

AMC Networks Inc.  
Form DEF 14A  
April 29, 2019  
**Table of Contents**

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A INFORMATION**

**(Rule 14a-101)**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES**  
**EXCHANGE ACT OF 1934 (AMENDMENT NO. )**

**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

**AMC Networks 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):

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

**Table of Contents**

Dear Stockholder:

You are cordially invited to attend our annual meeting of stockholders, which is being held on Wednesday, June 12, 2019 at 10:00 a.m. Eastern Daylight Time at The Paley Center for Media, 25 West 52nd Street, New York, New York 10019.

The Company delivered strong financial results in 2018, reaching a record \$3.0 billion in net revenues and \$933 million in adjusted operating income and remains well positioned to capitalize on future opportunities. In addition, the Company continues to successfully develop outstanding original programming, with the following notable achievements:

**AMC** was the #1 destination for original programming in all of cable television and was home to three of the top seven dramas on cable television among Adults ages 18-49 (in Live+3 ratings). AMC's 2018 programming slate had a range of popular and critically-lauded series including the Emmy-nominated series *Better Call Saul*, *The Walking Dead*, *Fear the Walking Dead*, *The Terror*, *Into the Badlands*, *Lodge 49*, *McMafia*, *Preacher* and *The Son*.

In 2018, **BBC AMERICA** delivered one of its most watched years ever and ended the year as the Fastest Growing Cable Network of the Fourth Quarter 2018. Its new series, *Killing Eve*, debuted as BBCA's biggest drama launch in six years and received two Emmy Award nominations for Best Actress and Best Writing and its star, Sandra Oh, won the Emmy Award for Best Actress. Moreover, *Killing Eve* is the only scripted series to grow every episode in both target demos since the Nielsen Live+3 measurement began over a decade ago. In addition, its series premiere of *Blue Planet II*, which was simulcast across the Company's networks, ranked as the Most Watched Nature Program on ad-supported TV in eight years and David Attenborough won his first ever Emmy Award for Outstanding Narrator.

**SundanceTV** continues to rank as one of the fastest growing film networks on cable TV. It had another year-over-year double-digit ratings increase among Total Viewers, making 2018 the best year in the network's history. SundanceTV continued to strengthen its programming with the launch of its new program, *Jonestown: Terror in the Jungle*, which became its highest performing original program in the network's history.

**WE tv** remains the #1 Cable Network for African American adults and women on Thursday nights in primetime and is a Top 5 destination for women on Fridays during primetime. In 2018, its new show, *Love After Lockup*, was the fastest growing new cable reality series for 2018.

In 2018, **IFC TV** sales prime delivered its highest rated year in channel history among Adults ages 25-54 and showed year-over-year ratings increases. It was one out of only eleven ad-supported cable networks that experienced growth among Adults ages 18-49.

Throughout the year, we continued to engage with our stockholders on a range of topics including the Company's business strategy, Board, governance and executive compensation practices, as well as environmental and social matters with a focus on diversity. We are committed to maintaining an active dialogue with our stockholders and

remain focused on creating stockholder value.

I look forward to seeing you at the meeting, where you will have an opportunity to ask questions and to meet your directors and executives.

Sincerely yours,

Charles F. Dolan

Executive Chairman

April 29, 2019

**Table of Contents**

**NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS**

**To the Stockholders of**

**AMC Networks Inc.**

The Annual Meeting of Stockholders of AMC Networks Inc. (the Company) will be held at The Paley Center for Media, 25 West 52nd Street, New York, New York 10019 on Wednesday, June 12, 2019, at 10:00 a.m. Eastern Daylight Time to consider and vote upon the following proposals:

1. Election of Directors.
2. Ratification of appointment of independent registered public accounting firm.
3. Conduct such other business properly brought before the meeting.

Only stockholders of record on April 15, 2019 may vote at the meeting.

The Company is pleased to take advantage of the Securities and Exchange Commission rules that allow issuers to furnish proxy materials to their stockholders on the Internet. We believe these rules allow us to provide you with the information you need while lowering the costs of delivery and reducing the impact of the Company's annual meeting on the environment.

Your vote is important. We urge you to vote as soon as possible by telephone, over the Internet or by mailing a proxy card. If you choose to vote by mail, please sign and return the proxy card in the envelope provided.

**ADMISSION TICKET REQUIRED FOR ADMISSION TO THE ANNUAL MEETING**

An admission ticket is required if you wish to attend the annual meeting in person. You can obtain and print your admission ticket at [www.proxyvote.com](http://www.proxyvote.com) or call 844-318-0137. You will need the 16-digit control number which can be found on your Notice of Internet Availability of Proxy Materials, voter instruction form and proxy card. For more details, see General Information, "How do I attend the 2019 Annual Meeting in person? What do I need to bring?" of the Proxy Statement.

By order of the Board of Directors,

Anne G. Kelly

Senior Vice President and Secretary

New York, New York

April 29, 2019

AMC Networks Inc., 11 Penn Plaza, New York, NY 10001

**Table of Contents**

**PROXY STATEMENT SUMMARY**

We present here a summary of important information in this proxy statement. Please review the complete proxy statement before you vote.

**2018 Business Highlights**

The Company continued to deliver strong financial results in 2018 and remains well positioned to capitalize on future opportunities. Here are some key highlights (on a year-over-year basis):

Net revenues increased 5.9% to a record \$3.0 billion

Operating income increased to \$727 million

Adjusted operating income (AOI)<sup>1</sup> increased to a record \$933 million

Cash provided by operating activities was \$607 million

Free cash flow<sup>2</sup> was \$502 million

Our television and film content continued to receive widespread critical praise and industry honors, with BBC America's *Killing Eve* receiving Emmy Award nominations for Best Actress and Best Writing and its star, Sandra Oh, winning the Emmy Award for Best Actress and BBC AMERICA's series, *Blue Planet Earth II*, ranking as the Most Watched Nature Program on ad supported TV in eight years and David Attenborough winning his first ever Emmy Award for Outstanding narrator. AMC's *The Walking Dead* continues to be the #1 show on cable television and was again the #1 destination for original programming in all cable television. We continued to expand our business by making strategic investments, including our acquisition of RLJ Entertainment, which included Acorn TV and Urban Movie Channel streaming services and meaningfully advanced the Company's direct-to-consumer interests, a key priority in the Company's focus to diversify our revenue and grow our business.

The Company continued to focus on its commitment to return value to its stockholders through Board approval of a stock repurchase program to repurchase up to \$1.5 billion of the Company's outstanding shares of Class A Common stock. As of February 22, 2019, the Company had approximately \$588 million available for potential future repurchases. Our share repurchases are part of an overall capital allocation strategy overseen by our Board of Directors and designed to efficiently balance return of capital to shareholders with investment in our business.

**Corporate Governance Highlights**

We are committed to ensuring that our Board is accountable to, and acts in the best interests of, all our stockholders, notwithstanding our status as a controlled company. We have implemented a number of strong governance practices and policies to promote independent leadership in the boardroom and the protection of stockholder rights.

**Commitment to Sound Governance Practices as a Controlled Company**

Annual election of directors, with directors serving one-year terms

Robust director nomination criteria, including consideration for diversity of perspectives, backgrounds and experiences relevant to the Company's strategic priorities, and ability to serve the interests of both Class A and Class B stockholders

Independent Board committees, with Audit and Compensation comprised 100% of independent directors

Executive sessions with only independent Class A Directors at least twice a year

Effective Board self-evaluations conducted at least annually

Regular engagement with stockholders regarding Company performance and strategy, our Board and corporate governance practices, our executive compensation program and environmental and social matters

- <sup>1</sup> Adjusted operating income is a non-GAAP measure. See Annex A for the calculations of these measures and for reconciliations to the nearest GAAP measure.
- <sup>2</sup> Free cash flow is a non-GAAP measure. See Annex A for the calculations of these measures and for reconciliations to the nearest GAAP measure.



**Table of Contents**

In addition to the above best practices, over the past few years, AMC Networks has focused on expanding its diversity and inclusion efforts, recognizing the importance of diversity and inclusivity to a successful and sustainable business. The Company recently promoted several women to senior management roles, including Jennifer Caserta as its Chief Transformation and People Officer and Sarah Barnett, President of its Entertainment Networks. As part of its diversity efforts, in 2018, AMC Networks established nine employee resource groups to enable its employees to embrace and build stronger diverse communities. The Company has encouraged each of these groups to design and implement relevant diversity-related programming, including speaker series, panels and mentorship programs. Over the next few years, AMC Networks plans to continue to focus on its diversity and inclusion efforts through new programs and initiatives.

**Director Nominees**

The Board has nominated fifteen director candidates; five Class A nominees and ten Class B nominees. Each director is nominated for a term to expire at the 2020 annual meeting of the Company's stockholders. Our Class A nominees are elected by our Class A stockholders and have significant business leadership and management experience, and extensive knowledge of the media industry. Our Class B nominees are elected by Class B stockholders and have significant industry and leadership experience, and a long history of institutional knowledge of the Company. The Board is comprised of 47% independent directors. See Proposal 1 Election of Directors, Directors Elected By Class A Common Stockholders and Directors Elected By Class B Common Stockholders of the Proxy Statement for detailed information about each director's background, skills and qualifications.

Name	Director Since	Principal Occupation	Committees
<b>Directors Elected By Class A Common Stockholders</b>			
<b>Frank J. Biondi, Jr.</b>	2018	Senior Managing Director, WaterView Advisors LLC	
<b>Jonathan F. Miller</b>	2013	Chief Executive Officer, Integrated Media Company	Compensation
<b>Leonard Tow</b>	2011	Chief Executive Officer, New Century Holdings LLC	Compensation (Chair); Audit
<b>David E. Van Zandt</b>	2015	President, The New School Special General Counsel and Adviser, Artal Group S.A. and The Invus Group, LLC	Audit
<b>Carl E. Vogel</b>	2013	Private Investor Industry Advisor, Kohlberg Kravis Roberts & Co. L.P.	Audit (Chair)



**Table of Contents**

Director			
Name	Since	Principal Occupation	Committees
<b>Directors Elected By Class B Common Stockholders</b>			
<b>William J. Bell</b>	2011	Former Vice Chairman and Chief Financial Officer, Cablevision Systems Corporation	
<b>Charles F. Dolan</b>	2011	Executive Chairman, AMC Networks Inc.	
<i>Executive Chairman</i>		Former Chairman, Cablevision Systems Corporation Executive Chairman, MSG Networks Inc.	
<b>James L. Dolan</b>	2011	Executive Chairman and Chief Executive Officer, The Madison Square Garden Company	
<b>Kristin A. Dolan</b>	2011	Chief Executive Officer, 605, LLC	
<b>Patrick F. Dolan</b>	2011	Senior Network Advisor, News 12 Networks	
<b>Thomas C. Dolan</b>	2011	Former Executive Vice President-Strategy and Development, Office of the Chairman, Cablevision Systems Corporation	
<b>Brian G. Sweeney</b>	2011	Former President and Chief Financial Officer, Cablevision Systems Corporation Chairman of ICE Clear Credit LLC	
<b>Vincent Tese</b>	2016	Former Chief Executive Officer of the New York State Urban Development Corporation  Former Executive Chairman of FCB Financial Holdings Inc., and its subsidiary Florida Community Bank President, Heartfelt Wings Foundation	Compensation
<b>Marianne Dolan Weber</b>	2011	Director, Green Mountain Foundation Inc.	
<b>Robert C. Wright</b>	2011	Senior Advisor, Lee Equity Partners LLC	

**Executive Compensation Highlights**

We, as a Company, place a great importance on our ability to attract, retain, motivate and reward experienced executive officers. The Company strives to do so by developing executive compensation policies and programs that are consistent with, explicitly linked to, and supportive of, the strategic objectives of growing the Company's businesses and maximizing stockholder value. In particular, we believe that the majority of compensation should be at risk and contingent on Company performance, with particular emphasis on long-term, equity-based incentive compensation.

The primary elements of 2018 executive compensation were base salary, an annual cash incentive award and long-term incentive awards in the form of RSUs, which vest ratably over three years, and PSUs that cliff vest based on the achievement of specified performance metrics over a three-year performance period. In 2018, in-line with our commitment to aligning pay with Company performance, 90% of the CEO's and 70% of our other NEOs' total target compensation was at-risk. In this way, a significant portion of the value of compensation ultimately realized by the executive depended upon either the Company's performance against key performance measures that align with our business strategy, or the direct performance of our stock and thus, the experience of our stockholders.



**Table of Contents****2018 NEO Total Direct Compensation Program Structure**

<b>Component</b>	<b>Pay for Performance Rationale</b>	<b>Performance Period</b>
<b>Base Salary</b>	Based on level and merit	N/A
<b>Annual Cash Incentives</b>	Combination of weighted average of all business units' operating performance (including revenue, AOI and Free Cash Flow) and an assessment of each business unit's achievement of certain strategic objectives and its performance relative to its peers	One year
<b>Long-Term Incentive Awards</b>	<p><b>Performance Stock Units (PSUs)</b></p> <p>60%: CEO/Chairman</p> <p>AOI</p> <p>Net revenue</p> <p>Free cash flow</p> <p>50%: Other NEOs</p> <p><b>Restricted Stock Units (RSUs)</b></p> <p>40%: CEO/Chairman</p> <p>50%: Other NEOs</p> <p>Stock Performance</p> <p>Stock Performance</p>	<p>Three years</p> <p>Ratably over three years</p>

**2018 CEO Annual Pay Mix**

<b>Compensation Governance Practices</b>
Align pay and performance
Substantial proportion of compensation is at risk
Engage in rigorous target-setting process for incentive metrics
Prohibit hedging and short sales by all employees and directors
Discourage pledging of Company stock and require pre-approval
No excise tax gross up provisions
No dividends or dividend equivalents on unearned RSUs and PSUs
Include clawback provisions in our equity awards



**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<b><u>BOARD AND CORPORATE GOVERNANCE PRACTICES</u></b>	1
<u>Corporate Governance Guidelines</u>	1
<u>Engagement with our Stockholders</u>	1
<u>Board Leadership Structure</u>	1
<u>Board Oversight of Company Strategy</u>	2
<u>Board Self-Assessment</u>	2
<u>Executive Sessions of Non-Management and Independent Board Members</u>	2
<u>Risk Management Oversight</u>	2
<u>Communicating with Our Directors</u>	2
<u>Code of Conduct and Ethics</u>	3
<u>Director Independence</u>	3
<u>Director Nomination</u>	3
<u>Director Selection</u>	4
<u>Board Meetings</u>	4
<u>Board Committees</u>	4
<u>Director Compensation</u>	7
<b><u>PROPOSAL 1 ELECTION OF DIRECTORS</u></b>	9
<u>Directors Elected By Class A Common Stockholders</u>	9
<u>Directors Elected By Class B Common Stockholders</u>	11
<b><u>PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	16
<u>Fees Paid to Independent Registered Public Accounting Firm</u>	16
<b><u>REPORT OF THE AUDIT COMMITTEE</u></b>	17
<b><u>COMPENSATION DISCUSSION AND ANALYSIS</u></b>	19
<b><u>EXECUTIVE SUMMARY</u></b>	19
Table of Contents	15

<u>Business Highlights</u>	19
<u>2018 Key Compensation Decisions</u>	25



**Table of Contents**

	<b>Page</b>
<u>Stockholder Engagement and Our Compensation-Related Stockholder Votes</u>	25
<u>Compensation Governance Practices</u>	26
<u>Philosophy and Objectives of Our Executive Compensation Program</u>	26
<u>Elements of the Company's Compensation Program</u>	27
<u>2018 COMPENSATION DECISIONS</u>	28
<u>COMPENSATION DECISION PROCESS AND COMPENSATION POLICIES</u>	35
<u>REPORT OF THE COMPENSATION COMMITTEE</u>	40
<u>EXECUTIVE COMPENSATION</u>	41
<u>Summary Compensation Table</u>	41
<u>Grants of Plan-Based Awards</u>	43
<u>Outstanding Equity Awards at 2018 Year End</u>	44
<u>Options Exercised and Stock Vested</u>	45
<u>Non-Qualified Deferred Compensation</u>	46
<u>AMC Networks 401(K) Savings Plan</u>	46
<u>AMC Networks Excess Savings Plan</u>	46
<u>Employment Agreements</u>	47
<u>Termination and Severance</u>	56
<u>Equity Compensation Plan Information</u>	60
<u>CEO Pay Ratio</u>	60
<u>OUR EXECUTIVE OFFICERS</u>	<u>62</u>
<u>TRANSACTIONS WITH RELATED PARTIES AND RELATED PARTY TRANSACTION APPROVAL POLICY</u>	64
<u>Relationship Between US, MSG and MSG Networks</u>	64
<u>Dolan Family Arrangements</u>	64
<u>Arrangement with 605 LLC</u>	64
<u>Certain Relationships and Potential Conflicts of Interest</u>	64
<u>Related Party Transaction Approval Policy</u>	65
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	66

<u>STOCK OWNERSHIP TABLE</u>	67
<u>GENERAL INFORMATION</u>	79
<u>OTHER MATTERS</u>	83
<u>ANNEX A: CALCULATION OF NON-GAAP FIGURES</u>	A-1

**Table of Contents**

**PROXY STATEMENT**  
**ANNUAL MEETING OF STOCKHOLDERS**  
**TO BE HELD ON JUNE 12, 2019**

**BOARD AND CORPORATE GOVERNANCE PRACTICES**

In this proxy statement, the words “Company,” “we,” “us,” “our” and “AMC Networks” refer to AMC Networks Delaware corporation. We refer to the U.S. Securities and Exchange Commission as the “SEC” and The NASDAQ Stock Market LLC as “NASDAQ.” This proxy statement is first being sent to stockholders on April 29, 2019.

AMC Networks Inc. is a holding company and conducts substantially all of its operations through its subsidiaries. Our Class A Common Stock is listed on NASDAQ under the symbol “AMCX.” As a result, we are generally subject to NASDAQ corporate governance listing standards. Our Board of Directors oversees the business of AMC Networks and monitors the performance of management.

**Corporate Governance Guidelines**

The board of directors of AMC Networks Inc. (the “Board of Directors” or “Board”) has adopted our Corporate Governance Guidelines. These guidelines set forth our practices and policies with respect to Board composition and selection, Board meetings, executive sessions of the Board, Board committees, the expectations we have of our directors, selection of the Executive Chairman and the President and Chief Executive Officer, management succession, Board and executive compensation, and Board self-evaluation requirements. The full text of our Corporate Governance Guidelines may be viewed at our corporate website at <http://investors.amcnetworks.com>. A copy may be obtained by writing to AMC Networks Inc., 11 Penn Plaza, New York, NY 10001, Attention: Corporate Secretary.

**Engagement with our Stockholders**

The Company values feedback from its stockholders and regularly engages with stockholders to keep informed on the evolving perspectives of the investor community. We engage with our stockholders on various matters, including business strategy and performance, Board, corporate governance and executive compensation practices as well as environmental and social matters with a focus on diversity. These stockholder dialogues, which are often focused on Board, governance and compensation matters, inform discussions in the boardroom and are a component of the Compensation Committee’s review and refinement of our executive compensation program.

**Board Leadership Structure**

Our Board has chosen to separate the roles of Executive Chairman of the Board and Chief Executive Officer. The Board believes that this is the optimal leadership structure as it recognizes both Mr. Charles F. Dolan's senior executive role with the Company as well as his leadership position on the Company's Board while the Company is also able to benefit from the experience of its President and Chief Executive Officer (the CEO), Mr. Joshua W. Sapan, with responsibility for day-to-day management of the Company.

## **Table of Contents**

### **Board Oversight of Company Strategy**

The Board and its Committees are involved in overseeing our corporate strategy, including major business and organizational initiatives, capital allocation priorities and potential business development opportunities. The Board engages in discussions regarding our corporate strategy at nearly every Board meeting and, at least annually, receives a formal update on the company's short- and long-term objectives, including the company's operating plan and long-term corporate strategic plan. The Board's Committees oversee elements of our strategy associated with their respective areas of responsibility.

### **Board Self-Assessment**

The Board conducts an annual self-assessment to determine whether the Board and its committees are functioning effectively. Among other things, the Board's assessment process seeks input from the directors on whether they have the tools and access necessary to perform their oversight function as well as suggestions for improvement of the Board's functioning. In addition, our Audit Committee and Compensation Committee each conduct its own annual self-assessment, which includes an assessment of the adequacy of their performance as compared to their respective charters.

### **Executive Sessions of Non-Management and Independent Board Members**

Under our Corporate Governance Guidelines, our non-management directors may meet in executive sessions with no members of management present. The non-management directors may specify the procedure to designate the director who may preside at any such executive session. Non-management directors who are not independent under the rules of NASDAQ may participate in these executive sessions, but directors who are independent under the rules of NASDAQ must meet separately in regularly scheduled executive sessions at least twice each year.

### **Risk Management Oversight**

The oversight of risk management is an important Board responsibility. The Audit Committee takes the lead on behalf of the Board in monitoring risk management. The Audit Committee discusses the process by which senior management of the Company and the relevant departments of the Company assess and manage the Company's exposure to risk. The Committee also discusses the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures. Furthermore, the Audit Committee reviews and receives regular briefings concerning the Company's information security and technology risks (including cybersecurity), including discussions of the Company's information security and cybersecurity risk management programs.

Our Compensation Committee also considers the issue of the Company's exposure to risk in establishing and implementing our executive compensation programs. AMC Networks believes that its executive compensation program, with its emphasis on long-term performance, its close connection to Company-wide and divisional performance and its significant equity components, is designed to align the executives' compensation with the Company's long-term strategy and growth and, as a result, does not encourage excessive risk taking.

### **Communicating with Our Directors**

Our Board has adopted policies designed to allow stockholders and other interested parties to communicate with our directors. Any interested party that wishes to communicate directly with the Board or any director or the non-management directors as a group should send communications in writing to the Chairman of the Audit

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Committee, AMC Networks Inc., 11 Penn Plaza, New York, NY 10001. Any person, whether or not an employee, who has a concern with respect to our accounting, internal accounting controls, auditing issues or

- 2 -

## **Table of Contents**

other matters, may, in a confidential or anonymous manner, communicate those concerns to our Audit Committee by contacting The Network, Inc., which has been designated to act as a confidential contact organization for these purposes, at 888-217-8076.

## **Code of Conduct and Ethics**

Our Board has adopted a Code of Conduct and Ethics for our directors, officers and employees. A portion of this Code of Conduct and Ethics also serves as a code of conduct and ethics for our senior financial officers, including our principal accounting officer and controller. Among other things, our Code of Conduct and Ethics covers conflicts of interest, disclosure responsibilities, legal compliance, reporting and compliance under the Code of Conduct and Ethics, confidentiality, corporate opportunities, fair dealing, protection and proper use of Company assets, and equal employment opportunity and harassment. The full text of the code is available on our website at <http://investor.amcnetworks.com>. In addition, a copy may be obtained by writing to AMC Networks Inc., 11 Penn Plaza, New York, NY 10001, Attention: Corporate Secretary.

## **Director Independence**

Our Board has elected for the Company to be treated as a controlled company under NASDAQ's corporate governance rules, and, as a result, the Company is not required to comply with the corporate governance rules of NASDAQ requiring: (i) a majority of independent directors on our Board of Directors, (ii) an independent compensation committee and (iii) an independent corporate governance and nominating committee. Our Board of Directors has elected not to comply with the NASDAQ requirement for a majority of independent directors on our board and an independent corporate governance and nominating committee because of our status as a controlled company. We do comply with the requirement for an independent compensation committee. Our Board elected not to comply with the requirement for a majority of independent directors on our Board because of our stockholder voting structure. Under the terms of our Amended and Restated Certificate of Incorporation, the holders of the Company's Class B Common Stock have the right to elect up to 75% of the members of our Board and there is no requirement that any of those directors be independent or be chosen independently.