

TIME WARNER CABLE INC.

Form DEF 14A

April 20, 2009

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
(Rule 14a-101)  
Information Required in Proxy Statement  
Schedule 14A Information  
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

**Time Warner Cable Inc.  
(Name of Registrant as Specified In Its Charter)**

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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April 20, 2009

Dear Stockholder:

We cordially invite you to attend Time Warner Cable Inc.'s annual meeting of stockholders. We also welcome our new stockholders who received Time Warner Cable shares as a result of the recent spin-off of our company from Time Warner Inc. The meeting will be held on Wednesday, June 3, 2009, at 11:00 a.m. at the Company's Mid-Ohio Technical Operations Center at 3760 Interchange Road, Columbus, Ohio 43204. A map with directions to the meeting is provided on the back cover of the Proxy Statement.

As a stockholder, you will be asked to vote on a number of important matters, which are listed in the Notice of Annual Meeting of Stockholders. The Board of Directors recommends a vote **FOR** the proposals listed as items 1 and 2 in the Notice.

We are again this year taking advantage of Securities and Exchange Commission rules that allow companies to furnish proxy materials to their stockholders on the Internet. We believe that these rules allow us to provide our stockholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of producing and distributing materials for our annual meeting. Under these new rules, you can vote in several ways. Instructions are provided in our communications to you. If you received a Notice of Internet Availability of Proxy Materials in the mail, you can vote over the Internet, or, if you request printed copies of the proxy materials by mail, you also can vote by mail or by telephone.

If you are planning to attend the annual meeting in person, because of security procedures, **you will need to register in advance to gain admission to the meeting.** You can register by calling 1-866-892-8925 by June 2, 2009. In addition to registering in advance, you will be required to present government-issued identification (*e.g.*, driver's license or passport) to enter the meeting. The meeting also will be audiocast live on the Internet at [www.timewarnercable.com/investors](http://www.timewarnercable.com/investors).

I look forward to greeting those of you who are able to attend the annual meeting.

Sincerely,

Glenn A. Britt  
*Chairman, President and  
Chief Executive Officer*

**PLEASE PROMPTLY SUBMIT YOUR PROXY**

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Time Warner Cable Inc.  
60 Columbus Circle  
New York, NY 10023

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

The Annual Meeting (the Annual Meeting ) of Stockholders of Time Warner Cable Inc. (the Company ) will be held on Wednesday, June 3, 2009 at 11:00 a.m. (local time). The meeting will take place at:

Time Warner Cable Inc.  
Mid-Ohio Technical Operations Center  
3760 Interchange Road  
Columbus, Ohio 43204

The purposes of the meeting are:

1. To elect twelve directors for a term of one year, and until their successors are duly elected and qualified;
2. To ratify the appointment of the firm of Ernst & Young LLP as independent auditor of the Company for 2009; and
3. To transact such other business as may properly come before the Annual Meeting.

The close of business on April 8, 2009 is the record date for determining stockholders entitled to vote at the Annual Meeting. Only holders of the Company's common stock, par value \$0.01 per share (the Common Stock ), as of the record date are entitled to vote on the matters listed in this Notice of Annual Meeting.

**Your vote is important. Whether or not you plan to attend the Annual Meeting in person, it is important that your shares be represented. Please follow the instructions in the Notice you received by mail or e-mail and vote as soon as possible.** Any stockholder of record who is present at the meeting may vote in person instead of by proxy, thereby canceling any previous proxy. You may not appoint more than three persons to act as your proxy at the meeting.

**Please note that, if you plan to attend the Annual Meeting in person, you will need to register in advance to be admitted.** You may register in advance by telephone at 1-866-892-8925. The annual meeting will start promptly at 11:00 a.m. To avoid disruption, admission may be limited once the meeting begins.

Time Warner Cable Inc.

Marc Lawrence-Apfelbaum  
*Executive Vice President, General  
Counsel and Secretary*

April 20, 2009

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**TIME WARNER CABLE INC.**

60 Columbus Circle  
New York, NY 10023

**PROXY STATEMENT**

This Proxy Statement is being furnished in connection with the solicitation of proxies by the Board of Directors of Time Warner Cable Inc., a Delaware corporation ( *TWC* or the *Company* ), for use at the Annual Meeting of the *Company*'s stockholders (the *Annual Meeting* ) to be held on Wednesday, June 3, 2009, at the *Company*'s Mid-Ohio Technical Operations Center at 3760 Interchange Road, Columbus, Ohio 43204 commencing at 11:00 a.m., local time, and at any adjournment or postponement, for the purpose of considering and acting upon the matters set forth in the accompanying Notice of Annual Meeting of Stockholders. Stockholders attending the Annual Meeting in person should refer to the driving directions provided on the back cover of the Proxy Statement.

This year the *Company* is again taking advantage of Securities and Exchange Commission ( *SEC* ) rules that allow companies to furnish proxy materials to stockholders via the Internet. Accordingly, the *Company* is sending a Notice of Internet Availability of Proxy Materials (the *Notice* ) to its stockholders of record and beneficial owners, unless they have directed the *Company* to provide the materials in a different manner. The *Notice* provides instructions on how to access and review all of the important information contained in the *Company*'s Proxy Statement and Annual Report to Stockholders, as well as how to submit a proxy over the Internet. If a stockholder receives the *Notice* and would still like to receive a printed copy of the *Company*'s proxy materials, instructions for requesting these materials are included in the *Notice*. The *Company* plans to mail the *Notice* to stockholders by April 24, 2009. The *Company* will continue to mail a printed copy of this Proxy Statement and form of proxy to certain stockholders, and it expects that mailing to begin on or about April 23, 2009.

At the close of business on April 8, 2009, the record date for determining the stockholders entitled to notice of, and to vote at, the Annual Meeting, there were outstanding and entitled to vote 352,335,722 shares of the *Company*'s common stock, par value \$0.01 per share ( *Common Stock* ). For information about stockholders' eligibility to vote at the Annual Meeting, shares outstanding on the record date and the ways to submit and revoke a proxy, please see *Voting at the Annual Meeting*, below.

Each issued and outstanding share of Common Stock has one vote on any matter submitted to a vote of stockholders.

**Annual Report**

A copy of the *Company*'s Annual Report to Stockholders for the year 2008 is available on the *Company*'s website at [www.timewarnercable.com/annualmeetingmaterials](http://www.timewarnercable.com/annualmeetingmaterials).

**Recommendations of the Board of Directors**

The Board of Directors recommends a vote **FOR** the election of each of the twelve nominees for election as directors and **FOR** ratification of the appointment of Ernst & Young LLP as the *Company*'s independent auditor for 2009.

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on Wednesday, June 3, 2009:**

This Proxy Statement and the *Company*'s 2008 Annual Report to Stockholders are available at [www.timewarnercable.com/annualmeetingmaterials](http://www.timewarnercable.com/annualmeetingmaterials).





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**CORPORATE GOVERNANCE**

**The Company's Separation from Time Warner Inc.**

On March 12, 2009, the separation of TWC from Time Warner Inc. ( Time Warner ) was completed pursuant to a Separation Agreement dated as of May 20, 2008 (the Separation Agreement ) between TWC and certain of its subsidiaries and Time Warner and certain of its subsidiaries. The separation took the form of Time Warner's pro rata dividend of all shares of TWC Common Stock held by Time Warner to holders of record of Time Warner's common stock ( Time Warner Common Stock ) (the Spin-Off Dividend or the Distribution ) as of 8:00 p.m. on March 12, 2009, the record date for the Spin-Off Dividend. Accordingly, on March 12, 2009, pursuant to the Separation Agreement, Time Warner transferred its beneficial ownership of Common Stock to a distribution agent for the benefit of Time Warner's stockholders, and, as a result, Time Warner no longer has any ownership interest in TWC (the Separation ). These shares of Common Stock were distributed on March 27, 2009 to Time Warner's stockholders of record on March 12, 2009 with each such Time Warner stockholder receiving .083670 of a share of Common Stock for each share of Time Warner Common Stock held on the record date. After this distribution, Time Warner effected a one-for-three reverse stock split. In connection with, and before, the Separation, on March 12, 2009, the Company:

paid a special cash dividend of \$10.27 per share to holders of record of its outstanding Class A common stock, par value \$0.01 per share ( Class A common stock ), and Class B common stock, par value \$0.01 per share ( Class B common stock ), on March 11, 2009 (the Special Dividend );

filed with the Secretary of State of the State of Delaware a second amended and restated certificate of incorporation (the Amended Charter ), pursuant to which, among other things, each outstanding share of the Company's Class A common stock and Class B common stock automatically converted into one share of Common Stock, (the Recapitalization ); and

effected a one-for-three reverse stock split of its Common Stock (the Reverse Stock Split ).

**Unless otherwise indicated in this Proxy Statement, information about TWC's or Time Warner's equity securities prior to March 12, 2009 has not been adjusted to reflect the Separation, the Distribution or the TWC and Time Warner reverse stock splits.** The Company's Common Stock is listed for trading on the New York Stock Exchange (the NYSE ). As a result of the Separation, the Company is no longer considered a controlled company under NYSE governance requirements.

**General**

The Company is committed to maintaining strong corporate governance practices that allocate rights and responsibilities among stockholders, the Board of Directors and management in a manner that benefits the long-term interests of the Company's stockholders. Accordingly, the Company's corporate governance practices are designed not merely to satisfy regulatory requirements, but to provide for effective oversight and management of the Company.

The Board has devoted substantial attention to the subject of corporate governance. Among other things, the Board has established a Nominating and Governance Committee and has developed a Corporate Governance Policy. The Board refines this Policy from time to time as it deems necessary. The Corporate Governance Policy sets forth the basic rules of the road to guide how the Board and its committees operate.

The Board of Directors also regularly holds executive sessions without management present, conducts examinations of management's and the Board's performance, has adopted a code of conduct for employees and has enacted a set of ethics guidelines specifically for outside directors. The Board of Directors engages in a regular process of reviewing its corporate governance practices, including comparing its practices with those recommended by various corporate governance groups, the expectations of the Company's stockholders, and the practices of other leading public companies. The Company also regularly reviews its practices in light of proposed and adopted laws and regulations, including the Sarbanes-Oxley Act of 2002, the rules of the SEC, and the rules and listing standards of the NYSE.

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Information on the Company's corporate governance is available to the public under "Corporate Governance" at [www.timewarnercable.com/investors](http://www.timewarnercable.com/investors) on the Company's website. The information on the website includes: the Company's by-laws, its Corporate Governance Policy (which includes the Board's categorical standards for determining director independence), the charters of the Board's four standing committees, the Company's codes of conduct, and information regarding the process by which shareholders may communicate with members of the Board of Directors. These documents are also available in print by writing to the Company's Corporate Secretary at the following address: Time Warner Cable Inc., 60 Columbus Circle, New York, New York 10023, Attn: General Counsel.

The remainder of this section of the Proxy Statement summarizes the key features of the Company's corporate governance practices:

### **Board Size**

The number of directors constituting the full Board is currently set at twelve. The Board of Directors has adopted a policy, consistent with the Amended Charter and the Company's by-laws, that it may determine the size of the Board from time to time. In establishing its size, the Board considers a number of factors, including (i) resignations and retirements from the current Board, (ii) the availability of appropriate and qualified candidates, (iii) balancing the desire of having a small enough Board to facilitate deliberations with, at the same time, having a large enough Board to have the diversity of backgrounds, professional experience and skills so that the Board and its committees can effectively perform their responsibilities in overseeing the Company's businesses and (iv) the goal of having an appropriate mix of inside and independent directors.

### **Criteria for Membership on the Board**

While a significant amount of public attention has been focused on the need for directors to be independent, independence is just one of the important factors that the Board and its Nominating and Governance Committee take into consideration in selecting nominees for director. The Nominating and Governance Committee and the Board of Directors apply the same criteria to all candidates, regardless of whether the candidate is proposed by a stockholder or is identified through some other source.

***Overall Composition.*** As a threshold matter, the Board of Directors believes it is important for the Board as a whole to reflect an appropriate combination of skills, professional experience, and diversity of backgrounds in light of the Company's current and future business needs.

***Personal Qualities.*** Each director must possess certain personal qualities, including financial literacy and a demonstrated reputation for integrity, judgment, business acumen, and high personal and professional ethics. In addition, each director must be at least 21 years of age at the commencement of service as a director.

***Commitment to the Company and its Stockholders.*** Each director must have the time and ability to make a constructive contribution to the Board, as well as a clear commitment to fulfilling the director's fiduciary duties and serving the interests of all the Company's stockholders.

***Other Commitments.*** Each director must satisfy the requirements of antitrust laws that limit service as an officer or director of a significant competitor of the Company. In addition, in order to ensure that directors have sufficient time to devote to their responsibilities, the Board determined that directors should generally serve on no more than five other public company boards.

***Additional Criteria for Incumbent Directors.*** During their terms, all incumbent directors on the Company's Board are expected to attend the meetings of the Board and committees on which they serve and the annual meetings of stockholders; to stay informed about the Company and its business; to participate in discussions; to comply with applicable Company policies; and to provide advice and counsel to the Company's management.

***Additional Criteria for New Directors.*** As part of its annual assessment of the Board's composition in light of the Company's current and expected business needs, the Nominating and Governance Committee has

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identified additional criteria for new members of the Board. The following attributes may evolve over time depending on changes in the Board and the Company's business needs and environment, and may be changed before the proxy statement for the 2010 annual meeting of stockholders is furnished to stockholders.

**Professional Experience.** New candidates for the Board should have significant experience in areas such as the following: (i) senior officer (e.g., president, officer or chief financial officer) of a major corporation (or a comparable position in the government, academia or non-profit sector); or (ii) a high-level position and expertise in one of the following areas—cable, telecommunications, media and entertainment, marketing or consumer technology.

**Diversity.** The Nominating and Governance Committee also believes it would be desirable for new candidates for the Board to enhance the gender, ethnic, and/or geographic diversity of the Board.

**Committee Eligibility.** In addition to satisfying the independence requirements that apply to directors generally (see below), the Nominating and Governance Committee believes that it would be desirable for new candidates for the Board to satisfy the requirements for serving on the Board's committees, as set forth in the charters for those committees and applicable regulations.

**Director Experience.** The Nominating and Governance Committee believes it would also be desirable for candidates for the Board to have experience as a director of a public corporation.

**Independence.** Under the Company's Amended Charter, at least 50% of the directors on the Board must be independent. The Board has determined that nine of the twelve current directors, each of whom is also a nominee for director (or 75% of the Board), are independent in accordance with the Company's criteria. The Board applies the following NYSE criteria in making its independence determinations:

**No Material Relationship.** The director must not have any material relationship with the Company. In making this determination, the Board considers all relevant facts and circumstances, including commercial, charitable, and familial relationships that exist, either directly or indirectly, between the director and the Company.

**Employment.** The director must not have been an employee of the Company at any time during the past three years. In addition, a member of the director's immediate family (including the director's spouse; parents; children; siblings; mothers-, fathers-, brothers-, sisters-, sons- and daughters-in-law; and anyone who shares the director's home, other than household employees) must not have been an executive officer of the Company in the prior three years.

**Other Compensation.** The director or immediate family member (as an executive officer) must not have received more than \$100,000 per year in direct compensation from the Company, other than in the form of director fees, pension, or other forms of deferred compensation, during the past three years.

**Auditor Affiliation.** The director must not be a current partner or employee of the Company's internal or external auditor and the director's immediate family member must not be a current employee of such auditor who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice or a current partner of such auditor. In addition, the director or an immediate family member must not have been within the last three years a partner or employee of such firm who personally worked on the Company's audit.

**Interlocking Directorships.** During the past three years, the director or immediate family member cannot have been employed as a non-employee director or an executive officer by another entity where one of the Company's or its former parent company, Time Warner's current executive officers served at the same time on

the compensation committee.

*Business Transactions.* The director must not be an employee of another entity that, during any one of the past three years, received payments from the Company, or made payments to the Company, for property or services that exceed the greater of \$1 million or 2% of the other entity's annual consolidated gross revenues. In addition, a member of the director's immediate family cannot have

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been an executive officer of another entity that, during any one of the past three years, received payments from the Company, or made payments to the Company, for property or services that exceed the greater of \$1 million or 2% of the other entity's annual consolidated gross revenues.

*Additional Categorical Criteria.* In addition to applying the NYSE requirements summarized above, the Board has also developed categorical standards, which it uses to guide it in determining whether a material relationship exists with the Company that would affect a director's independence:

- > *Charitable Contributions.* Discretionary charitable contributions by the Company to established non-profit entities with which a director or a member of the director's family is affiliated will generally be deemed not to create a material relationship, unless they occurred within the last three years and (i) were inconsistent with the Company's philanthropic practices; or (ii) were provided to an organization where the director or spouse is an executive officer or director and the Company's contributions for the most recently completed fiscal year represent more than (a) the greater of \$100,000 or 10% of that organization's annual gross revenues for organizations with gross revenues up to \$10 million per year or (b) the greater of \$1 million or 2% of that organization's annual gross revenues for organizations with gross revenues of more than \$10 million per year; or (iii) the aggregate amount of the Company's contributions to the organizations where a director or spouse is an executive officer or director is more than the greater of \$1 million or 2% of all such organizations' annual gross revenues.
- > *Employment and Benefits.* The employment by the Company of a member of a director's family will generally be deemed not to create a material relationship, unless such employment involves employment at a salary of more than \$60,000 per year of a director's current spouse, domestic partner, or child. Further, vested and non-forfeitable equity-based benefits and retirement benefits provided to directors or their family members under qualified plans as a result of prior employment will generally be deemed not to create a material relationship.
- > *Other Transactions.* Transactions between the Company and another entity with which a director or a member of a director's family is affiliated will generally be deemed not to create a material relationship unless (i) they are the type set forth above under Business Transactions; (ii) they occurred within the last three years and were inconsistent with other transactions in which the Company has engaged with third parties; (iii) they occurred within the last three years and the director is an executive officer, employee, or substantial owner, or an immediate family member (as defined in the NYSE rules) is an executive officer, of the other entity and such transactions represent more than 2% of the other entity's gross revenues for the prior fiscal year or more than 5% of the Company's consolidated gross revenues for its prior fiscal year.
- > *Interlocking Directorships.* Service by an employee of the Company as a director of an entity where one of the Company's directors or director's family members serves as a non-employee director or an executive officer will generally be deemed not to create a material relationship, unless the employee (i) is an executive officer of the Company; (ii) reports directly to the Board or a committee of the Board; or (iii) has annual compensation approved by the Board's Compensation Committee. In addition, service by an employee of the Company as a director of an entity where one of the Company's directors or a member of the director's family serves as a non-employee director will generally be deemed not to create a material relationship.
- > *Educational and Other Affiliations.* Attendance by an employee of the Company at an educational institution affiliated with one of the Company's directors or a member of the director's family, or membership by an employee of the Company in a professional association, social, fraternal or religious organization, club or institution affiliated with a Company director or member of the director's family, will



generally be deemed not to create a material relationship.

- > *Security Ownership.* Ownership by an employee of the Company of the securities of an entity where one of the Company's directors or a member of the director's family serves as a director or an employee will generally be deemed not to create a material relationship, unless (i) the Company

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employee (a) is an executive officer of the Company or reports directly to the Board or a committee of the Board or has annual compensation approved by the Board's Compensation Committee and (b) beneficially owns more than 5% of any class of the other entity's voting securities; and (ii) the Company director or a member of a director's family is a director or executive officer of the other entity.

*Independent Judgment.* Finally, in addition to the foregoing independence criteria, which relate to a director's relationship with the Company, the Board also requires that independent directors be free of any other affiliation whether with the Company or another entity that would interfere with the exercise of independent judgment.

## **Director Nomination Process**

There are a number of different ways in which an individual may be nominated for election to the Board of Directors.

***Nominations Developed by the Nominating and Governance Committee.*** The Nominating and Governance Committee may identify and propose an individual for election to the Board. This involves the following steps:

*Assessment of Needs.* As described above, the Nominating and Governance Committee conducts periodic assessments of the overall composition of the Board in light of the Company's current and expected business needs and, as a result of such assessments, the Committee may establish specific qualifications that it will seek in Board candidates. The Committee reports on the results of these assessments to the full Board of Directors.

*Identifying New Candidates.* In light of such assessments, the Committee may seek to identify new candidates for the Board who possess the specific qualifications established by the Committee and satisfy the other requirements for Board service. In identifying new director candidates, the Committee seeks advice and names of candidates from Committee members, other members of the Board, members of management, and other public and private sources. The Committee may also, but need not, retain a search firm in order to assist it in these efforts.

*Reviewing New Candidates.* The Committee reviews the potential new director candidates identified through this process. This involves reviewing the candidates' qualifications as compared to the specific criteria established by the Committee and the more general criteria established by the by-laws and Corporate Governance Policy. The Committee may also select certain candidates to be interviewed by one or more Committee members.

*Reviewing Incumbent Candidates.* On an annual basis, the Committee also reviews incumbent candidates for renomination to the Board. This review involves an analysis of the criteria set forth above that apply to incumbent directors.

*Recommending Candidates.* The Committee recommends a slate of candidates for the Board of Directors to submit for approval to the stockholders at the annual stockholders meeting. This slate of candidates may include both incumbent and new nominees. In addition, apart from this annual process, the Committee may, in accordance with the by-laws, recommend that the Board elect new members of the Board who will serve until the next annual stockholders meeting.

***Stockholder Nominations Submitted to the Committee.*** Stockholders may also submit names of director candidates, including their own, to the Nominating and Governance Committee for its consideration. The process for stockholders to use in submitting suggestions to the Nominating and Governance Committee is set forth below at Other Procedural

Matters Procedures for Submitting Director Recommendations and Nominations.

***Stockholder Nominations Submitted to Stockholders.*** Stockholders may choose to submit nominations directly to the Company's stockholders. The Company's by-laws set forth the process that stockholders may use if they choose this approach, which is described below at Other Procedural Matters Procedures for Submitting Director Recommendations and Nominations.

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**Director Elections.** In connection with the Separation, the Company's by-laws were amended to provide, among other things, that in any uncontested election of directors, each person receiving a majority of the votes cast will be deemed elected. Any abstentions or broker non-votes will not be counted as a vote cast. Accordingly, any new director nominee in an uncontested election who receives more against votes than for votes will not be elected to the Board. If any incumbent director receives more against votes than for votes, he or she must submit an offer to resign from the Board no later than two weeks after the certification by the Company of the voting results. The Board will then consider the resignation offer and may either (i) accept the resignation offer or (ii) reject the resignation offer and seek to address the underlying cause(s) of the against votes. The Board is required to make its determination within 90 days following the certification of the stockholder vote and make a public announcement of its decision, including a statement regarding the reasons for its decision if the Board rejects the resignation offer. This procedure also provides that the Chairman of the Nominating and Governance Committee has the authority to manage the Board's review of the resignation offer, unless it is the Chairman of the Nominating and Governance Committee who has received the majority-withheld vote, in which case, the remaining independent directors who received a majority of the votes cast will select a director, which director will have the authority otherwise delegated to the Chairman of the Nominating and Governance Committee, to manage the process. In any contested election of directors, the election will be subject to a plurality vote standard, where the persons receiving the highest numbers of the votes cast, up to the number of directors to be elected in such election, will be deemed elected. A contested election is generally one in which the number of persons nominated exceeds the number of directors to be elected.

## **Board Responsibilities**

The Board's primary responsibility is to seek to maximize long-term stockholder value. The Board selects senior management of the Company, monitors management's and the Company's performance, and provides advice and counsel to management. Among other things, the Board at least annually reviews the Company's long-term strategy and longer-term business plan and also approves an annual budget for the Company. The Board also reviews and approves transactions in accordance with guidelines that the Board may adopt from time to time. In fulfilling the Board's responsibilities, directors have full access to the Company's management, internal and external auditors, and outside advisors.

## **Board Meetings and Executive Sessions**

The Board of Directors holds at least five meetings each year, including at least four quarterly meetings and generally one meeting devoted to addressing the Company's strategy. In 2008, the Board of Directors met ten times. The meeting schedule is normally established in the summer of the previous year. The Board of Directors also communicates informally with management on a regular basis.

Non-employee directors meet by themselves, without management or employee directors present, at every regularly scheduled Board meeting. Additionally, the Independent Directors (as defined below) meet together without any other directors or management present at least twice a year. Any director may request additional executive sessions.

These executive sessions are led by the Chair of the committee that is responsible for the subject matter at issue (e.g., the Audit Committee Chair would lead a discussion of audit-related matters). When it is not clear which committee has specific responsibility for the subject matter, the Lead Director presides.

## **Board Leadership**

The Company's Corporate Governance Policy provides that the Nominating and Governance Committee may from time to time make recommendations to the Board regarding the leadership structure of the Board, including whether to combine or separate the positions of Chairman and Chief Executive Officer, or to establish the position of lead or

presiding director. In connection with the Separation, the Board has named Glenn A. Britt to the combined positions of Chairman and Chief Executive Officer and has named Peter R. Haje to serve as the Lead Director.

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### **Committees of the Board**

The Board has four standing committees: the Audit Committee, the Compensation Committee, the Nominating and Governance Committee, and the Finance Committee, which was constituted in December 2008. The Board may eliminate or create additional committees as it deems appropriate.

Despite the availability of a one-year phase-in period following the Separation for full independence of membership under NYSE rules, each of the Audit Committee, the Nominating and Governance Committee and the Compensation Committee is composed entirely of Independent Directors. The Chair of each committee is elected by the Board, generally upon the recommendation of the Nominating and Governance Committee, and is expected to be rotated periodically. Each committee also holds regular executive sessions at which only committee members are present. Each committee is also authorized to retain its own outside counsel and other advisors as it desires.

As noted above, charters for each standing committee are available on the Company's website, but a brief summary of the committees' responsibilities follows:

***Audit Committee.*** The Audit Committee assists the Board of Directors in fulfilling its responsibilities in connection with the Company's (i) independent auditors, (ii) internal auditors, (iii) financial statements, (iv) earnings releases and guidance, as well as (v) the Company's compliance program, internal controls, and risk management. The Board has determined that each member of the Audit Committee qualifies as an audit committee financial expert under the rules of the SEC implementing section 407 of the Sarbanes-Oxley Act and meets the independence and experience requirements of the NYSE and the federal securities laws.

***Nominating and Governance Committee.*** The Nominating and Governance Committee is responsible for assisting the Board in relation to (i) corporate governance, (ii) director nominations, (iii) committee structure and appointments, (iv) Chief Executive Officer ( CEO ) performance evaluations and succession planning, (v) Board performance evaluations, (vi) director compensation, (vii) regulatory matters relating to corporate governance, (viii) stockholder proposals and communications, and (ix) related person transactions.

***Compensation Committee.*** The Compensation Committee is responsible for (i) approving compensation and employment agreements for, and reviewing benefits provided to, certain of the Company's senior executives, (ii) overseeing the Company's disclosure regarding executive compensation, (iii) administering the Company's equity-based compensation plans and (iv) reviewing the Company's overall compensation structure and benefit plans. A sub-committee of the Compensation Committee is responsible for certain executive compensation matters, including (i) reviewing and approving corporate goals and objectives relevant to the compensation of the CEO, each of the other executive officers and each of the other employees whose annual total compensation has a value of \$2 million or more (the Senior Executives ), (ii) evaluating the performance of the CEO and the Senior Executives, and (iii) setting the compensation level of the CEO and the Senior Executives.

***Finance Committee.*** The Finance Committee is responsible for reviewing and approving the Company's financing activity and assisting the Board in overseeing the Company's (i) capital structure and financing strategies, (ii) insurance program, and (iii) defined benefit pension plan.

### **Board Self-Evaluation**

The Board of Directors conducts a self-evaluation of its performance annually, which includes a review of the Board's composition, responsibilities, structure, processes and effectiveness. Each standing committee of the Board also

conducts a similar self-evaluation with respect to such committee.

### **Director Orientation and Education**

Each individual, upon joining the Board of Directors, is provided with an orientation regarding the role and responsibilities of the Board and the Company's operations. As part of this orientation, new directors have opportunities to meet with members of the Company's senior management. The Company is also committed to the ongoing education of its directors. From time to time, the Company's executives make presentations to the Board regarding their respective areas. In addition, the Company reimburses directors for reasonable expenses relating to ongoing director education.

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### **Non-Employee Director Compensation and Stock Ownership**

The Board of Directors is responsible for establishing compensation for the Company's non-employee directors who are not active employees of the Company. At least every two years, the Nominating and Governance Committee reviews the compensation for non-employee directors, including compensation provided to non-employee directors at other companies, and makes a recommendation to the Board for its approval. (For details on the compensation currently provided to non-employee directors, please see Compensation Director Compensation. )

It is also the Board's policy that all directors who are not actively employed by the Company are required to own the Company's stock (whether as a result of exercising stock options, receipt of shares from the Company or the purchase of shares). It is expected that, within three years of joining the Board, each director will own at least the number of shares of the Company's stock, or stock-based equivalents, that have been awarded to him or her pursuant to the Company's compensation plans for Independent Directors, less any shares sold by the director for the purpose of paying taxes related to such awards.

The Company also expects all directors to comply with all federal, state and local laws regarding trading in securities of the Company and disclosing material, non-public information regarding the Company, and the Company has procedures in place to assist directors in complying with these laws.

### **Codes of Conduct**

In order to help assure the highest levels of business ethics at the Company, the Board of Directors has adopted the following three codes of conduct, which are posted on the Company's website at [www.timewarnercable.com/investors](http://www.timewarnercable.com/investors).

***Standards of Business Conduct.*** The Company's Standards of Business Conduct apply to the Company's employees, including any employee directors. The Standards of Business Conduct establish policies pertaining to employee conduct in the workplace, electronic communications and information security, accuracy of books, records and financial statements, securities trading, confidentiality, conflicts of interest, fairness in business practices, the Foreign Corrupt Practices Act, antitrust laws and political activities and solicitations.

***Code of Ethics for Principal Executive and Senior Financial Officers.*** The Company's Code of Ethics for Principal Executive and Senior Financial Officers applies to certain officers of the Company, including the Company's Chief Executive Officer, Chief Financial Officer, Controller, and other senior executives performing senior financial officer functions. The code serves as a supplement to the Standards of Business Conduct. Among other things, the code mandates that the designated officers engage in honest and ethical conduct, avoid conflicts of interest and disclose any material transaction or relationship that could give rise to a conflict, protect the confidentiality of non-public information about the Company, work to achieve responsible use of the Company's assets and resources, comply with all applicable governmental rules and regulations and promptly report any possible violation of the code. Additionally, the code requires that these individuals promote full, fair, understandable and accurate disclosure in the Company's publicly filed reports and other public communications and sets forth standards for accounting practices and records. Individuals to whom the code applies are held accountable for their adherence to it. Failure to observe the terms of this code or the Standards of Business Conduct can result in disciplinary action (including termination of employment).

***Guidelines for Non-Employee Directors.*** The Guidelines for Non-Employee Directors assist the Company's non-employee directors in fulfilling their fiduciary and other duties to the Company. In addition to affirming the directors' duties of care and loyalty, the guidelines set forth specific policies addressing, among other things, securities trading and reporting obligations, gifts, the Foreign Corrupt Practices Act, political contributions and antitrust laws.



**Communication with the Directors**

The Company's Independent Directors have approved a process for stockholders to communicate with directors. This process is described below at Other Procedural Matters Communicating with the Board of Directors.

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**DIRECTORS**

**Term**

The Company's directors are elected annually by the holders of Common Stock. The nominees for director at the Annual Meeting will be elected to serve for a one-year term until the next annual meeting of stockholders and until their successors have been duly elected and qualified or until their earlier death, resignation or retirement.

**Director Independence and Qualifications**

As set forth in the Company's Corporate Governance Policy, in selecting its slate of nominees for election to the Board, the Nominating and Governance Committee and the Board have evaluated, among other things, each nominee's independence, satisfaction of regulatory requirements, financial literacy, personal and professional accomplishments and experience in light of the needs of the Company and, with respect to incumbent directors, past performance on the Board. See Corporate Governance Criteria for Membership on the Board. Each of the nominees is currently a director of the Company. The Amended Charter requires that at least 50% of the Board be independent. The Board has determined that nine of the twelve current and incumbent directors (or 75% of the Board) have no material relationship with the Company either directly or indirectly and are independent within the meaning of the listing requirements of the NYSE and the Company's more rigorous independence standards (such directors, the Independent Directors). Specifically, the Board has identified Ms. Black and James and Messrs. Castro, Chang, Copeland, Haje, Nicholas, Shirley and Sununu as Independent Directors as independence is defined in the NYSE Listed Company Manual and as defined by Rule 10A-3 of the Securities Exchange Act of 1934 (the Exchange Act). Additionally, each of these directors meets the categorical standards for independence established by the Board, as set forth in the Company's Corporate Governance Policy and discussed elsewhere in this Proxy Statement. Messrs. Logan and Pace are former executive officers of Time Warner, which was the Company's parent company prior to the Separation. The Company believes that if it were not for this past employment, the Board could determine that each of Messrs. Logan and Pace is independent under these criteria. The Board has determined that the employment during part of 2008 of Mr. Nicholas' stepson by Time Inc., a subsidiary of Time Warner, does not affect Mr. Nicholas' independence. In addition, the Board has determined that each director nominee is financially literate and possesses the high level of skill, experience, reputation and commitment that is mandated by the Board.

**Nominees for Election at the Annual Meeting**

The Board has set the number of directors at twelve. Each of the current directors has been nominated for election at the Annual Meeting. In connection with the Separation, Jeffrey L. Bewkes resigned from the Board, and Donna A. James, Edward D. Shirley and John E. Sununu were appointed by the Board to the Board of Directors effective, in each case, on March 12, 2009.

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Set forth below are the principal occupation and certain other information, as of February 28, 2009, for the twelve nominees, each of whom currently serves as a director.

<b>Name</b>	<b>Age</b>	<b>Principal Occupation During the Past Five Years</b>
<b>Carole Black</b>	65	<b>Former President and Chief Executive Officer, Lifetime Entertainment Services.</b> Ms. Black served as the President and Chief Executive Officer of Lifetime Entertainment Services, a multi-media brand for women, including Lifetime Network, Lifetime Movie Network, Lifetime Real Women Network, Lifetime Online and Lifetime Home Entertainment, from March 1999 to March 2005. Prior to that, Ms. Black s