Meeting, but encourages our directors to attend. Nine of our ten directors attended our Annual Meeting of Stockholders held on May 8, 2015. The three standing committees of the board of directors are the Audit Committee, the Compensation Committee and the Nominating and Governance Committee. A special committee was established to review the related party transactions between NCM, Inc. and NCM LLC in connection with the merger with Screenvision, LLC ("Screenvision"), which was subsequently terminated in March 2015 and to perform succession planning for the Chief Executive Officer. The special committee consisted of the three independent directors who were not designated by one of NCM LLC's founding members, Messrs. Goodman, Haas and Schneider. There were twenty-two meetings of the special committee during our 2015 fiscal year.

The following table shows the current membership and number of meetings held by the board and each standing committee during our 2015 fiscal year:

DIRECTOR COMMITTEE MEMBERSHIP AND MEETINGS

		Nominating and		
	Audit	Compensation	Governance	Board of
Director	Committee	Committee	Committee	Directors
Peter B. Brandow				X
Andrew J. England				X
Lawrence A. Goodman		Chair	X	X
David R. Haas	Chair	X		X
Stephen L. Lanning		X	Chair	X
Thomas F. Lesinski	X			X
Paula Williams Madison		X	X	X
Lee Roy Mitchell				X
Craig R. Ramsey				X
Scott N. Schneider	X		X	Chair
2015 Fiscal Year Meetings	7	12	4	13

Audit Committee

The Audit Committee consists of David R. Haas (chairman), Thomas F. Lesinski and Scott N. Schneider. Each of the committee members was determined to be “independent” as required by the rules promulgated by the SEC under the Exchange Act, and by the Nasdaq. Each of them also meets the financial literacy requirements of the Nasdaq. Our board of directors has determined that Mr. Haas qualifies as an “audit committee financial expert” as defined in the federal securities laws and regulations.

The Audit Committee is primarily concerned with overseeing management’s processes and activities relating to the following:

- (1) maintaining the reliability and integrity of our accounting policies, financial reporting practices and financial statements;
- (2) the independent auditor’s qualifications and independence;
- (3) the performance of our internal audit function and independent auditor; and
- (4) confirming compliance with laws and regulations, and the requirements of any stock exchange or quotation system on which our securities may be listed.

The Audit Committee also is responsible for establishing procedures for the receipt of complaints regarding our accounting, internal accounting controls or audit matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. The Audit Committee's responsibilities are set forth in its charter, the current version of which was most recently reviewed by the Committee and approved by the Board in January 2016. The current version of the charter is available on our website at www.ncm.com at the Investor Relations link. There were seven meetings of the Audit Committee during our 2015 fiscal year.

Compensation Committee

The Compensation Committee consists of Lawrence A. Goodman (chairman), David R. Haas, Stephen L. Lanning and Paula Williams Madison. Each member was determined to be "independent" as defined in the rules promulgated by the SEC under the Exchange Act and by the Nasdaq, and each also qualifies as an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code and a "non-employee director" for purposes of Rule 16b-3 under the Exchange Act.

The Compensation Committee's purposes, as set forth in its charter, are:

- (1) to assist the board in discharging its responsibilities relating to compensation of our CEO and other executives;
- (2) to administer our equity incentive plans (other than equity compensation for non-employee directors which is administered by the Board); and
- (3) to have overall responsibility for approving and evaluating all of our compensation plans, policies and programs that affect our executive officers.

The Compensation Committee's responsibilities are set forth in its charter, which is reviewed at least annually. The current Compensation Committee charter was most recently reviewed by the Committee and approved by the Board in January 2016. The current version of the charter is available on our website at www.ncm.com at the Investor Relations link. There were twelve meetings of the Compensation Committee during our 2015 fiscal year.

The Compensation Committee performs such functions and has the authority and responsibilities enumerated in its charter. The Compensation Committee is authorized to form and delegate responsibility to subcommittees of the Compensation Committee as it deems necessary or appropriate, provided, however, that any such subcommittees shall meet all applicable independence requirements and that the Compensation Committee shall not delegate to persons other than independent directors any functions that are required under applicable law, regulation or Nasdaq rule to be performed by independent directors.

In 2015, the Compensation Committee engaged ClearBridge Compensation Group, LLC ("ClearBridge"), a nationally recognized consulting firm, to assess the competitiveness of pay for the executive officers and provide independent advice and recommendations to the Compensation Committee regarding executive compensation. Prior to retaining ClearBridge, the Compensation Committee reviewed ClearBridge's independence as contemplated by the committee's charter and applicable Nasdaq rules, and determined that there were no conflicts of interest and that ClearBridge is independent from the Company, our Compensation Committee and our executive officers.

Nominating and Governance Committee

The Nominating and Governance Committee consists of Stephen L. Lanning (chairman), Lawrence A. Goodman, Paula Williams Madison and Scott N. Schneider. Each of the members of our Nominating and Governance Committee was determined to be independent in accordance with Nasdaq rules and relevant federal securities laws and regulations.

The Nominating and Governance Committee's purposes, as set forth in its charter, are:

- (1) to identify individuals qualified to become board members, and to recommend director nominees to the board;
- (2) to oversee the evaluation of our management and the board; and
- (3) to review from time to time the Corporate Governance Guidelines applicable to us and to recommend to the board such changes as it may deem appropriate.

The Nominating and Governance Committee's responsibilities are set forth in its charter, which was most recently reviewed by the Committee and approved by the Board in January 2016. The current version of the charter

as well as our Corporate Governance Guidelines are available on our website at www.ncm.com at the Investor Relations link. There were four meetings of the Nominating and Governance Committee during our 2015 fiscal year.

Other than the director candidates designated by our founding members, the Nominating and Governance Committee identifies individuals qualified to become board members and recommends director nominees to our board for each annual meeting of stockholders or in connection with filling a vacancy on the board between annual meetings. It also reviews the qualifications and independence of the members of our board of directors and its various committees on a regular basis and makes any recommendations the committee members may deem appropriate from time to time concerning any changes in the overall composition of our board of directors and its committees. The Nominating and Governance Committee recommends to our board of directors the corporate governance guidelines and reviews such guidelines and the provisions of the Nominating and Governance Committee charter on a regular basis to confirm that such guidelines and charter remain consistent with sound corporate governance practices and with any legal, regulatory or Nasdaq requirements. The Nominating and Governance Committee also monitors our board of directors and our compliance with any commitments made to regulators or otherwise regarding changes in corporate governance practices and leads our board of directors in its annual review of our board of directors.

Nomination of Directors. The nominees for election or re-election to our board of directors at the 2016 Annual Meeting were designated by our founding members, were formally nominated by the Nominating and Governance Committee, and were approved by the board of directors on January 20, 2016.

As the need to fill vacancies arises in the future, the Nominating and Governance Committee will refer to its list of potential candidates that is maintained and updated on an on-going basis and will seek individuals qualified to become board members for recommendation to the board. The Nominating and Governance Committee would consider potential director candidates recommended by stockholders and would use the same criteria for screening all candidates, regardless of who proposed such candidates. See “Stockholder Communications” below for information on how our stockholders may communicate with our board of directors. See “Proposals of Stockholders” below for further information on making director nominations.

The Nominating and Governance Committee and the board of directors consider whether candidates for nomination to the board of directors possess the following qualifications, among others:

- (a) the highest level of personal and professional ethics, integrity, and values;
- (b) expertise that is useful to us and is complementary to the background and expertise of the other members of the board of directors;
- (c) a willingness and ability to devote the time necessary to carry out the duties and responsibilities of membership on the board of directors;
- (d) a desire to ensure that our operations and financial reporting are effected in a transparent manner and in compliance with applicable laws, rules, and regulations; and
- (e) a dedication to the representation of the best interests of all our stockholders, including our founding members.

Diversity of Directors. In considering whether to recommend any candidate for inclusion in the slate of director nominees, the Nominating and Governance Committee complies with the Company’s Corporate Governance Guidelines and Corporate Code of Conduct. In addition to considering the above qualifications, the Committee seeks nominees that will complement the existing members and will provide diversity of background, professional expertise, gender and ethnicity.

Stockholder Communications

Our board of directors provides a process for stockholders to send communications to the board. Information on communicating directly with the board of directors is available on our website at www.ncm.com at the Investor

Relations link.

Vote Required

Directors will be elected by a plurality of the votes of the holders of shares present in person or by proxy at the Annual Meeting.

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Recommendation

The board of directors recommends that stockholders vote FOR each of the nominees for director. If not otherwise specified, proxies will be voted FOR each of the nominees for director.

PROPOSAL 2

ADVISORY APPROVAL OF THE COMPANY'S EXECUTIVE COMPENSATION

As required under Section 14A of the Securities Exchange Act, stockholders are being asked to approve, on an advisory basis, the Company's executive compensation, also known as "say-on-pay." We currently hold this vote annually. This non-binding advisory approval of the Company's executive compensation considers the information in this proxy statement included in the "Compensation Discussion and Analysis" and in the Summary Compensation Table and other related tables and narrative disclosures.

The Compensation Committee believes that the Company's compensation policies and procedures are aligned with the short-term and long-term interests of stockholders and are designed to attract, motivate, reward and retain superior talent who are critical to our long-term growth and profitability. A significant portion of the compensation of our NEOs is tied closely to the financial performance of the Company (in 2015 approximately 55% of total compensation assuming 100% achievement of targets and approximately 59% of total compensation based upon actual 2015 performance bonuses paid), thus aligning our officers' interests with those of our stockholders, including the annual performance bonus and equity incentives (refer to "Compensation Discussion and Analysis – Pay-for-Performance"). Under these programs, we provide our executives with incentives to achieve specific annual and long-term company performance goals established by the Compensation Committee. The Compensation Committee reviews our executive compensation programs annually to ensure they align executive compensation with the interests of our stockholders and current market practices and do not encourage excessive risk-taking.

Because your approval is advisory, it will not be binding on either the board of directors or the Company. However, the Compensation Committee and board value the opinions of our stockholders and will take into account the result of the vote on this proposal when considering future executive compensation arrangements.

Our stockholders have the opportunity to vote, on an advisory basis, for the following resolution at our Annual Meeting:

"RESOLVED, that the compensation paid to the Company's NEOs, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, compensation tables and narrative discussion in this proxy statement is hereby APPROVED."

Vote Required

Approval of the foregoing resolution by our stockholders, on an advisory basis, requires the affirmative vote of a majority of the votes cast on this proposal voting in favor of this Proposal 2.

Recommendation

The board of directors recommends that stockholders vote FOR Proposal 2, and approve, on an advisory basis, the Company's executive compensation program, as presented in this proxy statement.

PROPOSAL 3

APPROVAL OF THE NATIONAL CINEMEDIA, INC. 2016 EQUITY PLAN

Our board of directors believes that attracting and retaining highly qualified officers and key employees, and motivating them to serve the Company and to expend maximum efforts is important to our continued growth and success. In this regard, equity awards have been and will continue to be an important element of our compensation program because stock options, restricted stock, and other equity awards enable our officers and other key employees to acquire or increase their proprietary interest in the operations and future success of our Company, thereby promoting a close identity of interests between such individuals and our stockholders.

Our current employee equity incentive plan, the 2007 Equity Incentive Plan, terminates by its terms on February 6, 2017. Our board of directors believes that equity awards to key employees, officers and non-employee directors serve the best interests of stockholders by promoting a long-term focus for such individuals to increase the value of our stock. Accordingly, on March 11, 2016, our board of directors adopted, subject to stockholder approval, the 2016 Equity Plan. Stockholder approval is required for us to make awards under the 2016 Equity Plan.

If our stockholders do not approve the 2016 Equity Plan, we will continue to grant awards under our existing 2007 Equity Incentive Plan until its termination in February 2017. If and when our stockholders approve the 2016 Equity Plan, we will grant no further awards under the 2007 Equity Incentive Plan. As of March 10, 2016, there are 2,684,728 shares of our common stock remaining available for award under the existing 2007 Equity Incentive Plan. As of March 10, 2016, there were 59,802,570 shares of NCM, Inc. outstanding and 2,587,474 shares of unvested restricted stock outstanding. As of March 10, 2016, there were 2,700,803 options outstanding with a weighted average exercise price of \$16.61 per share and a weighted-average remaining contractual life of 4.6 years.

Burn Rate Analysis

The 2016 Equity Plan is substantially similar to our existing 2007 Equity Incentive Plan and we currently expect no significant changes to our historical equity award granting process or award levels from what we have made under the existing 2007 Equity Incentive Plan. We believe our burn rates for 2015 and the prior two years under the 2007 Equity Incentive Plan remain at reasonable levels as set forth in the table below.

Fiscal year	Time-based Restricted Stock and Restricted Stock Units	Performance-based Restricted Stock (at Target)	Total	Weighted average number of NCM, Inc. common shares outstanding	Burn Rate	Weighted average number of NCM LLC membership units outstanding	Fully Diluted Burn Rate
2015	790,445	499,740	1,290,185	58,979,508	2.19%	131,029,291	0.98 %
2014	564,776	354,274	919,050	58,709,534	1.57%	128,311,377	0.72 %
2013	259,827	658,721	918,548	56,014,404	1.64%	120,346,869	0.76 %
Three-Year Average					1.80%		0.82 %

Summary of Material Terms of the 2016 Equity Plan

The following discussion of the material features of the 2016 Equity Plan is qualified by reference to the text of the 2016 Equity Plan, a copy of which is attached to this proxy statement as Appendix A.

Purpose; Eligibility. The 2016 Equity Plan assists us in attracting, retaining, motivating and rewarding employees, directors and consultants, and promoting the creation of long-term value for our stockholders by aligning the interests of our executive and key staff members with those of our stockholders. The 2016 Equity Plan provides for the grant of options, stock appreciation rights, restricted stock, restricted stock units, performance awards and other stock-based and cash awards to directors, officers, employees, consultants and other individuals who perform services for us or for our affiliates. As of December 31, 2015, six independent directors (which excludes directors who are employees of our founding members) and six officers of National CineMedia, Inc., as well the approximately 628 employees of National CineMedia, LLC are eligible to participate in the 2016 Equity Plan when selected by the Committee to receive awards.

Share Reserve. Subject to adjustment for changes in capitalization, the maximum number of shares of our \$0.01 par value common stock, available for issuance under the 2016 Equity Plan shall be 4,400,000 shares, reduced by one share of Stock for each share of Stock granted pursuant to an award under the 2007 Equity Incentive Plan after the record date of March 10, 2016. Shares of our common stock remaining available for award under the existing 2007 Equity Incentive Plan will no longer be available for issuance (2,684,728 shares as of March 10, 2016) as of the effective date of the 2016 Equity Plan. The share reserve is subject to adjustment in the event of any stock dividend or split, reorganization, recapitalization, merger, share exchange or any other similar corporate event. Shares of Stock repurchased by the Company using stock option proceeds or with respect to stock-settled SARs will not be available for reissuance under the 2016 Equity Plan. Otherwise, for purposes of determining the number of shares remaining available for issuance under the 2016 Equity Plan, to the extent an award expires or is canceled, forfeited, or otherwise terminated without delivery to the participant of the full number of shares to which the award related, the undelivered shares will again be available for grant. Shares issued under the 2016 Equity Plan may be authorized and unissued shares or treasury shares.

The maximum number of shares that may be covered by an award payable in shares granted under the 2016 Equity Plan to any single participant in any calendar year cannot exceed 500,000 shares, excluding substituted awards. The maximum dollar amount that may be awarded to a single participant payable in cash in any calendar year cannot exceed \$5,000,000, excluding substituted awards.

Administration; No Repricing. The board of directors has designated the Compensation Committee of the board of directors (the "Committee") as the committee with authority to administer the 2016 Equity Plan. The Committee will administer the 2016 Equity Plan and approve those persons who will be granted awards and the amount, type and other terms and conditions of the awards. The Committee has full authority to administer the 2016 Equity Plan, including the authority to interpret and construe any provision in the plan and the terms of any award agreement and to adopt such rules and regulations for administering the plan that it may deem necessary or appropriate. The 2016 Equity Plan prohibits a reduction in the exercise or grant price of an option or stock appreciation right either by lowering the price or other amendment treated as a repricing, without the approval of our stockholders.

Significant Features of Incentive Awards. The following is a description of the significant terms that apply to each type of award issued under the 2016 Equity Plan:

·Options and Stock Appreciation Rights. Each option will entitle the holder to purchase a specified number of shares at a specified exercise price. Each option agreement will specify whether the option is an “incentive stock option” or “ISO” (within the meaning of Section 422 of the Code) or a nonqualified stock option (“NSO”). Each stock appreciation right (“SAR”) will entitle the holder to receive, upon exercise, the excess of the of the market value of a share at the time of the exercise over the base price of the SAR multiplied by the specified number of shares as to which the SAR is being exercised. The exercise or base price of each option and SAR cannot be less than 100% of the fair market value of a share on the date the award is granted (or, in the case of ISO grants to participants who hold more than 10% of the Company’s stock, 110% of the fair market value of a share on the grant date). The term of any option or SAR cannot exceed ten years (or, in the case of ISO grants to participants who hold more than 10% of the Company’s stock, five years), except for substituted awards, and the option or SAR will vest over a period determined by the Committee. Each option or SAR agreement will specify the consequences to the award with respect to a termination of service with us and our affiliates. Exercise is conditioned on the withholding of taxes, to the extent applicable.

The exercise price of an NSO or ISO shall be payable to the Company in full, in any method permitted under the award agreement, including: (i) in cash or in cash equivalents acceptable to the Company; (ii) by tendering unrestricted shares of stock already owned by the participant (for at least six (6) months or such other period as may be required by the Committee in order to comply with applicable law and to avoid adverse accounting consequences) on the date of exercise to the extent the shares of stock have a fair market value on the date of exercise equal to the aggregate exercise price of the shares as to which such NSO or ISO shall be exercised, provided that, in the case of an ISO, the right to make payment in the form of already owned shares of stock may be authorized only at the time of grant, (iii) any other method approved or accepted by the Committee in its sole discretion, including, but not limited to a cashless (broker-assisted) exercise (although limitations might apply to certain executive officers), or (iv) any combination of the foregoing.

At the discretion of the Committee, the payment upon exercise of an SAR may be in cash, shares of stock or any combination thereof, or in any other manner approved by the Committee in its sole discretion.

·Restricted Stock and Restricted Stock Units. The Committee may grant a restricted stock award, which is a grant of actual common shares subject to a risk of forfeiture and restrictions on transfer. The Committee may also grant an award of restricted stock units, a contractual commitment to deliver shares at a future date. Except as provided in the Plan or an award agreement, the restricted stock or the restricted stock units may not be sold, assigned or otherwise transferred until the end of the restriction period as specified by the Committee. The terms and conditions of any restricted stock award or award of restricted stock units will be determined by the Committee and such restrictions and limitations may include vesting requirements based upon the achievement of specific performance goals established by the Committee with respect to the grant of one or more awards under the 2016 Equity Plan. Participants holding restricted stock generally may vote the shares. The Committee may provide in an award agreement that the holder of restricted stock may receive any dividends paid. Participants holding shares of restricted stock units shall have no rights of stockholders. The Committee may provide in an award agreement that the holder of such restricted stock units shall be entitled to receive dividend equivalents.

·Other Stock-Based Awards. The Committee may grant other types of stock-based awards in such amounts and subject to such terms and conditions as the Committee determines.

·Performance Awards. The Committee may grant awards of performance shares or performance units to participants in such amounts and upon such terms as the Committee shall determine. The Committee determines the performance goals using one or more of the following measures.

- Cash flow
- Cost initiatives
- Earnings
- Earnings per share
- Economic profit
- Economic value added
- Enterprise value
- Free cash flow
- Margins (gross or net)
- Market share
- Market value
- Net income
- Operating income
- Return on assets
- Return on capital
- Return on equity
- Return on investment
- Revenue (gross or net)
- Stock price
- Strategic objectives
- Total stockholder return
- Debt ratios and other measures of credit quality or liquidity

The Committee may choose to establish and measure performance goals (a) in absolute terms, (b) in combination, (c) in relative terms, (d) on a per-share or per-capita basis, (e) on a company-wide, business-segment, or product basis, (f) on a pre-tax or after-tax basis, and/or (g) on a GAAP or non-GAAP basis. The Committee may also choose to exclude the effect of extraordinary or non-recurring items, changes in accounting rules, mergers and acquisitions or other items consistent with Section 162(m) of the Code. Performance goals and target levels can vary by participant and by performance period. The Committee sets each performance period, which may consist of one or more fiscal years or a portion of a fiscal year.

After the performance period ends, the Committee certifies in writing the extent to which the performance goals and any other material terms of the awards were satisfied. The amount of the award is determined by applying the formula to the level of actual performance certified by the Committee. The Committee has the discretion to reduce or eliminate (but not to increase) the amount of the award. To be eligible for payment of an award, the executive generally must be employed by us on the date the awards are paid unless otherwise approved by the Committee.

Dividends and Dividend Equivalents. The 2016 Equity Plan generally permits the Committee, in its discretion, to grant awards that include regular cash dividends or dividend equivalents on a current or a deferred basis with respect to shares covered by the award. In no case, however, may awards of Options or SARs be granted with dividend equivalents.

Change of Control; Changes in Capitalization. The 2016 Equity Plan includes a change of control provision that generally provides for accelerated vesting of outstanding awards if the awards are not assumed, continued or substituted and the participant's service is terminated by us or an affiliate without cause or by the participant for good reason within three months prior to or one year after the consummation of a change of control (as defined in the plan). The 2016 Equity Plan includes adjustments for certain changes in capitalization.

Tax Withholding. The 2016 Equity Plan provides that participants may elect to satisfy certain federal, state or local income and employment tax withholding requirements by (i) remitting to us cash or, subject to certain conditions, shares previously held by the participant, or (ii) instructing us to withhold shares otherwise deliverable to the participant.

Amendment and Termination . Our board of directors may amend, modify or terminate the 2016 Equity Plan in any respect, except that, to the extent that any applicable law, regulation or rule of a stock exchange requires stockholder approval for any revision or amendment to be effective, the revision or amendment will not be effective without stockholder approval. Unless sooner terminated by the board of directors, the 2016 Equity Plan will expire on April

28, 2026, ten years after the effective date. We will not make any grants under the 2016 Equity Plan after it expires, but awards outstanding at that time will continue in accordance with their terms.

Federal Income Tax Consequences

The following is intended only as a brief summary of the material U.S. federal income tax consequences of the 2016 Equity Plan. The tax consequences to a participant will generally depend upon the type of award issued to the participant. In general, if a participant recognizes ordinary income in connection with the grant, vesting or exercise of an award, we will be entitled to a corresponding deduction equal to the amount of the income recognized by the participant, subject to the limitations of Section 162(m) of the Code, if applicable. This summary does not address the effects of other federal taxes (including possible “golden parachute” excise taxes) or taxes imposed under state, local or foreign tax laws.

Incentive Stock Options. For federal income tax purposes, the holder of an ISO does not recognize taxable income at the time of the grant or exercise of the ISO. If such person retains the common stock for a period of at least two years after the ISO is granted and one year after the ISO is exercised, any gain upon the subsequent sale of the common stock will be taxed as a long term capital gain. A participant who disposes of shares acquired by exercise of an ISO prior to the expiration of two years after the ISO is granted or before one year after the ISO is exercised will recognize ordinary income or loss equal to the difference between the exercise price and fair market value of the stock as of the date of exercise. Any additional gain or loss recognized upon any later disposition of the shares would be short or long term capital gain or loss depending on whether the shares had been held by the participant for more than one year. If the stock resulting from the exercise of an ISO is not sold during the same calendar year in which the ISO was exercised, the difference between the option exercise price and the fair market value of the shares on the exercise date of an ISO is included as an adjustment in computing the holder’s alternative minimum taxable income and may be subject to an alternative minimum tax, which is paid if such tax exceeds the participant’s regular income tax for the year.

Non-statutory Stock Options and Stock Appreciation Rights. In general, a participant who receives an NSO or SAR generally will not recognize taxable income on the grant of such option or SAR but will recognize ordinary income at the time of exercise of the stock option or SAR equal to the difference between the option or SAR exercise price and the fair market value of the stock on the date of exercise. Any additional gain or loss recognized upon any later disposition of the shares would be short or long term capital gain or loss depending on whether the shares had been held by the participant for more than one year.

Restricted Stock. A participant acquiring restricted stock generally will recognize ordinary income equal to the fair market value of the shares on the “determination date.” The determination date is the date on which the participant acquires the shares unless the shares are subject to a substantial risk of forfeiture and are not freely transferable, in which case the determination date is the earlier of (i) the date on which the shares become freely transferable or (ii) the date on which the shares are no longer subject to a substantial risk of forfeiture. If the determination date is after the date on which the participant acquires the shares, the participant may elect, pursuant to Section 83(b) of the Code (a “Section 83(b) election”), to have the date of acquisition be the determination date by filing an election with the Internal Revenue Service no later than 30 days after the date on which the shares are acquired. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. Upon the sale of shares acquired pursuant to a restricted stock award, any gain or loss, based on the difference between the sale price and the fair market value on the determination date, will be taxed as capital gain or loss. Any dividends paid with respect to grants of restricted stock will be taxed in the year of payment as either compensation if a Section 83(b) election was not made, or as dividend income if it was made.

Restricted Stock Units. A participant generally will recognize no income upon the receipt of a restricted stock unit award. Upon the settlement of such an award, participants normally will recognize ordinary income in the year of receipt in an amount equal to the cash received and the fair market value of any substantially vested shares received. If the participant is an employee, such ordinary income generally is subject to withholding of income and

employment taxes. If the participant receives shares of restricted stock, the participant generally will be taxed in the same manner as described under “Restricted Stock.” A participant may not, however, make a Section 83(b) election with respect to restricted stock unit awards. Upon the sale of any shares received, any gain or loss, based on the difference between the sale price and the fair market value on the determination date (as defined under “Restricted Stock”), will be taxed as capital gain or loss.

Shares, Performance Units, and Other Stock-Based Awards. If an award is subject to a restriction on transferability and a substantial risk of forfeiture, the participant generally must recognize ordinary income equal to the fair market value of the transferred shares or amounts at the earliest time either the transferability restriction or

risk of forfeiture lapses. If an award has no restriction on transferability or is not subject to a substantial risk of forfeiture, the participant generally must recognize ordinary income equal to the cash or the fair market value of shares received. We can ordinarily claim a tax deduction in an amount equal to the ordinary income recognized by the participant, except as discussed below regarding Section 162(m) of the Code.

Income Tax Effects for our Company. We generally will be entitled to a tax deduction in connection with an award under the 2016 Equity Plan in an amount equal to the ordinary income recognized by a participant at the time the participant recognizes such income (for example, upon the exercise of an NSO or the vesting of restricted stock), except to the extent such deduction is limited by applicable provisions of the Code.

Section 409A. Section 409A of the Internal Revenue Code governs the federal income taxation of certain types of nonqualified deferred compensation arrangements. A violation of section 409A generally results in an acceleration of the recognition of income of amounts intended to be deferred and the imposition of a federal excise tax of 20% on the recipient of the award who is our employee over and above the income tax owed plus possible penalties and interest. The types of arrangements covered by section 409A are broad and may apply to certain awards available under the 2016 Equity Plan. As required by section 409A, certain nonqualified deferred compensation payments to specified employees may be delayed to the seventh month after such employee's separation from service.

Section 162(m). Section 162(m) generally provides that compensation paid to a “covered employee” in excess of \$1 million is not deductible by the corporation for federal income tax purposes. A covered employee generally includes the chief executive officer of the company at the end of the taxable year and an individual serving as an officer of the company or a subsidiary at the end of such year who is among the three highest compensated officers (other than the chief executive officer and the chief financial officer) for proxy statement reporting purposes. Compensation that qualifies as “performance-based” compensation for purposes of Section 162(m) is excluded from the \$1 million deduction limitation. The rules and regulations promulgated under Section 162(m) are complex, technical, and change from time to time, sometimes with retroactive effect. In addition, a number of requirements must be met in order for particular compensation to qualify as “performance-based” compensation for purposes of Section 162(m). We cannot assure you that any compensation awarded or paid under the 2016 Equity Plan will be deductible by us under all circumstances.

New Plan Benefits and Other Information

If our stockholders approve the 2016 Equity Plan, the new plan benefits for our named executive officers, the executive officer group, the non-executive director group and the non-executive officer employee group are not determinable. For information regarding prior awards made under the 2007 Equity Incentive Plan, see the Executive Compensation and Director Compensation Tables.

Shares issuable under the 2016 Equity Plan are shares of our common stock, \$0.01 par value per share. The closing price of a share of our common stock on March 10, 2016 was \$14.78.

Vote Required

The affirmative vote of the holders of a majority of the votes cast on this proposal is required to approve Proposal 3.

Recommendation

Our board of directors recommends that stockholders vote FOR Proposal 3. If not otherwise specified, proxies will be voted FOR approval of the National CineMedia, Inc. 2016 Equity Incentive Plan.

EQUITY COMPENSATION PLAN

The following table sets forth, as of December 31, 2015, information for all equity compensation plans under which our equity securities were authorized for issuance. More recent information as of March 10, 2016 is included in Proposal 3 above.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)	
			(2)	(3)
Equity compensation plans approved by security holders	3,470,748	(1) \$ 16.60	(2) 3,636,589	(3)
Equity compensation plans not approved by security holders	—	—	—	
Total	3,470,748	\$ 16.60	3,636,589	

(1) Includes 2,707,752 stock option grants; 56,628 restricted stock units; 240,141, 171,872 and 294,355 for additional shares for the 2015, 2014 and 2013 performance-based restricted stock grants, respectively, that may be issued assuming the highest level of performance is achieved (150%). Actual results could vary from estimates, especially in the later years included in the three-year projections.

(2) Restricted stock awards are excluded as there is no exercise price for these awards.

(3) Represents remaining shares of our common stock available for issuance under the Equity Incentive Plan. The most recent amendment to the Equity Incentive Plan was approved by our stockholders on May 1, 2013.

PROPOSAL 4

RATIFICATION OF INDEPENDENT AUDITORS

A resolution will be presented at the Annual Meeting to ratify the appointment by the Audit Committee of the firm Deloitte & Touche LLP as independent auditors, to audit our financial statements for the 2016 fiscal year ending December 29, 2016, and to perform other approved accounting services.

Although current law, rules and regulations, as well as the charter of the Audit Committee, require the Audit Committee to appoint, retain, and supervise our independent auditors, our board of directors considers the selection of our independent auditors to be an important matter of stockholder concern and is submitting the selection of Deloitte & Touche LLP for ratification by stockholders as a matter of good corporate practice. If the stockholders do not ratify the selection of Deloitte & Touche LLP as our independent auditors, the Audit Committee will reconsider whether to retain Deloitte & Touche LLP. Even if the selection of Deloitte & Touche LLP is ratified, the Audit Committee in its discretion may direct the appointment of different independent auditors at any time during the year if it determines that such a change would be in the best interest of the Company and its stockholders.

Deloitte & Touche LLP served as our independent registered public accounting firm for our 2015 fiscal year. Representatives of Deloitte & Touche LLP are expected to be present at our Annual Meeting, will have the opportunity to make a statement if they wish to do so, and will be available to respond to appropriate questions.

Fees Paid to Independent Auditors

We paid Deloitte & Touche LLP, the Company's independent registered public accounting firm for fiscal years 2015 and 2014, the following amounts:

	2015	2014
Audit Fees (1)	\$ 853,000	\$ 843,200
Audit Related Fees (2)	171,000	414,620
Total Audit and Related Fees	1,024,000	1,257,820
Tax Fees	—	—
All Other Fees	—	—
Total Fees	\$ 1,024,000	\$ 1,257,820

(1) Includes consent fees of \$20,000 and \$40,000 for fiscal years 2015 and 2014, respectively.

(2) In 2015, audit related fees consisted of assistance with debt offerings and periodic filings for our founding members, all of which was reimbursed to the Company by the founding members. In 2014, audit related fees consisted primarily of services provided for Screenvision merger planning and due diligence (\$259,620) and assistance with a debt offering and periodic filings for our founding members (\$155,000), which was reimbursed to the Company by the founding members.

Pre-Approval Policies and Procedures

All auditing services, internal control-related services, and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by our independent auditors must be approved by the Audit Committee in advance, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the Audit Committee prior to the completion of the audit. The Audit Committee

may form and delegate authority to subcommittees consisting of one or more of its members or may delegate authority to one or more members, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that all decisions to grant pre-approvals pursuant to such delegated authority will be presented to the entire Audit Committee at its next scheduled meeting. Effective with the completion of our initial public offering in February 2007, all of our independent auditors' services were pre-approved by the Audit Committee.

Vote Required

The affirmative vote of the holders of a majority of the votes cast on this proposal is required to approve Proposal 4.

Recommendation

The board of directors recommends that stockholders vote FOR Proposal 4.

AUDIT COMMITTEE REPORT

The charter of the Audit Committee specifies that the purpose of the Committee is to assist the board in the oversight of management's processes and activities relating to the following:

- maintaining the reliability and integrity of our accounting policies, financial reporting practices and financial statements;
- the independent auditor's qualifications and independence;
- the performance of our internal audit function and independent auditor; and
- confirming compliance with laws and regulations, and the requirements of any stock exchange or quotation system on which our securities may be listed.

As part of fulfilling its responsibilities, the Audit Committee reviewed and discussed the audited consolidated financial statements of NCM, Inc. for fiscal year ended December 31, 2015 with management and discussed those matters required by Auditing Standard No. 16, Communications with Audit Committees (as amended), as well as all other matters required to be discussed with Deloitte & Touche LLP, our independent registered public accounting firm. The Audit Committee received the written disclosures and the letter from Deloitte & Touche LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding Deloitte & Touche LLP's communications with the Audit Committee concerning independence, and has discussed that firm's independence with representatives of the firm with respect to NCM, Inc.

Based upon the Audit Committee's review of the audited consolidated financial statements and its discussions with management and Deloitte & Touche LLP, the Audit Committee recommended that the board of directors include the audited consolidated financial statements for the fiscal year ended December 31, 2015 in NCM, Inc.'s Annual Report on Form 10-K filed with the SEC.

Audit Committee of National CineMedia, Inc.

David R. Haas, Chairman

Thomas F. Lesinski

Scott N. Schneider

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the “Compensation Discussion and Analysis” included elsewhere in this report with management and, based on such review and discussions, the Compensation Committee recommended that the board of directors include such disclosure for the fiscal year ended December 31, 2015 in NCM, Inc.’s Annual Report on Form 10-K and Proxy Statement filed with the SEC.

Compensation Committee of National CineMedia, Inc.

Lawrence A. Goodman, Chairman

David R. Haas

Stephen L. Lanning

Paula Williams Madison

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

We do not have any interlocking relationships between any member of our Compensation Committee and any of our executive officers that would require disclosure under the applicable rules promulgated under the U.S. federal securities laws.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This Compensation Discussion and Analysis (“CD&A”) explains the executive compensation program for the following individuals, who are referred to as the “Named Executive Officers” (“NEOs”).

- Kurt C. Hall – Former President, Chief Executive Officer and Chairman (our CEO until January 1, 2016)
 - Clifford E. Marks – President of Sales & Marketing
 - David J. Oddo – Senior Vice President, Finance and Interim Co-Chief Financial Officer (our principal financial officer)
 - Jeffrey T. Cabot – Senior Vice President, Controller and Interim Co-Chief Financial Officer (our principal accounting officer)
 - Ralph E. Hardy – Executive Vice President and General Counsel
 - Alfonso P. Rosabal – Executive Vice President, Chief Operations Officer and Chief Technology Officer
- Mr. Andrew J. England became our Chief Executive Officer effective January 1, 2016. His compensation levels are provided in the “Compensation Decisions for 2016” section.

Executive Summary

Fiscal Year 2015 Performance. For fiscal year 2015, the Company reported record revenue and Adjusted OIBDA derived from advertising. Revenue increased 13.3% compared to fiscal year 2014. The increase in revenue was primarily due to 19.6% increase in national advertising revenue primarily due to the impact of higher utilization and pricing. A 10.5% increase in local and regional advertising revenue, partially offset by a 21.9% decrease in founding member advertising revenue from beverage concessionaire agreements also contributed to overall revenue growth. The following table summarizes the key fiscal 2015 financial metrics on which the Company based its executive compensation.

Fiscal 2015 Performance Measures (in millions) (1)

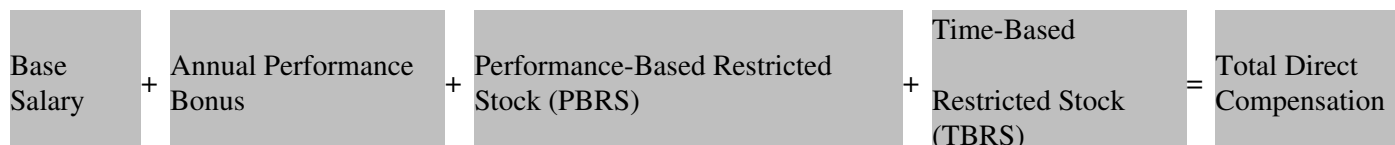
	Target	Actual	Achievement relative to target
Adjusted OIBDA for compensation purposes	\$ 185.1	\$ 203.4	109.9% of targeted Adjusted OIBDA for compensation purposes
Adjusted advertising revenue	\$ 396.2	\$ 417.4	105.3% of Adjusted advertising revenue target
Technology and Operations operating expenditures	\$ 24.6	\$ 24.3	Under-spent target by 1.2%
Technology and Operations capital expenditures	\$ 13.0	\$ 11.8	Under-spent target by 9.2%

(1)

Refer to “Annual Performance Bonus” below for additional details on the Executive Performance Bonus Plan, Adjusted OIBDA for Compensation Purposes and adjusted advertising revenue, which are non-GAAP measures. See “Definitions of Performance Measures Used in Incentive Plans in Fiscal 2015” below for the definitions of Adjusted OIBDA for Compensation Purposes and adjusted advertising revenue and the reconciliations to the closest GAAP based measurement. Fiscal 2015 targets were set to reflect growth over fiscal 2014 actual results.

Payouts under our compensation program are directly aligned with these results, as discussed under the Pay-for-Performance Alignment section.

Elements of 2015 Compensation Program. Our Compensation Committee believes that the Company's compensation policies and procedures are aligned with the short-term and long-term interests of our stockholders and are designed to attract, motivate, reward and retain superior talent who are critical to our long-term growth and profitability. The 2015 Compensation Program consists of the following pay elements:



The design for the Annual Performance Bonus and Long-Term Incentive Plan was generally maintained from the 2014 Compensation Program, based on the Compensation Committee's assessment that the compensation program continued to align with the Company's business and compensation objectives.

Pay Mix. We believe the mix of annual and long-term incentives, and the mix of cash and equity awards are balanced, emphasize Company performance and do not motivate imprudent risk-taking. The following charts present the elements of compensation as a percentage of total target direct compensation for fiscal year 2015, computed using the annual salary, target annual performance bonus (assuming 100% achievement) and grant date fair value of PBRS and TBRS. The first chart presents the compensation elements for our CEO, Kurt C. Hall. The NEOs included in the second chart are Messrs. Marks, Oddo, Cabot, Hardy and Rosabal.

Fiscal Year 2015 Compensation Mix

(a) Approximately 64% of Mr. Hall's compensation is performance-based and approximately 79% of his compensation is variable, which represents the performance-based elements and time-based restricted stock.

(b) Approximately 50% of all other NEOs' compensation is performance-based and approximately 77% of their compensation is variable, which represents the performance-based elements and time-based restricted stock. Pay-for-Performance Alignment. The Compensation Committee believes that having a large percentage of executive officers' pay as performance-based compensation ensures their interests are aligned with those of our stockholders. Consistent with our compensation program design, our compensation program results for the 2015 fiscal year were aligned with the Company's financial results. The fiscal year 2015 annual performance bonuses paid out above target as described in greater detail in "Fiscal 2015 Executive Performance Bonus Plan Payments". PBRs paid out below target for the 2013-2015 performance period, as described in greater detail in "Long-Term Incentives". The link between the realizable compensation of our CEO and indexed TSR is shown in the following graph.

- (1) All categories are captured as shown in the Summary Compensation Table, except for equity incentive plan compensation and associated dividends, which are captured as of the year paid. Equity plan compensation is computed as the value of restricted stock actually vested based on performance each year, and the in-the-money value of options that vested during each year, based on the closing stock price at fiscal year-end. Dividends which are included in All Other Compensation are computed as the value of dividends paid on vested restricted stock awards, rather than accrued.
- (2) TSR is computed based on stock price growth and dividends reinvested, assuming \$100 was invested on December 29, 2011.

Shareholder Say-on-Pay Vote and Company Response

In establishing and recommending 2016 compensation for the Company's NEOs, the Compensation Committee considered the results of the say-on-pay vote at the 2015 Annual Meeting of Stockholders. At that meeting, our stockholders approved our executive compensation for the 2014 fiscal year with approximately 98% of the votes cast in favor. Our board of directors recognizes that executive compensation is an important matter of stockholder concern and takes stockholder views into account when reviewing the compensation program throughout the year. The Compensation Committee considered the results of the advisory approval and as such generally maintained the overall composition of executive compensation for the 2015 fiscal year.

Other Policies

Adoption of Share Ownership Guidelines

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

Position	Minimum Share Ownership Level
President, Chief Executive Officer and Chairman	Lesser of: 3 times base salary or 140,000 shares
President of Sales and Executive Vice Presidents	Lesser of: 1 times base salary or 20,000 shares
Non-Employee Independent Directors	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 in violation of Company policy.

Clawback Policy

We adopted a "clawback" policy in 2013 addressing the adjustment or recovery of awards or payments if the relevant performance measures upon which they are based are restated or otherwise adjusted in a manner that would reduce the

size of an award or payment. This policy, also known as a “clawback” policy, applies to all of our executive officers, including the NEOs. Under the policy, we may recover any incentive compensation paid to an executive officer of our company in the event of a material negative accounting restatement of our financial statements due to material noncompliance by our company with any financial reporting requirement under the securities laws. If the board of directors determines that any current or former executive officer has engaged in fraud or intentional misconduct that caused the error that, directly or indirectly, resulted in the financial restatement, the board of directors may require reimbursement or forfeiture of any annual or long-term cash bonus or any equity compensation award earned with respect to the period covered by the restatement by such executive officer.

Detailed Discussion & Analysis

Compensation Philosophy

The primary goals of our Compensation Committee with respect to executive compensation are to:

- review the competitiveness of executive cash compensation and equity grant levels compared to a select peer group of companies, using the 50th percentile as a reference point for setting compensation;
- provide shorter term cash incentives primarily for achieving specified annual performance objectives;
- provide a mix of long-term equity incentives that are performance- and time-based to promote stock price growth, retention and ownership through achievement of long-term financial performance goals; and
- establish and monitor appropriate pay and performance relationships.

To achieve these goals, we intend to maintain a compensation structure that provides rewards for high performance and value creation for our stockholders (including the founding members).

Role of Compensation Consultant and CEO in Determining Executive Compensation

Our former CEO had substantial input in 2015 in determining executive compensation other than his own and made all of the recommendations for the other five NEOs that were ultimately approved by the Compensation Committee.

In 2015, the Compensation Committee engaged ClearBridge, a nationally recognized consulting firm, to serve as an independent consultant on executive compensation matters. ClearBridge assessed the competitiveness of pay for the executive officers and provided independent advice and recommendations to the Compensation Committee regarding executive compensation. The Compensation Committee determined that ClearBridge is independent from the Company.

As part of its review, ClearBridge considered base salary, annual performance bonus, total cash compensation (combined salary and annual performance bonus), long-term incentives, and total direct compensation. ClearBridge reviewed and recommended a peer group for pay comparison for our executive officers comprised of companies that are domestic, publicly-traded, of comparable size to NCM, Inc., and in relevant industries (i.e., in advertising, media and entertainment industries, or software technology-based companies in media-related industries). The Compensation Committee reviewed and approved the peer group.

Our Compensation Committee believes that peer group comparisons are useful to measure the competitiveness of our compensation practices and uses the information provided by the compensation consultant to guide its decision making. Although the Compensation Committee references the 50th percentile of the peer group's pay levels, specific positioning for each NEO is determined on a case-by-case basis.

The following peer companies were used in our competitive analysis for fiscal 2015 decisions:

comScore, Inc.	Outfront Media Inc.
Crown Media Holdings, Inc.	QuinStreet, Inc.
Digital River, Inc.	SeaChange International, Inc.
DreamWorks Animation SKG, Inc.	Sinclair Broadcast Group, Inc
Harte Hanks, Inc.	TiVo Inc.
IMAX Corp.	ValueClick Inc.
Lamar Advertising Company	WebMD Health Corp.

In fiscal 2016, Pandora Media, Inc., Media General, Inc. and Global Eagle Entertainment Inc. were added to the peer group. Five companies were removed from the peer group: ValueClick, Inc., Digital River Inc., QuinStreet, Inc., SeaChange International Inc. and Sinclair Broadcast Group Inc. due to acquisitions or size.

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2015 Compensation

Provided below is a summary of the key elements of our 2015 compensation program.

Component	Description	Purpose
Base Salary	Fixed cash component	Reward for level of responsibility, experience and sustained individual performance
Annual Performance Bonus	Cash performance bonus based on achievement of pre-determined performance goals	Reward team and individual achievement against specific objective financial goals
Long-Term Incentives	Equity grants in 2015 consisted of: <ul style="list-style-type: none"> · Performance-based restricted shares · Time-based restricted shares 	Reward for the creation of stockholder value and retain executives for the long-term
Other Compensation	A matching contribution to our defined contribution 401(k) plan and various health, life and disability insurance plans; dividend equivalents accrued on restricted stock and other customary employee benefits.	Provide an appropriate level of employee benefit plans and programs
Potential Payments Upon Termination or Change in Control	Contingent in nature. Amounts are payable only if employment is terminated as specified under each employment agreement. No excise tax gross-ups are provided.	Provide an appropriate level of payment in the event of a change in control or termination
Other Policies	Stock Ownership Guideline policy Clawback policy Insider trading policy, which includes anti-hedging and anti-pledging policies	Enhance alignment with stockholder interests

Specific compensation decisions made in 2015 are described below.

Base Salary. Base salaries for our executives were established based on the scope of their responsibilities, taking into account the internal value and importance of the role, experience and seniority of the individual, our ability to replace the individual, peer salary levels, and other primarily subjective factors deemed relevant by the Compensation

Committee.

Base salaries are reviewed annually by the Compensation Committee and the board, and may be adjusted from time to time pursuant to such review and/or in accordance with guidelines contained in the various employment agreements.

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The base salaries of our NEOs in 2015 compared to 2014 as of the end of the fiscal year were as follows.

Name	2014 Base Salary	2015 Base Salary	Percentage Change	
Kurt C. Hall (1)	\$ 780,434	\$ 796,042	2.0	%
Clifford E. Marks	\$ 752,561	\$ 825,000	9.6	%(2)
David J. Oddo	\$ 176,269	\$ 179,794	2.0	%
Jeffrey T. Cabot	\$ 197,219	\$ 201,163	2.0	%
Ralph E. Hardy	\$ 292,375	\$ 298,222	2.0	%
Alfonso P. Rosabal, Jr.	\$ 268,400	\$ 341,000	27.0	%(3)

(1) Mr. Hall resigned as CEO effective January 1, 2016.

(2) Mr. Marks received a 2% increase in January 2015 and further 7.5% increase in April 2015 in recognition of his outstanding past performance and importance to the Company in the future.

(3) Mr. Rosabal received a 27% salary increase in January 2015 due to a reallocation in the mix of pay elements to better align his compensation with the compensation of other senior operating and technology executives at our peer companies. Specifically, Mr. Rosabal's total direct compensation (salary, bonus and restricted stock) increased by 2%, with a shift in pay mix from restricted stock to salary, resulting in a 27% salary increase and a 10% reduction in restricted stock grant value.

For 2015, we believe salary was within a market competitive range versus our competitors.

Annual Performance Bonus. Annual performance bonuses are intended to compensate executives for achieving financial goals that support our annual operational and strategic goals. The annual performance bonus for NEOs are awarded under the Executive Performance Bonus Plan that was approved by stockholders on May 1, 2013 and is expected to continue for five years.

The target percentages for our NEOs were established based on the responsibility, experience and seniority of the individual. We believe our annual bonuses, in combination with base salaries, deliver competitive total cash compensation. In addition, we believe rewarding our executives for achievement of our financial goals is consistent with the practice of aligning their interests with our stockholders. A stretch bonus is further incentive for our executive officers to exceed operating budgets and thus further increase our equity value.

Payments of performance bonuses are objectively calculated based on the achievement of specific financial targets for each NEO. The objective financial factors are consistent with the metrics used in previous years and represent the metrics the Compensation Committee believes may best encourage sound decisions regarding operations and investment of capital and are important to our goal of increasing the value of our equity. Performance measures are specifically defined in the "Definitions of Performance Measures Used in Incentive Plans in Fiscal 2015" section below.

Our annual performance bonus traditionally has been paid in a single payment in the first quarter following the completion of a given fiscal year. Payments are subject to review, approval and certification by the Compensation Committee in conjunction with the issuance of our annual audit report.

Our performance weightings by individual pursuant to the Executive Performance Bonus Plan are as follows.

Fiscal 2015 Executive Performance Bonus Plan Summary

Name	Performance Measure Weightings				Stretch Bonus (4)
	Up to 100% of Target Bonus Adjusted				
	OIBDA for Adjusted				Adjusted
	Compensation Purposes				OIBDA for Compensation
	Technology and Operations operating and capital expenditures budget (3)				
	revenue				Purposes
	(1)	(2)			
Kurt C. Hall	100%	0	%	0	% 100 %
Clifford E. Marks	0	%	100	%	0 % 100 %
David J. Oddo	100%	0	%	0	% 100 %
Jeffrey T. Cabot	100%	0	%	0	% 100 %
Ralph E. Hardy	100%	0	%	0	% 100 %
Alfonso P. Rosabal, Jr.	75	%	0	%	25 % 100 %

(1) The performance bonus potential is based on the percentage of Adjusted OIBDA for Compensation Purposes (defined in the “Definitions of Performance Measures Used in Incentive Plans in Fiscal 2015” below) target achieved as follows. Straight line interpolation is applied to performance between the levels shown.

Percentage of Adjusted OIBDA for Compensation Purposes Achieved	% of Target Bonus
Less than 80%	0%
80%	25%
95%	90%
100%	100%

(2) The performance bonus potential is based on the percentage of advertising revenue (defined in “Definitions of Performance Measures Used in Incentive Plans in Fiscal 2015” below) target achieved as follows. Straight line interpolation is applied to performance between the levels shown.

Percentage of Adjusted Advertising Revenue Target Achieved	% of Target Bonus
Less than 80%	0%
80%	50%
90%	80%
95%	90%
100%	100%

- (3) No performance bonus is payable for 25% of Mr. Rosabal's award if the actual annual operating expenditures and capital expenditures, including any capitalized overhead, on an aggregate basis exceed 100% of budget.
- (4) The 2015 Stretch Bonus potential is 50% of the product of (a) the performance bonus paid times (b) the percentage obtained by dividing (i) the percentage that Adjusted OIBDA for Compensation Purposes is in excess of budget (capped at 10% and expressed as a whole number) by (ii) 10.

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Actual fiscal year 2015 performance results were as follows.

Fiscal 2015 Performance Results

(in millions)

Fiscal 2015 Performance Measures (in millions) (1)

	Target	Actual	Achievement relative to target
Adjusted OIBDA for compensation purposes	\$ 185.1	\$ 203.4	109.9% of targeted Adjusted OIBDA for compensation purposes
Adjusted advertising revenue	\$ 396.2	\$ 417.4	105.3% of Adjusted advertising revenue target
Technology and Operations operating expenditures	\$ 24.6	\$ 24.3	Under-spent target by 1.2%
Technology and Operations capital expenditures	\$ 13.0	\$ 11.8	Under-spent target by 9.2%

(1) Adjusted OIBDA for Compensation Purposes and adjusted advertising revenue are non-GAAP measures. See “Definitions of Performance Measures Used in Incentive Plans” below for the definitions of Adjusted OIBDA for Compensation Purposes and adjusted advertising revenue and the reconciliations to the closest GAAP basis measurement.

Resulting bonus payouts for fiscal year 2015 were as follows.

Fiscal 2015 Executive Performance Bonus Plan Payments

The awards under the Executive Performance Bonus Plan were determined in accordance with the Company’s actual performance compared to our internal targets. We believe the amounts paid under the Executive Performance Bonus Plan are appropriate in light of the achievement relative to the financial targets. The following table provides details about each component of the “Non-Equity Incentive Plan Compensation” column of the Fiscal 2015 Summary Compensation Table for Messrs. Hall, Marks, Oddo, Cabot, Hardy, and Rosabal.

Performance Results

Name	Performance Bonus			Total Award Amount	Stretch Bonus			Total Award Amount	Total Non-Equity Incentive Compensation
	Target as a % of Salary (1)	Actual Achievement as a % of Target	Actual Award as a % of Target		Target as a % of Salary (1)	Actual Achievement as a % of Target	Actual Award as a % of Target		
Kurt C. Hall	100%	100%	100%	\$ 796,042	50%	99.3%	99.3%	\$ 395,235	\$ 1,191,277
Clifford E. Marks	100%	100%	100%	\$ 802,182	50%	99.3%	99.3%	\$ 398,283	\$ 1,200,465
David J. Oddo	50%	100%	100%	\$ 89,897	25%	99.3%	99.3%	\$ 44,634	\$ 134,531
Jeffrey T. Cabot	50%	100%	100%	\$ 100,582	25%	99.3%	99.3%	\$ 49,939	\$ 150,521

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Ralph E. Hardy	75%	100%	100%	\$223,667	37.5%	99.3%	99.3%	\$111,050	\$334,717
Alfonso P. Rosabal, Jr.	75%	100%	100%	\$255,750	37.5%	99.3%	99.3%	\$126,980	\$382,730

(1) Percentage of base salary determined at the end of our 2015 fiscal year (December 31, 2015).

Long-Term Incentives (LTI). We believe that creating long-term value for our stockholders is achieved, in part, by aligning the interests of our executive officers with those of our stockholders. We grant awards under our stockholder approved equity incentive plan, the National CineMedia, Inc. 2007 Equity Incentive Plan as amended and restated, which we refer to as the “Equity Incentive Plan.”

All grants under the Equity Incentive Plan to our executive officers are approved by the Compensation Committee at its first meeting of the fiscal year, although grants could be made at any time at the discretion of our Compensation Committee, generally related to promotions or other merit-related reasons.

For 2015, the Committee decided to continue to grant the following LTI vehicles:

- PBRs: Aligns executives with the long-term financial goals of the Company. PBRs vest based upon the achievement of cumulative 2015-2017 “Free Cash Flow” goals, as defined in “Definitions of Performance Measures Used in Incentive Plans in Fiscal 2015”.

- TBRs: Promotes retention objectives, stock ownership in the Company, and a more direct alignment of the executives’ interests with stockholders’ interests. TBRs vest ratably over a 3-year period.

On January 21, 2015, the Compensation Committee granted PBRs and TBRs to Messrs. Hall, Marks, Oddo, Cabot, Hardy and Rosabal, as follows. Mr. Marks also received a grant on April 10, 2015, of 9,422 shares of PBRs and 6,282 shares of TBRs, which is included in the following table, in recognition of his outstanding past performance and importance to the Company in the future.

Name	2015 Restricted Stock Awards PBRs			TBRs			Total	
	% of Total LTI	Target Grant Date Fair Value	Target Number of Shares Granted (1)	% of Total LTI	Grant Date Fair Value	Number of Shares Granted	Total Grant Date Fair Value	Total Number of Target Shares
Kurt C. Hall (2)	75%	\$ 1,593,757	108,198	25%	\$ 531,252	36,066	\$ 2,125,009	144,264
Clifford E. Marks (3)	60%	\$ 1,301,413	87,590	40%	\$ 867,619	58,394	\$ 2,169,032	145,984
David J. Oddo (3)	25%	\$ 101,136	6,866	75%	\$ 303,409	20,598	\$ 404,545	27,464
Jeffrey T. Cabot (3)	25%	\$ 100,576	6,828	75%	\$ 301,744	20,485	\$ 402,320	27,313
Ralph E. Hardy (3)	60%	\$ 357,865	24,295	40%	\$ 238,582	16,197	\$ 596,447	40,492
Alfonso P. Rosabal, Jr. (3)	60%	\$ 545,997	37,067	40%	\$ 363,993	24,711	\$ 909,990	61,778

(1) Reflects the target number of shares that will vest if actual cumulative Free Cash Flow equals 100% of the three-year cumulative Free Cash Flow target. PBRs are scheduled to vest based on the scale shown below.

(2) Pursuant to Mr. Hall’s Consulting Agreement, effective upon his resignation as CEO on January 1, 2016, Mr. Hall’s PBRs was modified such that it is no longer subject to the performance conditions and will vest ratably over the same 3-year period as the TBRs.

(3) Mr. Oddo and Mr. Cabot received 25% PBRs and 75% TBRs due to their position as Senior Vice Presidents.

Messrs. Marks, Hardy and Rosabal received 60% PBRs and 40% TBRs due to their positions as President of Sales and Marketing in the case of Mr. Marks and Executive Vice Presidents in the case of Mr. Hardy and Mr. Rosabal. Results for Performance-Based Restricted Stock with Measurement Periods Ended December 31, 2015. The 2013 PBRs were scheduled to vest based upon achievement of the actual cumulative “Free Cash Flow” target at the end of the three-year measurement period ending December 31, 2015. The 2013 PBRs vest according to the scale shown below. Straight line interpolation is applied to Free Cash Flow performance between the levels shown to determine the corresponding payout.

Free Cash Flow - % of Target	Award Vesting % of Target Shares
<85%	0%
85%	25%
100%	100%
≥110%	150%

On all PBRS, dividends accrue and are paid upon vesting for those shares earned. In the event that shares are not earned, accrued dividends on those shares are not paid.

The PBRS vested as shown below.

Performance Measure (in millions)	Target	Actual	Achievement Relative to Target	Vesting %
2013 grant three-year cumulative Free Cash Flow (a)	\$ 714.4	\$ 635.9	89.0%	45.1%

(a)“Free Cash Flow” is a non-GAAP measure. See “Definitions of Performance Measures Used in Incentive Plans” below for the definition of Free Cash Flow and the reconciliations to the closest GAAP basis measurement. The following table shows the number of shares vested and accrued dividends paid for our NEOs for the performance-based restricted stock with the measurement period ended December 31, 2015.

	Number of Shares Awarded on January 15, 2013	Total Vesting on February 25, 2016	Accrued Dividends (1)
Kurt C. Hall (2)	96,710	21,808	\$ 68,477
Clifford E. Marks	92,349	41,649	\$ 130,778
David J. Oddo	2,871	4,676	\$ 13,567
Jeffrey T. Cabot	5,933	4,366	\$ 13,337
Ralph E. Hardy	25,115	11,326	\$ 35,564
Alfonso P. Rosabal, Jr.	30,541	13,773	\$ 43,247

(1)As a result of the level of achievement of the 2013 award which vested on February 25, 2016, accrued dividends were paid on March 8, 2016.

(2)Pursuant to Mr. Hall’s Separation and General Release Agreement, effective upon his resignation as CEO on January 1, 2016, 50% of Mr. Hall’s PBRS that was granted on January 15, 2013 was modified such that it was no longer subject to the performance conditions and vested in accordance with the TBRS vesting schedule on January 16, 2016. Therefore, only 48,355 shares were subject to the performance conditions.

Compensation Decisions for 2016

Below is information about compensation decisions made in early 2016 for our NEOs, except for Mr. Hall who resigned on January 1, 2016. The following also provides information for Mr. England, our CEO effective January 1, 2016.

Base Salary. The Compensation Committee reviewed executive compensation in January 2016 and decided to increase the base salary by a cost of living adjustment of 2% for each of Messrs. Marks, Oddo, Cabot and Hardy which is consistent with the average increases given to the majority of employees. Mr. Rosabal received a 20% increase in base salary. Mr. Rosabal’s total direct compensation (salary, bonus and long-term incentives) increased 2% with a shift in pay mix from long-term incentives to salary to better align his compensation with the compensation of other executives at the Company’s peer companies. Specifically, Mr. Rosabal received a 20% increase in salary and a

10% reduction in long-term incentive value. Mr. England's base salary for 2016 was set at \$750,000.

Annual Performance Bonus. The process for setting the financial targets for 2016 was consistent with previous years as part of the annual budget review and approval. The Compensation Committee approved a change in the performance measures for the annual performance bonus for all NEOs to align the team to work toward the same objectives. For 2016, the annual performance bonus for all NEOs will be based 50% on achievement of Adjusted OIBDA for compensation purposes targets and 50% on adjusted advertising revenue targets. The stretch bonus for achievement above 100% of the target bonus continues to be based 100% upon Adjusted OIBDA for compensation purposes for all NEOs.

Long-Term Incentives. The Compensation Committee granted standard LTI awards in the form of PBRS and TBRS to each of the NEOs based on generally the same design as the 2015 LTI program, as the Compensation Committee believed the program continued to align with the Company's business and compensation objectives.

The 2016 long-term incentive grant was made in consideration of several factors, including current role, individual performance, potential company performance and market positioning, among other factors. Specific details for awards granted on January 20, 2016 are provided below. The Compensation Committee granted Mr. England a new hire grant, equivalent to \$750,000, effective on his commencement of employment on January 1, 2016 in addition to the PBRS and TBRS grant shown below. The new hire grant, which is not included in the table below, consists of 48,109 shares of TBRS that vest ratably over a 3-year period.

Name (4)	2016 Restricted Stock Awards (1) PBRS (2)		TBRS (3)			Total		
	% of Total LTI	Target Grant Date Fair Value of Shares Granted	Target Number of Shares Granted (5)	% of Total LTI	Grant Date Fair Value of Shares Granted	Number of Shares Granted	Total Number of Shares Granted	Total Grant Date Fair Value of Shares Granted
Andrew J. England	75%	\$ 1,125,000	74,950	25%	\$ 374,995	24,983	99,933	\$ 1,499,994
Clifford E. Marks	60%	\$ 1,388,470	92,503	40%	\$ 925,652	61,669	154,172	\$ 2,314,122