

National CineMedia, Inc.
Form PRE 14A
June 01, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

NATIONAL CINEMEDIA, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

- 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:

- 5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:

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

3) Filing Party:

4) Date Filed:

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Notice of Annual Meeting of Stockholders to be held on July 6, 2018

You are cordially invited to attend the Annual Meeting of Stockholders (Annual Meeting) of National CineMedia, Inc., which will be held at our offices located at 6300 South Syracuse Way, Suite 300, Centennial, Colorado 80111 on Friday, July 6, 2018 at 9:00 a.m., Mountain Time. At the Annual Meeting, you will be asked to consider the following:

1. To elect the four nominees named in the accompanying proxy statement as Class II directors;
2. To approve an amendment to our Amended and Restated Certificate of Incorporation relating to the composition and approval rights of our Board of Directors, specifically by declassifying the Board, increasing the maximum number of directors from 10 to 11 and revising certain Board approval requirements;
3. To approve, on an advisory basis, our executive compensation;
4. To ratify the appointment of Deloitte & Touche LLP as our independent auditors for the fiscal year ending December 27, 2018; and
5. To transact such other business as may properly come before the meeting and at any adjournments or postponements of the meeting.

The close of business on May 23, 2018 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 or postponements thereof.

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 in the enclosed proxy statement and proxy card, 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, the proposal to amend our Amended and Restated Certificate of Incorporation, 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.

Sarah Kinnick Hilty

Senior Vice President, General Counsel and Secretary

Centennial, Colorado

, 2018

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The proxy statement and Annual Report for the fiscal year ended December 28, 2017 are available at www.edocumentview.com/ncmi.

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PRELIMINARY PROXY MATERIALS-SUBJECT TO COMPLETION

NATIONAL CINEMEDIA, INC.

PROXY STATEMENT FOR THE

2018 ANNUAL MEETING OF STOCKHOLDERS

July 6, 2018

9:00 a.m., Mountain Time

The accompanying proxy is solicited by the board of directors (Board of Directors or Board) of National CineMedia, Inc., a Delaware corporation (NCM, Inc. or the Company), for use at the 2018 Annual Meeting of Stockholders to be held at the offices of NCM, Inc., located at 6300 South Syracuse Way, Suite 300, Centennial, Colorado 80111 on Friday, July 6, 2018, at 9:00 a.m., Mountain Time, and at any 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). If no contrary instruction is received, signed proxies returned by stockholders will be voted in accordance with our Board of Directors recommendations.

QUESTIONS AND ANSWERS

Q: Why am I receiving these proxy materials?

A: Our Board of Directors is delivering a printed set of these proxy materials by mail to you on or about 2018 in connection with the solicitation of proxies by our Board for our Annual Meeting. Our proxy materials are also available on the Internet at www.edocumentview.com/ncmi. We will hold the Annual Meeting at our offices located at 6300 South Syracuse Way, Suite 300, Centennial, Colorado 80111, on July 6, 2018 at 9:00 a.m., Mountain Time.

Q: What specific proposals will be considered and acted upon at NCM, Inc.'s Annual Meeting?

A: The specific proposals to be considered and acted upon at the Annual Meeting are:

Proposal No. 1 To elect four directors to serve until the 2021 Annual Meeting of Stockholders, and until their respective successors are elected and qualified;

Proposal No. 2 To approve an amendment to our Amended and Restated Certificate of Incorporation, as amended (the Charter) relating to the composition and approval rights of our Board of Directors, specifically by declassifying the Board, increasing the maximum number of directors from 10 to 11 and revising certain Board approval requirements (the Charter Amendment);

Proposal No. 3 To approve, on an advisory basis, the compensation of our named executive officers;

Proposal No. 4 To ratify the appointment of Deloitte & Touche LLP as our independent auditors for the fiscal year ending December 27, 2018.

Management knows of no other business to be presented for action at the Annual Meeting, other than those items listed in the notice of the Annual Meeting referred to herein. If any other business should properly come before the Annual Meeting, or any adjournments or postponements thereof, it is intended that the proxies will be voted in the discretion of the proxy holders.

Q: Why is the Company seeking to amend the Charter?

A: On June 1, 2018, we entered into a letter agreement (the Settlement Agreement) with Standard General L.P. (Standard General). Pursuant to the Settlement Agreement, we agreed, among other things, to seek stockholder approval for the Charter Amendment at the Annual Meeting, to appoint one Standard General designee to our Board of Directors within thirty (30) days of the date of the Settlement Agreement and, if

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the Charter Amendment is approved, to nominate two designees of Standard General to our Board of Directors at subsequent annual meetings, subject to certain limitations. Standard General had previously requested that the Board of Directors appoint certain individuals; and on January 25, 2018, the last day for submission of nomination notices under the Company's Bylaws, Standard General notified us that it intended to nominate individuals for election to our Board at the Annual Meeting. Standard General withdrew its nominees as part of the Settlement Agreement. See Proposal No. 1: Election of Directors Settlement Agreement below for further details about the Settlement Agreement.

The Charter Amendment is an important part of the Settlement Agreement. If approved, the Charter Amendment would declassify the Board and give stockholders the right to vote on each director every year, increase the maximum number of directors from 10 to 11 to permit designees from Standard General to serve as directors under certain circumstances, and revise the directors needed to approve certain matters specified in the Charter. See Proposal No. 2: Proposed Charter Amendment Description of the Charter Amendment below for further details about the Charter Amendment.

Q: If the Charter Amendments are approved, what will be the terms of the directors?

A: Although the Class II nominees standing for election at the 2018 annual meeting will be elected for a three-year term, if the Charter Amendments are approved, each Class I and Class II director will resign immediately after the Charter Amendments are effective, and each such director will then immediately be reappointed by the Class III directors to the Board for a one-year term. The Class III directors will serve the remainder of their three-year terms ending at the 2019 annual meeting of stockholders. Therefore, beginning in 2019, all director nominees will be elected to one-year terms.

Q: If the Charter Amendments are not approved, what will be the terms of the directors?

A: If the Charter Amendments are not approved, the Board will remain classified. All of the nominees for the 2018 Annual Meeting will be Class II directors and will continue to serve for a three-year term ending at the 2021 annual meeting of stockholders. The Class I directors will continue to serve the remainder of their terms ending with the 2020 annual meeting of stockholders and the Class III directors will continue to serve the remainder of their terms ending with the 2019 annual meeting of stockholders.

Q: What is included in the proxy materials?

A: The proxy materials include the Company's Notice of Annual Meeting of Stockholders, proxy statement and the Annual Report for the fiscal year ended December 28, 2017, which includes our audited consolidated financial statements.

Q: What do I need to bring with me to attend the Annual Meeting?

A: If you are a stockholder of record of shares of our common stock, please bring photo identification with you. If you are a beneficial owner of shares of our common stock held in street name, please bring photo identification and the legal proxy, which is described below under the question *If I am a beneficial owner of shares held in street name, how do I vote?*, or other evidence of stock ownership (e.g., most recent account statement) with you. If you do not provide photo identification or if applicable, evidence of stock ownership, you will not be admitted to the Annual Meeting.

Q: Who can vote at the Annual Meeting?

A: Our Board of Directors has fixed the close of business on May 23, 2018 as the record date. We had 79,003,606 shares of our common stock outstanding as of the close of business on the record date, including unvested restricted common stock with voting rights.

Q: How many votes am I entitled per share of common stock?

A: Holders of our common stock are entitled to one vote for each share of common stock held as of the record date.

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Q: What is the difference between holding NCM, Inc. s shares of common stock as a stockholder of record and a beneficial owner?

A: Most of our stockholders hold their shares of our common stock as a beneficial owner through a broker, bank or other nominee in street name rather than directly in their own name. As summarized below, there are some important distinctions between shares held of record and those owned beneficially in street name.

Stockholder of Record: If your shares of our common stock are registered directly in your name, you are considered the stockholder of record with respect to those shares, and we delivered these proxy materials directly to you. As the stockholder of record, you have the right to vote your shares in person or by proxy at the Annual Meeting.

Beneficial Owner: If your shares of our common stock are held in an account with a broker, bank or other nominee, you are considered the beneficial owner of those shares held in street name, and the broker, bank or other nominee holding your shares on your behalf delivered these proxy materials to you. The nominee holding your shares is considered the stockholder of record for purposes of voting at the Annual Meeting. As the beneficial owner, you have the right to direct your broker, bank or other nominee how to vote your shares being held by them.

Q: If I am a stockholder of record of NCM, Inc. shares, how do I vote?

A: *Voting by Internet.* You can vote through the Internet by following the instructions provided in the proxy card that you received. Go to www.edocumentview.com/ncmi, follow the instructions on the screen to log in, make your selections as instructed and vote.

Voting by Mail. You can vote by mail by completing, dating, signing and returning the proxy card in the postage-paid envelope (to which no postage need be affixed if mailed in the United States) accompanying the proxy card that you received.

Voting in Person. If you plan to attend the Annual Meeting and vote in person, we will give you a proxy card at the Annual Meeting. Even if you plan to attend the Annual Meeting, we encourage you also to vote by Internet or mail as described above so that your vote will be counted if you later decide not to attend the Annual Meeting.

Q: If I am a beneficial owner of shares held in street name, how do I vote?

A: *Voting by Internet.* You can vote over the Internet by following the voting instruction card provided to you by your broker, bank, trustee or nominee.

Voting by Mail. You can vote by mail by completing, dating, signing and returning the voting instruction form in the postage-paid envelope (to which no postage need be affixed if mailed in the United States) accompanying the voting instruction form that you received.

Voting in Person. If you plan to attend the Annual Meeting and vote in person, you must obtain a legal proxy giving you the right to vote the shares at the Annual Meeting from the broker, bank or other nominee that holds your shares. Even if you plan to attend the Annual Meeting, we recommend that you also vote by Internet or mail as described above so that your vote will be counted if you later decide not to attend the Annual Meeting.

Q: What if I submit a proxy but I do not give specific voting instructions?

A: *Stockholder of Record:* If you are a stockholder of record of shares of our common stock, and if you indicate when voting through the Internet that you wish to vote as recommended by our Board of Directors, or if you sign and return a proxy without giving specific voting instructions, then the proxy holders

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designated by our Board of Directors, Andrew England and Sarah Hilty, who are officers of the Company, will vote your shares **FOR** the four director nominees, **FOR** the Charter Amendment; **FOR** advisory approval of the Company's executive compensation, and **FOR** the ratification of the selection of Deloitte & Touche LLP as our independent auditors for our 2018 fiscal year, all as recommended by our Board of Directors and as presented in this proxy statement.

Beneficial Owner: If you are a beneficial owner of shares of our common stock held in street name and do not present the broker, bank or other nominee that holds your shares with specific voting instructions, then the nominee may generally vote your shares on routine proposals but cannot vote on your behalf for non-routine proposals under the rules of various securities exchanges. If you do not provide specific voting instructions to the nominee that holds your shares with respect to a non-routine proposal, the nominee will not have the authority to vote your shares on that proposal. When a broker indicates on a proxy that it does not have authority to vote shares on a particular proposal, the missing votes are referred to as broker non-votes.

Q: Which ballot measures are considered routine or non-routine ?

A: The ratification of the appointment of Deloitte & Touche LLP as our independent auditors for fiscal 2018 (Proposal No. 4) is a matter considered routine under applicable rules. A broker or other nominee may generally vote on routine matters, and therefore no broker non-votes are expected to exist in connection with Proposal No. 4. The election of directors (Proposal No. 1), the Charter Amendment (Proposal No. 2) and the advisory approval of the Company's executive compensation (Proposal No. 3) are matters considered non-routine under applicable rules. A bank, broker or other nominee cannot vote without instructions on non-routine matters, and therefore there may be broker non-votes on Proposal Nos. 1, 2 and 3. A broker non-vote will have no effect on Proposal Nos. 1 and 3, but will have the same effect as a vote against Proposal No. 2.

Q: What is the quorum requirement for the Annual Meeting?

A: A quorum is required for our stockholders to conduct business at the Annual Meeting. A majority of the outstanding shares of our common stock entitled to vote on the record date must be present in person or represented by proxy at the Annual Meeting in order to hold the meeting and conduct business. We will count your shares for purposes of determining whether there is a quorum if you are present in person at the Annual Meeting, if you have voted through the Internet, if you have voted by properly submitting a proxy card, or if the nominee holding your shares submits a proxy card. We will also count broker non-votes for the purpose of determining if there is a quorum.

Q: What is the voting requirement to approve each of the proposals?

A: *Approval for Proposal No. 1* requires 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 to approve the election of each director nominee named in Proposal No. 1. You 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.

Approval of Proposal No. 2 requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock.

Approval of Proposal No. 3 requires the affirmative vote of a majority of the votes cast by the holders of shares of our common stock entitled to vote that are present in person or represented by proxy at the Annual Meeting.

Approval of Proposal No. 4 requires the affirmative vote of a majority of the votes cast by the holders of shares of our common stock entitled to vote that are present in person or represented by proxy at the Annual Meeting.

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The effectiveness of any of the proposals is not conditioned upon the approval by our stockholders of any other proposal by our stockholders.

Standard General has agreed to vote the shares of our common stock that it beneficially owns in favor of each of these proposals as required by the terms of the Settlement Agreement.

Q: How are abstentions treated?

A: Abstentions will be counted as present for the purposes of determining whether a quorum is present at the Annual Meeting. A vote withheld for a nominee in the election of directors (Proposal No. 1) 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 such proposal.

Q: Can I change my vote or revoke my proxy after I have voted?

A: 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.

Q: Who is paying for the cost of this proxy solicitation?

A: We will pay the cost of soliciting proxies for the Annual Meeting. We have retained MacKenzie Partners, Inc. as our proxy solicitor and we will pay MacKenzie Partners, Inc. approximately \$30,000. 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.

Q: What are the voting recommendations of our Board of Directors?

A: Our Board of Directors recommends a vote **FOR** each of Proposal Nos. 1, 2, 3 and 4. Specifically, our Board of Directors recommends a vote:

FOR the election of Andrew P. Glaze, David R. Haas, Thomas F. Lesinski, and Mark B. Segall to our Board of Directors;

FOR the approval of the Charter Amendment;

FOR the advisory approval of the Company's executive compensation; and

FOR the ratification of the selection of Deloitte & Touche LLP as our independent accountants for fiscal year 2018.

Q: Where can I find the Company's Annual Report?

A: Our 2017 Annual Report on Form 10-K, including the audited consolidated financial statements as of and for the year ended December 28, 2017, 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 6300 South Syracuse Way, Suite 300, Centennial, Colorado 80111, Attention: Investor Relations, or at telephone number (303) 792-3600 or (800) 844-0935 investor relations. You may also view the Annual Report at <http://www.ncm.com> at the Investor Relations link. The Annual Report does not form any part of the materials for the solicitation of proxies.

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Q: What is householding and how does it affect me?

A: As permitted by applicable law, we intend to deliver only one copy of certain of our documents, including proxy statements, annual reports and information statements to stockholders residing at the same address, unless such stockholders have notified us of their desire to receive multiple copies thereof. Any such request should be directed to National CineMedia, Inc., 6300 South Syracuse Way, Suite 300, Centennial, Colorado 80111, Attention: Investor Relations, or by telephone at (303) 792-3600 or (800) 844-0935.

Upon request, we will promptly deliver a separate copy. Stockholders who currently receive multiple copies of the proxy statement at their address and would like to request householding of their communications should contact their broker.

Q: Whom should I call if I have questions about the Annual Meeting?

A: You should call MacKenzie Partners, Inc., our proxy solicitor, at 1-800-322-2885 or our Secretary at (303) 792-3600.

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Beneficial ownership is determined under the rules of the SEC and generally includes voting or investment power over securities. Except in cases where community property laws apply or as indicated in the footnotes to this table, we believe that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by the stockholder. As of May 23, 2018, the percentage of beneficial ownership for NCM, Inc. is based on 79,003,606 shares of common stock outstanding (including unvested restricted stock) and 157,576,354 membership units outstanding for NCM LLC, of which 76,915,532 are owned by NCM, Inc. Unless indicated below, the address of each individual listed below is 6300 South Syracuse Way, Suite 300, Centennial, Colorado 80111. The following table sets forth information regarding the beneficial ownership of our common stock as of May 23, 2018, 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, Inc. Common Stock	NCM LLC Common Membership Units (1)	Percent of NCM, Inc. Common Stock
Five Percent Stockholders			
Regal Entertainment Group and Affiliates (Regal) (2)		30,403,438	27.8%
Cinemark Holdings, Inc. and Affiliates (Cinemark) (3)		28,779,904	26.7%
American Multi Cinema, Inc. and Affiliates (AMC) (4)	1,000,000	21,477,480	22.4%
Standard General L.P. (5)	14,387,113		18.2%

ArrowMark Colorado Holdings LLC (6)	9,590,162	12.1%
The Vanguard Group, Inc. and Affiliates (7)	5,823,813	7.4%
BlackRock, Inc. (8)	4,401,563	5.6%
Directors and Executive Officers		
Andrew J. England	468,961	*
Clifford E. Marks (9)	819,271	1.0%
Katherine L. Scherping	121,941	*
Ralph E. Hardy (10)	206,619	*
Geri R. House (11)	151,507	*
Andrew P. Glaze (12)		*
Lawrence A. Goodman	50,665	*
David R. Haas	67,245	*
Thomas F. Lesinski	22,228	*
Lee Roy Mitchell (13)		*
Scott N. Schneider	95,864	*
Mark B. Segall		*
Renana Teperberg (13)		*

Paula Williams Madison	14,760	*
All current directors and executive officers as a group (14 persons) (9)	1,812,330	2.3%

* 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 were to choose to redeem all of its NCM LLC common membership units and we elected, as of May 23, 2018 to issue shares of NCM, Inc. common stock in redemption of all of the units, Regal would receive 30,403,438 shares of NCM, Inc. common stock, Cinemark would receive 28,779,904 shares of NCM, Inc. common stock, and AMC would receive 21,477,480 shares of NCM, Inc. common stock. These share amounts would represent 19.3%, 18.3%, and 13.6%, respectively, of our outstanding common stock, assuming that all of the NCM LLC units held by these NCM LLC members are converted into our common stock.
- (2) Includes Regal Entertainment Group, Regal Entertainment Holdings, Inc., Regal Cinemas Corporation, Regal Cinemas, Inc., Regal CineMedia Holdings, LLC and Regal CineMedia Corporation at 101 East Blount Avenue, Knoxville, Tennessee 37920 and Cineworld Group plc at 8th Floor, Vantage London, Great West Road, Brentford, United Kingdom TW8 9AG. Represents beneficial ownership based on the Statement of Changes in Beneficial Ownership of Securities on Form 4 filed on March 20, 2017, as adjusted to include 2,828,818 common membership units of NCM LLC issued to Regal CineMedia Holdings, LLC on March 29, 2018.
- (3) Includes Cinemark Holdings, Inc., Cinemark USA Inc. and Cinemark Media, Inc. The address of these stockholders is 3900 Dallas Parkway, Suite 500, Plano, Texas 75093. Represents beneficial ownership as of March 15, 2018 based on the Schedule 13D/A filed on March 26, 2018.
- (4) Includes American Multi-Cinema, 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 March 15, 2018 based on the Statement of Beneficial Ownership of Securities filed on the Schedule 13D/A filed on March 22, 2018.
- (5) The address of this stockholder is 767 Fifth Avenue, 12th Floor, New York, New York 10153. Represents beneficial ownership as of March 22, 2018 based on the Statement of Changes in Beneficial Ownership filed on Form 4 filed on March 23, 2018.
- (6) The address of this stockholder is 100 Fillmore Street, Suite 325, Denver, Colorado 80206. Represents beneficial ownership as of December 31, 2017 based on the Schedule 13G/A filed on February 9, 2018.
- (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, 2017 based on the Schedule 13G/A filed on February 9, 2018.
- (8) The address of this stockholder is 55 East 52nd Street, New York, New York 10055. Represents beneficial ownership as of December 31, 2017 based on the Schedule 13G/A filed on January 25, 2018.
- (9) Includes 262,166 stock options that were vested and exercisable within 60 days of May 23, 2018.
- (10) Mr. Hardy served as our Executive Vice President, General Counsel and Secretary until February 12, 2018. While he was a named executive officer for the fiscal year ended December 28, 2017, he is no longer an officer or employee of the Company. Includes 55,051 stock options that were vested and exercisable within 60 days of May 23, 2018.
- (11) Ms. House served as our Executive Vice President, People and Organization until December 31, 2017. While she was a named executive officer for the fiscal year ended December 28, 2017, she is no longer an officer or employee of the Company. Includes 47,776 stock options that were vested and exercisable within 60 days of May 23, 2018.
- (12) Mr. Glaze has been nominated to be a member of our Board of Directors and is a non-officer employee of Standard General L.P. who receives his compensation for his services from Standard General L.P. and will not receive any additional compensation (including equity awards) from us for his service as our director.
- (13) Mr. Mitchell and Ms. Teperberg are members of our Board of Directors who 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

We have 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.

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PROPOSAL NO. 1:

ELECTION OF DIRECTORS

Our Board of Directors currently consists of nine directors. Under the director designation agreement dated as of February 13, 2007 (the Director Designation Agreement), each of our founding members AMC, Cinemark and 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 Director Designation 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 the Director Designation Agreement for Cinemark are Thomas F. Lesinski and Lee Roy Mitchell and for Regal are Mark B. Segall and Renana Teperberg. On March 7, 2017, the U.S. Department of Justice entered into a final judgment requiring AMC to take certain actions to enable it to complete its acquisition of Carmike Cinemas, Inc. (the Final Judgment). As part of the Final Judgment, among other conditions, AMC was required to relinquish its governance rights in NCM LLC, including its seats on the NCM, Inc. Board of Directors as well as its rights to nominate any person to serve on the NCM, Inc. Board of Directors. AMC's non-independent designee to our Board of Directors resigned in December 2016. AMC's independent designee was Paula Williams Madison, who remains on the Board with a term expiring at the Annual Meeting. Ms. Madison has agreed to resign as a director upon the appointment of Andrew P. Glaze as a director, as described below. AMC is also required to divest the majority of its equity interests in NCM LLC, so that by June 20, 2019 it will own no more than 4.99% of the outstanding equity interests of the Company and NCM LLC.

Our Charter provides that directors are divided, as evenly as possible, into three classes, designated as Class I, Class II and Class III and that the number of total directors will not be more than ten. The number of current director positions is nine. The members of each class serve for staggered three-year terms. In 2018, four Class II directors are up for re-election.

Our Board of Directors has nominated four individuals for election as Class II directors at the Annual Meeting: Andrew P. Glaze, a designee of Standard General and a current director, David R. Haas, Thomas F. Lesinski, and Mark B. Segall.

If the proposed amendments to our Charter described in Proposal No. 2 are approved by our stockholders at the Annual Meeting, all Class I and Class II directors have agreed to resign following the effectiveness of the Charter Amendment. They will be immediately reappointed to the Board by the Class III directors with terms ending at the 2019 annual meeting of stockholders, so that each director will face election at the 2019 annual meeting. In addition, if Proposal No. 2 is approved, the size of our Board of Directors will be set at nine directors, with a maximum size of 11 directors.

Background of the Settlement Agreement

On June 1, 2018, the Company entered into the Settlement Agreement with Standard General.

Pursuant to a Department of Justice consent decree, AMC was required to take certain actions to enable it to complete its acquisition of Carmike Cinemas, including the divestiture of the majority of its equity interests in the Company and NCM LLC so that, by June 20, 2019, it would own no more than 4.99% of the outstanding equity interests of the Company and NCM LLC. According to a Schedule 13D/A filed by AMC, AMC sold 12,000,000 shares of the Company's common stock to Standard General on September 20, 2017. After that sale, Standard General disclosed that it beneficially owned 12,576,000 shares of the Company's common stock. Standard General subsequently acquired

additional shares of the Company's common stock on the open market in December 2017, and Standard General disclosed that, as of January 24, 2018, it beneficially owned 13,249,200 shares or approximately 16.9% of the Company's outstanding common stock. Standard General acquired additional shares of the Company's common stock on the open market in March 2018. On March 23, 2018, Standard General disclosed that, as of such date, it beneficially owned 14,387,113 shares or approximately 18.2% of the Company's outstanding common stock.

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In January 2018, representatives of Standard General met with certain of the Company's directors, including the Company's Chief Executive Officer Andrew England, to discuss Standard General's views regarding the direction of the Company. At the meeting, Standard General discussed with these directors the potential appointment to the Board of two of three potential directors identified by Standard General. Standard General informed the Company that Standard General may acquire additional shares of the Company's common stock, including shares that may be sold by AMC. Standard General also informed the Company that, in light of the then upcoming deadline for the submission of a nomination notice under the Company's Bylaws, Standard General intended to submit a formal nomination notice to the Company shortly. On January 25, 2018, Standard General delivered a letter to the Company (the "Standard General Nomination Notice") stating its intention to nominate two or three nominees for election at the Annual Meeting. Later that day, the Board met to discuss the Standard General Nomination Notice and potential responses to the same.

On January 31, 2018, the Board reconvened and, after discussion, determined that it should attempt to negotiate a mutually agreeable settlement with Standard General. Because two Standard General designees, if added to the Board, would have the ability to block any of the actions specified in Section 5.2 of the Charter if they voted together, the Board authorized the Company's representatives to offer Standard General one designee to be appointed to the Board. Actions subject to approval under Section 5.2 of the Charter include, without limitation, the entry into or modification of any material agreement by the Company, amending the Charter or Amended and Restated Bylaws of the Company, the incurrence of indebtedness in excess of \$15 million per year (subject to certain exceptions), and most mergers and acquisitions involving the Company. Before the Company or NCM LLC may take any of the actions specified in Section 5.2 of the Charter, such actions currently require the approval of at least 90% of the directors then in office if there are then ten directors on the Board, or the approval of at least 80% of the directors then in office if there are less than ten directors on the Board.

From February through April 2018, the Board also met on multiple occasions to consider the impact of Section 5.2 of the Charter should one or more Standard General designee be appointed to the Board and the impact of Section 4.3 of NCM LLC's operating agreement should one or more Standard General nominees be elected to the Board in place of any founding member designees. During this period, the independent directors who were not designated by Regal or Cinemark also met separately with their outside counsel to discuss the impact on the Company if Section 4.3 of NCM LLC's operating agreement were triggered by the outcome of a proxy contest. Pursuant to Section 4.3 of NCM LLC's operating agreement, if any director nominee designated by a founding member under the Director Designation Agreement is not appointed to the Board, nominated by the Company or elected by the Company's stockholders, as applicable, then each of the founding members (so long as such founding member continues to own 5% of NCM LLC's issued and outstanding common membership units) will be entitled to approve certain actions of NCM LLC as identified in the operating agreement, including, without limitation, the approval or modification of NCM LLC's budget and certain deviations from the budget; the incurrence of debt or the consummation of any financing transaction not provided for in the budget; the entering into or modification of most material agreements; the declaration or payment of dividends; the issuance of any additional NCM LLC units; the hiring or termination of certain officers, including the Chief Executive Officer; most material mergers, acquisitions and divestitures; the entering into any agreement to provide to any new member services similar to those set forth in NCM LLC's exhibitor services agreements or the admission of new members; and the dissolution, liquidation or bankruptcy of NCM LLC. If triggered, these founding member approval rights would continue until the earlier of (x) the date on which the conditions that gave rise to the founding member approval rights no longer exist or (y) the delivery of written notice waiving the founding member approval rights by the founding member(s) whose designees were not nominated, appointed or elected to the Board.

In response to the Board's offer of one Board seat, Standard General indicated that it believed that the Board should appoint two designees of Standard General as directors of the Company. The Board discussed several proposals that would have granted Standard General the right to designate two directors conditioned on a repeal of all or parts of

Section 5.2 of the Charter, but these proposals , which were put forth by the independent directors not designated by Regal or Cinemark, were not adopted by the Board.

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At the direction of the Board, representatives of Regal and Cinemark also met with representatives from Standard General several times from April through early May 2018. Representatives of Regal, Cinemark and Standard General and their respective counsel discussed the terms of a potential settlement agreement to the Company, which would have resulted in Standard General designating two directors, Regal and Cinemark designating five directors collectively, and the Board being composed of nine directors overall. In addition, the settlement proposal contemplated an amendment to the Charter to declassify the Board, increase the maximum number of directors from ten to eleven, and modify Section 5.2 of the Charter to eliminate the need for the approval of 80% or 90% of the directors for the actions specified therein, instead providing that such actions may be approved by a majority of the directors, but that the opposition of both designees of either Regal or Cinemark would prohibit the Company and NCM LLC from undertaking such actions. This proposed settlement was presented to the Board.

The Board met at a regularly scheduled meeting on May 3, 2018, and the independent directors not designated by Regal and Cinemark, met, in person and by phone, separately, numerous times during May 2018 to discuss terms of the proposed settlement with Standard General. Management at the Company also provided regular updates to the Board. The Board objected to increasing the number of directors designated by Regal and Cinemark from an aggregate of four directors to an aggregate of five directors. Over the course of May 2018, the participants discussed terms of a potential settlement, including that Regal and Cinemark would remain entitled to designate only four directors in the aggregate and, at the request of the unaffiliated independent directors, that if Section 5.2 of the Charter were modified to provide that the veto rights contained therein could be exercised only by Regal and Cinemark designated directors, related party transactions of the Company or NCM LLC, including transactions with Regal, Cinemark or Standard General, would need to be approved by disinterested directors. Those participants also discussed (i) that, during the standstill period, the Board's Audit Committee would include at least one director who is neither a designee of Standard General nor a designee of Cinemark or Regal pursuant to the Director Designation Agreement, (ii) a potential amendment the Company's Statement of Policy with Respect to Related Party Transactions to provide that, if any member of the Audit Committee, after consultation with counsel, determines that any of the Audit Committee's members has a potential interest in a related party transaction that the Audit Committee is reviewing or that the particular related party transaction should otherwise be reviewed by a special committee, such transaction will be referred to the Board to determine whether to delegate review of such transaction to a special committee comprised solely of disinterested directors, and (iii) that, during the standstill period, the Board would not take any action to further amend the Company's Statement of Policy with Respect to Related Party Transactions.

From May 21, 2018 through May 30, 2018, the Company (including independent directors not designated by Regal and Cinemark), Standard General, Regal, Cinemark and their respective counsel negotiated final terms of a settlement. On May 30, 2018, a final proposed Settlement Agreement was circulated. The Company's Board of Directors approved the Settlement Agreement on the morning of June 1, 2018, following which the Settlement Agreement was executed.

Description of the Settlement Agreement

Pursuant to the Settlement Agreement, the Company agreed to appoint Mr. Glaze as a Class II director on the Company's Board of Directors, with the effective date of Mr. Glaze's appointment to be within 30 days of the date of the Settlement Agreement. Paula Williams Madison has indicated that she will resign from our Board immediately prior to Mr. Glaze's appointment to our Board. In addition, the Company agreed to include Mr. Glaze in the Board's slate of nominees for election at the Annual Meeting and submit the Charter Amendment to the stockholders for approval at the Annual Meeting.

Under the terms of the Settlement Agreement, Standard General agreed to vote, until the end of the Standstill Period (defined below), (i) in favor of each director nominated and recommended by the Board for election at any meeting of the Company's stockholders, (ii) in favor of the Charter Amendment, (iii) in accordance with the recommendations by

the Board on certain routine proposals, including Proposal No. 4 relating to the ratification of the auditors, and (iv) against any stockholder nominees not recommended by the

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Board and against any proposals or resolutions to remove members of the Board. Standard General also agreed, subject to certain limitations, to refrain from certain actions during the Standstill Period, including (A) engaging in any solicitation or otherwise become a participant in any contested solicitation as such terms are used in the proxy rules of the SEC; (B) submitting any stockholder proposal or any notice of nomination or other business for consideration to the Board; (C) seeking to acquire the Company or any of its material assets, or proposing mergers, acquisitions or other business combinations involving the Company; (D) acquiring additional shares of the Company's common stock following which Standard General would economically own or have a total net long position greater than 30% of the Company's outstanding common stock; and (E) certain other actions specified in the Settlement Agreement.

The term "Standstill Period" means the period of time starting on the date of the Settlement Agreement and ending upon the earlier of (i) the Annual Meeting, if the Company's stockholders do not approve the Charter Amendment, which is Proposal No. 2, at the Annual Meeting, and (ii) 30 days prior to the deadline for stockholder nominations and proposals for the Company's 2022 Annual Meeting of Stockholders, but in any event no later than February 28, 2022. However, Standard General may terminate the Standstill Period if any of its designees fail to be elected to the Board and the Board does not appoint such designees to the Board within the time periods specified in the Settlement Agreement. In addition, the Standstill Period will be suspended at any time when Standard General's aggregate beneficial ownership of the Company's common stock falls below 7,900,361 shares (the "Minimum Ownership Level"), and in the event that Standard General subsequently acquires beneficial ownership of the Company's common stock that exceeds the Minimum Ownership level, the Standstill Period shall resume, including all associated obligations and restrictions.

If the Company's stockholders approve the Charter Amendment at the Annual Meeting, the Company has agreed to nominate two individuals designated by Standard General for election at the Company's 2019 Annual Meeting of Stockholders and at each subsequent annual meeting occurring during the Standstill Period, subject to the designees satisfying certain criteria. If the Company's stockholders do not approve the Charter Amendment at the Annual Meeting, the Company will not be required to nominate any Standard General designees at the 2019 Annual Meeting, although Mr. Glaze will continue to serve as a Class II director with a term ending at the Company's 2021 Annual Meeting of Stockholders. At the Company's request, Standard General will cause its designees to resign from the Board if Standard General's aggregate beneficial ownership of the Company's common stock falls below the Minimum Ownership Level.

The Company agreed that the size of the Board will not exceed nine directors during the Standstill Period, subject to an increase only to appoint designees of Standard General that are not otherwise elected to the Board as set forth in the Settlement Agreement. The Company further agreed that upon the request of Standard General, the Board will appoint a Standard General designee to serve as a member of any committee of the Board requested by Standard General other than the Audit Committee, the Compensation Committee and the Nominating and Governance Committee, subject to certain limitations in the Settlement Agreement. Effective upon his appointment to the Board, Mr. Glaze will initially serve on the Compensation Committee and Nominating and Governance Committee of the Board. Neither Standard General nor Mr. Glaze will be compensated for Mr. Glaze's service on the Board.

In connection with the Settlement Agreement, the parties agreed to amend the Company's Statement of Policy with Respect to Related Party Transactions to provide that if any member of the Audit Committee, after consultation with counsel, determines that any of its members has a potential interest in a related party transaction that it is reviewing or that the particular related party transaction should otherwise be reviewed by a special committee, such transaction will be referred to the Board to determine whether to delegate review of such transaction to a special committee comprised solely of disinterested directors. The Settlement Agreement also provides that (i) that, during the standstill period the Board's Audit Committee will include at least one director who is neither a designee of Standard General nor a

designee of Cinemark or Regal pursuant to the Director Designation Agreement and (ii) that, during the standstill period, the Board will not take any action to further amend the Company's Statement of Policy with Respect to Related Party Transactions.

Stockholders are encouraged to read the Settlement Agreement, a copy of which was included as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 1, 2018.

Table of Contents**Business Experience of the Nominees**

We are soliciting proxies in favor of the election or 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 our 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, our 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.

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 ten years, if applicable, are set forth below. In addition, we have included information about each nominee's experience, qualifications, attributes or skills that led our 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.

Andrew P. Glaze. Mr. Glaze has served as a Research Analyst at Standard General since 2016. Before joining Standard General, Mr. Glaze was a Managing Director at Claar Advisors, LLC, which he joined in 2014. Mr. Glaze was the founder, and, from 2009 to 2014, the Chief Investment Officer of, Emys Capital, LLC. Prior to this he was an investment banking associate on the Consumer and Leveraged Finance teams at Merrill Lynch. Mr. Glaze began his career in the United States Army where he served as an officer for five years in the 1st Cavalry division. As part of his service, Mr. Glaze deployed to Baghdad, Iraq for one year where he served with distinction as a Captain and Aviation Brigade Fire Support Officer. Mr. Glaze is a service-disabled veteran. He holds a B.S. from the United States Military Academy at West Point and an M.B.A. from Columbia Business School, where he participated in the highly selective Value Investing Program. He is also a member of the Success Academy Charter Network Advisory Board. Mr. Glaze is a Chartered Financial Analyst.

Mr. Glaze's extensive experience in financial analysis and organizational leadership qualifies him to serve on our Board.

David R. Haas. Mr. Haas has served as a director of NCM, Inc. and chairman of its Audit Committee since February 2007. His current term as director 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's experience as a former high-ranking financial executive in a media company qualifies him to serve on our Board of Directors and as chairman of our Audit Committee and to provide guidance to our internal audit function and financial advice to our Board. In addition, Mr. Haas's previous experience serving on several public company boards and audit committees has provided him a broad-based understanding of financial risks and compliance expertise.

Thomas F. Lesinski. Mr. Lesinski has served as a director of NCM, Inc. since December 2014, as co-chairman of its Compensation Committee since January 2017 and as chairman of its Compensation Committee since July 2017. His current term as director expires in 2018. Mr. Lesinski has served as the Chief Executive Officer of Sonar Entertainment, an independent entertainment studio, since January 2016. Mr. Lesinski served as the founder and CEO of Energi Entertainment, a multi-media content production company, from August 2014 until December 2015. 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 gives him the experience to critically review the various business considerations necessary to run a business such as ours and offers a valuable

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perspective as the media marketplace becomes more competitive, particularly with the growth of online and mobile advertising platforms. Mr. Lesinski's experience as a Chief Executive Officer provides valuable perspective as chairman of our Compensation Committee.

Mark B. Segall. Mr. Segall has served as a director of NCM, Inc. since March 2018. His current term as director expires in 2018. Mr. Segall is the owner and Managing Director of Kidron Corporate Advisors, LLC, a New York based mergers and acquisitions corporate advisory boutique founded in 2003, and has been the CEO of Kidron Capital Advisors LLC since 2009. Previously, he served as the Co-Chief Executive Officer of Investec, Inc., an asset management company, from 2001 to 2003, following his role as Investec Inc.'s head of investment banking and general counsel. Prior to that, he was a partner at the law firm of Kramer, Levin, Naftalis & Frankel LLP, specializing in cross-border mergers and acquisitions and capital markets activities. Mr. Segall serves as a director of the following public companies: Integrated Asset Management Plc (2000 to 2014 and 2018 to present) and Bel Fuse, Inc (2011 to present). In the past five years he has served on other public company boards including: Ronson Europe N.V. (2008 to 2017), Temco Service Industries, Inc. (2011 to 2016), Infinity Cross Border Acquisition Corp. (2012 to 2014), and ATMI, Inc. (2013 to 2014). Mr. Segall also serves on a number of private company boards.

Mr. Segall's two decades of board leadership experience at both public and private companies, gives him the ability to offer guidance to the Company and its operations.

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.

Recommendation

Our 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.

Table of Contents**Board Composition**

The following table provides information regarding our directors and director nominees.

Name	Age	Position
Scott N. Schneider	60	Chairman (Class I)
Andrew J. England	53	Chief Executive Officer and Director (Class I)
Andrew P. Glaze	39	Director nominee (Class II)
Lawrence A. Goodman	64	Director (Class I)
David R. Haas	76	Director (Class II)
Thomas F. Lesinski	58	Director (Class II)
Lee Roy Mitchell	81	Director (Class III)
Mark B. Segall	55	Director (Class II)
Renana Teperberg	41	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 ten 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.

Andrew J. England. Mr. England was appointed Chief Executive Officer and Director of NCM, Inc. on January 1, 2016. His current term as director expires in 2020. 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 held various marketing and brand

management positions 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 our 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 our Board.

Lawrence A. Goodman. Mr. Goodman has been a director since February 2007. He was chairman of the Compensation Committee of NCM, Inc. from February 2007 to July 2017 (co-chairman from January 2017 to July 2017). His current term as director expires in 2020. Mr. Goodman founded White Mountain Media, a media consulting company, in July 2004 and served as its president since inception until 2015. 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 resolve the issues addressed by our Board.

Lee Roy Mitchell. Mr. Mitchell has served as a director of NCM, Inc. since October 2006. His current term as director expires in 2019. Mr. Mitchell has served as Chairman of the Board of Cinemark Holdings, Inc. since

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March 1996 and as a director since its inception in 1987. Mr. Mitchell served as Chief Executive Officer of Cinemark Holdings, Inc. from its inception in 1987 until December 2006, Vice Chairman of the Board from March 1996 and was President from inception in 1987 until March 1993.

Mr. Mitchell has over four decades of executive leadership experience, including a key role in the theater industry and brings important institutional knowledge to our Board. Mr. Mitchell's experience enables him to share with our 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 our Board the perspective of a major stakeholder.

Scott N. Schneider. Mr. Schneider has been a director of NCM, Inc. since February 2007 and currently serves as the Chairman of our Board. He also served as lead director from October 2014 through January 2016 and served as Non-Employee Executive Chairman of NCM, Inc. from January 2016 through January 2018. His current term as director expires in 2020. 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's extensive experience in senior leadership positions at several public and private media companies makes him well suited to understand and advise our Board on complex managerial, strategic and financial considerations and to serve as Non-Employee Executive Chairman. 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.

Renana Teperberg. Ms. Teperberg has served as a director of NCM, Inc. since March 2018. Her current term as director expires in 2019. Ms. Teperberg has served as Chief Commercial Officer of Cineworld Group plc since 2016 and Senior Vice President Commercial from 2014 to 2015. Prior to that time, she served as Head of Programming and Marketing for Cinema City International from 2002 to 2013. On February 28, 2018, Cineworld Group plc acquired the parent corporation of Regal.

Ms. Teperberg has extensive experience in the cinema industry which enables her to share with our Board suggestions about how similarly situated companies effectively assess and undertake business considerations and opportunities.

Independence of our Board of Directors

Our Board of Directors has determined that Andrew P. Glaze, Lawrence A. Goodman, David R. Haas, Thomas F. Lesinski, Scott N. Schneider and Mark B. Segall, all current directors or director nominees, qualify as independent directors under the rules promulgated by the SEC under the Exchange Act, and by Nasdaq. There are no family relationships among any of our executive officers, directors or nominees for director. 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 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 our Board's

oversight of management, our 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 our Board of Directors on January 1, 2016 and on January 20, 2016, our Board appointed him as the Non-Employee Executive Chairman during the CEO transition period. On January 24, 2018, our Board reappointed him Chairman of our Board of Directors.

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Our 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

Our Board as a whole has responsibility for risk oversight, including setting the tone at the top regarding the importance of risk management. Our Board reviews information on the Company's credit, liquidity and operations, as well as reports from management on enterprise risk and committee reports. Our Compensation Committee is responsible for overseeing the management of risks relating to our executive compensation. Our Audit Committee is responsible for overseeing the management of financial risks. Our 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.

Katherine L. Scherping, Chief Financial Officer is our Chief Risk Officer. The Chief Risk Officer provides periodic updates to our 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.

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 reviews the compensation policies and practices for all employees, including executive officers. Among other things, our Compensation Committee considers whether the compensation program encouraged excessive risk taking by employees at the expense of long-term Company value. Based upon its assessment, our Compensation Committee does not believe that our compensation program encourages excessive or inappropriate risk-taking. Our Compensation Committee believes that the design of our 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 our Board of Directors and Standing Committees

Our Board of Directors held eleven meetings during the fiscal year ended December 28, 2017. During our 2017 fiscal year, no director then in office attended fewer than 75% of the aggregate total number of meetings of our 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 our Board of Directors on which he or she served. The Company does not have a formal policy regarding attendance by members of our Board of Directors at the Company's Annual Meeting, but encourages our directors to attend. All nine of our directors attended our Annual Meeting of Stockholders held on April 28, 2017. The three standing committees of our Board of Directors are our Audit Committee, our Compensation Committee and our Nominating and Governance Committee. Periodically our Board has established a special committee to review significant transactions and other matters. For example, in 2017 a special committee of our Board of Directors was formed to consider the implications of AMC's Memorandum of Understanding with the Department of Justice regarding the acquisition of Carmike Cinemas, Inc. The special committee during 2017 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 sixteen meetings of the special committee during our 2017 fiscal year.

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The following table shows the current membership:

DIRECTOR COMMITTEE MEMBERSHIP

Director	Audit Committee	Compensation Committee	Nominating and Governance Committee	Board of Directors
Andrew J. England				X
Lawrence A. Goodman		X	X	X
David R. Haas	Chair	X		X
Thomas F. Lesinski	X	Chair		X
Paula Williams Madison		X	Chair	X
Lee Roy Mitchell				X
Scott N. Schneider	X		X	Chair
Mark B. Segall				X
Renana Teperberg			X	X

Audit Committee

Our 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.

Our 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.

Our 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. Our Audit Committee's responsibilities are set forth in its charter, the current version of which was most recently approved by our Board in connection with the Settlement Agreement. The current version of the charter is available on our website at www.ncm.com at the Investor Relations link. There were eight meetings of our Audit Committee during our 2017 fiscal year.

Compensation Committee

Our Compensation Committee consists of Thomas F. Lesinski (chairman), Lawrence A. Goodman, David R. Haas and Paula Williams Madison. If elected as a director at the Annual Meeting, Andrew P. Glaze is expected to serve on the Compensation Committee. Each member was determined to be independent as defined in the rules promulgated by the SEC under the Exchange Act and by 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.

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

- (1) to assist our Board in discharging its responsibilities relating to compensation of our CEO and other executives;

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(2) to administer our equity incentive plans (other than equity compensation for non-employee directors which is administered by our Board); and

(3) to have overall responsibility for approving and evaluating all of our compensation plans, policies and programs that affect our executive officers.

Our 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 our Board in January 2018. The current version of the charter is available on our website at www.ncm.com at the Investor Relations link. There were eight meetings of our Compensation Committee during our 2017 fiscal year.

Our Compensation Committee performs such functions and has the authority and responsibilities enumerated in its charter. Our Compensation Committee is authorized to form and delegate responsibility to subcommittees of our Compensation Committee as it deems necessary or appropriate, provided, however, that any such subcommittees shall meet all applicable independence requirements and that our 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.

Our Compensation Committee engaged ClearBridge Compensation Group, LLC (ClearBridge), a nationally recognized consulting firm, to assess the competitiveness of compensation for the executive officers and provide independent advice and recommendations to our Compensation Committee regarding executive compensation. Prior to retaining ClearBridge, our 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

Our Nominating and Governance Committee consists of Paula Williams Madison, Lawrence A. Goodman and Scott N. Schneider. If elected as a director at the Annual Meeting, Andrew P. Glaze is expected to serve on the Nominating and Governance Committee. 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.

Our 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 our Board;

(2) to oversee the evaluation of our management and our Board; and

(3) to review from time to time the Corporate Governance Guidelines applicable to us and to recommend to our Board such changes as it may deem appropriate.

Our Nominating and Governance Committee's responsibilities are set forth in its charter, which was most recently reviewed by the Committee and approved by our Board in January 2018. 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 our Nominating and Governance Committee during our 2017 fiscal year.

Other than the director candidates designated by our founding members or by Standard General pursuant to the Settlement Agreement, our 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 our 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. Our

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Nominating and Governance Committee recommends to our Board of Directors the terms of our Corporate Governance Guidelines. Our Nominating and Governance Committee reviews such guidelines and the provisions of our 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. Our 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 2018 Annual Meeting were formally nominated by our Nominating and Governance Committee, and were approved by our Board of Directors on June 1, 2018.

As the need to fill vacancies arises in the future, our 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 our Board. Our Nominating and Governance Committee would consider potential director candidates recommended by stockholders and 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.

Our Nominating and Governance Committee and Board of Directors consider whether candidates for nomination to our 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 our Board of Directors;
- (c) a willingness and ability to devote the time necessary to carry out the duties and responsibilities of membership on our 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, our Nominating and Governance Committee complies with the Company's Corporate Governance Guidelines and Corporate Code of Conduct. In addition to considering the qualifications listed above, the Committee seeks nominees that will complement the existing members and provide diversity of background, professional expertise, gender and ethnicity. Our Nominating and Governance Committee periodically reviews and assesses its evaluation process for considering nominee directors.

STOCKHOLDER COMMUNICATIONS

Our Board of Directors provides a process for stockholders to send communications to our Board. Information on communicating directly with our Board of Directors is available on our website *at* www.ncm.com at the Investor Relations link.

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PROPOSAL NO. 2:

PROPOSED CHARTER AMENDMENT

Pursuant to the Settlement Agreement, the Company agreed to seek stockholder approval to amend and restate the Company's Amended and Restated Certificate of Incorporation (the "Charter") to (i) increase the maximum size of the Board, (ii) declassify the Board, (iii) limit the applicability of certain approval rights of any two members of the Board to only those members of the Board appointed by Cinemark or Regal and (iv) make conforming changes related to the preceding amendments (collectively, the "Charter Amendment"). In addition, pursuant to the Settlement Agreement, in order to facilitate the immediate election of all directors on an annual basis beginning with the 2019 annual meeting, each of the Company's four nominees for election at the 2018 Annual Meeting and each of the Company's Class I directors and Class II directors/nominees has agreed, if the Charter Amendment is approved, he or she would resign immediately following the effectiveness of the Charter Amendment after the Annual Meeting and will be immediately reappointed to the Board, but not as a member of any class of the Board, with terms ending at the 2019 annual meeting of stockholders.

The Charter Amendment is set forth below. The Board believes that the Charter Amendment is in the best interests of the stockholders. A majority of companies included in the S&P 500 index have declassified boards, which allow stockholders to elect all directors on an annual basis. The Settlement Agreement provides that if the Charter Amendment is not approved by the Company's stockholders, (i) the Settlement Agreement will terminate, (ii) the Board will remain classified, the nominees for election at the Annual Meeting will continue to serve for a three year term, and directors elected at the 2019 annual meeting would serve for a term ending at the 2022 annual meeting, (iii) directors would only be removable by the stockholders for cause, (iv) the Company would not be obligated to nominate a second nominee of Standard General at the 2019 Annual Meeting, (v) Standard General would not be subject to any standstill provisions and (vi) the approval rights currently contained in Section 5.2 of the Charter will remain in effect, allowing any two directors of the Board to block certain corporate actions.

Description of the Charter Amendment

Increase the maximum size of our Board

Currently, the Charter provides that the number of directors on our Board shall be fixed by our bylaws, but shall not be more than ten directors. Under the Charter Amendment, Article V, Section 5.1(a) of the Charter would be amended to set the current size of the Company's Board at nine directors, which number may be adjusted under our bylaws up to a maximum of 11 directors in order to ensure our compliance with our obligations to appoint Standard General nominees pursuant to the Settlement Agreement. Our Board of Directors will also adopt upon stockholder approval of this Proposal No. 2, certain conforming changes to our bylaws to reflect the Charter Amendment.

Declassify our Board

Currently, the Charter provides that directors are divided as evenly as possible into three classes, designated as Class I, Class II and Class III, each serving a three-year term. Under the Charter Amendment, Article V, Section 5.1(b) of the Charter would be amended to immediately declassify the Board into a single class. If the Charter Amendment is approved, Article V, Section 5.1(b) of the Charter will be amended to provide that the terms of each of the Company's directors elected at an annual meeting of stockholders would expire at the next annual meeting of stockholders, with each director serving a one year-term (or until his or her successor is duly elected and qualified or until his or her death, resignation or removal).

In addition, consistent with Delaware law, our Charter and our bylaws currently provide that the members of the Board are removable only for cause as a result of the current classified structure. The Charter Amendment would provide that, once the Board is declassified, directors may be removed with or without cause.

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Amend Certain Board Approval Rights of our Directors for Certain Corporate Actions

The Charter Amendment would amend the first paragraph of Article V, Section 5.2 of the Charter to alter certain approval rights of our Directors for certain corporate actions.

Under the current Charter, so long as a Founding Member beneficially owns at least 5% of NCM LLC's issued and outstanding common membership units, approval of at least 90% of the directors then in office (provided that if the Board has fewer than ten directors, then the approval of at least 80% of the directors then in office) will be required before we may take any of the certain corporate actions listed below or before we, in our capacity as manager of NCM LLC, may authorize NCM LLC to take any of such actions.

Under the Charter Amendment, so long as either of Regal or Cinemark owns at least 5% of NCM LLC's issued and outstanding common membership units, if the two directors appointed by Cinemark or the two directors appointed by Regal (except that if either Cinemark or Regal has only appointed one director, and such director qualifies as an independent director under the applicable rules of The Nasdaq Stock Market LLC, then such director) vote against any of the certain corporate actions listed below, we and NCM LLC will be prohibited from taking any such actions. Accordingly, the Charter Amendment would limit the approval rights for the actions listed below to a specified subset of the Board, thereby limiting the blocking rights that would otherwise apply to any two directors. If the Charter Amendment is not approved, then any two directors may block the Company from taking the actions listed below.

Such veto (whether under the current Charter or the Charter Amendment) would be required before we are prohibited from taking any of the following actions or we, in our capacity as manager of NCM LLC, may authorize NCM LLC to take any of the following actions:

assign, transfer, sell or pledge all or a portion of the membership interests of NCM LLC beneficially owned by NCM, Inc.;

acquire, dispose, lease or license assets with an aggregate value exceeding 20% of the fair market value of the business of NCM LLC operating as a going concern;

merge, reorganize, recapitalize, reclassify, consolidate, dissolve, liquidate or enter into a similar transaction;

incur any funded indebtedness or repay, before due, any funded indebtedness with a fixed term in an aggregate amount in excess of \$15.0 million per year;

issue, grant or sell shares of NCM, Inc. common stock, preferred stock or rights with respect to common or preferred stock, or NCM LLC membership units or rights with respect to membership units, except under specified circumstances;

authorize, issue, grant or sell additional membership interests or rights with respect to membership interests of NCM LLC (with certain exceptions);

amend, modify, restate or repeal any provision of NCM, Inc. s certificate of incorporation or bylaws or the NCM LLC operating agreement;

enter into, modify or terminate certain material contracts not in the ordinary course of business as defined under applicable securities laws;

except as specifically set forth in the NCM LLC operating agreement, declare, set aside or pay any redemption of, or dividends with respect to membership interests;

amend any material terms or provisions (as defined in the Nasdaq rules) of NCM, Inc. s equity incentive plan or enter into any new equity incentive compensation plan;

make any change in the current business purpose of NCM, Inc. to serve solely as the manager of NCM LLC or any change in the current business purpose of NCM LLC to provide the services as set forth in the ESAs (as defined below); and

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approve any actions relating to NCM LLC that could reasonably be expected to have a material adverse tax effect on the Founding Members.

Complete Text of the Proposed Charter Amendment

Appendix A to this proxy statement provides the amendments to the relevant sections of our Charter that would result if the Charter Amendment is approved by our stockholders. The descriptions of the Charter Amendment set forth herein are qualified in their entirety by reference to the text of the amendment attached as Appendix A hereto.

Vote Required

Approval of the Charter Amendment by our stockholders requires the affirmative vote of the holders of at least a majority of the outstanding shares of our common stock voting in favor of this Proposal No. 2.

Recommendation

Our Board of Directors recommends that stockholders vote **FOR** Proposal No. 2, and approve the Charter Amendment presented in this proxy statement.

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PROPOSAL NO. 3:

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.

Our Compensation Committee believes that the Company's compensation policies and procedures are aligned with the short 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 2017 approximately 56% of total compensation, assuming 100% achievement of targets, and approximately 52% of total compensation, based upon actual 2017 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 our Compensation Committee. Our 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 our Board of Directors or the Company. However, our 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 No. 3.

Recommendation

Our Board of Directors recommends that stockholders vote **FOR** Proposal 3, and approve, on an advisory basis, the Company's executive compensation program, as presented in this proxy statement.

Table of Contents**PROPOSAL NO. 4:****RATIFICATION OF INDEPENDENT AUDITORS**

A resolution will be presented at the Annual Meeting to ratify the appointment by our Audit Committee of the firm Deloitte & Touche LLP as independent auditors to audit our financial statements for the 2018 fiscal year ending December 27, 2018 and to perform other approved accounting services.

Ratification by our stockholders of the selection of Deloitte & Touche LLP as our independent auditors is not required by applicable law, our certificate of incorporation, our bylaws or otherwise. However, 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, our Audit Committee will reconsider whether to retain Deloitte & Touche LLP. Even if the selection of Deloitte & Touche LLP is ratified, our 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.

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 2017 and 2016, the following amounts:

	2017	2016
Audit Fees (1)	\$ 1,029,600	\$ 1,139,700
Audit Related Fees (2)	30,000	224,600
Total Audit and Related Fees	1,059,600	1,364,300
Tax Fees		
All Other Fees		
Total Fees	\$ 1,059,600	\$ 1,364,300

- (1) In 2017, audit fees include \$102,500 of fees for the issuance of consents and comfort letters in connection with registration statement filings. For fiscal year 2016, audit fees include \$256,895 of fees for the issuance of consents and comfort letters in connection with registration statement filings and debt offerings.
- (2) In 2017, audit related fees consisted of \$20,000 for the assistance with debt offerings and periodic filings for NCM LLC's founding members, which was reimbursed to NCM LLC by the founding members and \$10,000 due to other audit related services. For fiscal year 2016, audit related fees consisted of assistance with debt offerings and periodic filings for NCM LLC's founding members, all of which was reimbursed to NCM LLC 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 our 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 our Audit Committee prior to the completion of the audit. Our 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 our Audit Committee.

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Vote Required

The affirmative vote of the holders of a majority of the votes cast on this proposal is required to approve Proposal No. 4.

Recommendation

Our Board of Directors recommends that stockholders vote **FOR** Proposal No. 4.

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AUDIT COMMITTEE REPORT

The charter of our Audit Committee specifies that the purpose of the Committee is to assist our 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, our Audit Committee reviewed and discussed the audited consolidated financial statements of NCM, Inc. for fiscal year ended December 28, 2017 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. Our 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 our Audit Committee concerning independence, and has discussed that firm's independence with representatives of the firm with respect to NCM, Inc.

Based upon our Audit Committee's review of the audited consolidated financial statements and its discussions with management and Deloitte & Touche LLP, our Audit Committee recommended that our Board of Directors include the audited consolidated financial statements for the fiscal year ended December 28, 2017 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

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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 28, 2017 in NCM, Inc.'s Annual Report on Form 10-K, 10-K/A and Proxy Statement filed with the SEC.

Compensation Committee of National CineMedia, Inc.

Thomas F. Lesinski, Chairman

Lawrence A. Goodman

David R. Haas

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.

Table of Contents**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).

Andrew J. England Chief Executive Officer and Director

Clifford E. Marks President

Katherine L. Scherping Chief Financial Officer

Ralph E. Hardy Former Executive Vice President and General Counsel (until February 12, 2018)

Geri R. House Former Executive Vice President, People and Organization (until December 31, 2017)

Executive Summary

Fiscal Year 2017 Performance. Total revenue for the year ended December 28, 2017 decreased 4.8% to \$426.1 million from \$447.6 million for the comparable period last year. Adjusted OIBDA decreased 11.1% to \$205.1 million for the full year of 2017 from \$230.7 million for the full year of 2016. Operating income decreased 11.0% from \$173.0 million in 2016 to \$153.9 million in 2017. Net income decreased from \$20.4 million in 2016 to \$2.5 million in 2017.

Key Performance Measures. The following tables summarize the key fiscal 2017 financial metrics on which the Company based its executive compensation.

	Fiscal 2017 Performance Measures (in millions) (1)		
	Target	Actual	Achievement relative to target
Adjusted OIBDA for Compensation Purposes	\$ 197.9	\$ 177.5	89.7% of targeted Adjusted OIBDA for Compensation Purposes
Adjusted Advertising Revenue	\$ 422.8	\$ 396.2	93.7% of targeted Adjusted Advertising Revenue target

(1) Refer to Annual Cash Incentive 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 2017 below for the definitions of Adjusted OIBDA for Compensation Purposes and Adjusted Advertising Revenue and the reconciliations to the closest GAAP based measurement.

Fiscal 2015-2017 Performance Measures (in millions) (1)			
	Target	Actual	Achievement relative to target
2015 PBRS cumulative Free Cash Flow	\$ 557.8	\$ 543.1	97.4% of targeted Free Cash Flow
April 2015 PBRS grant three-year cumulative Free Cash Flow	\$ 541.5	\$ 525.6	97.1% of targeted Free Cash Flow

(1) Refer to Long-Term Incentives (LTI) section below for additional details on the 2016 Equity Plan and Free Cash Flow which is a non-GAAP measure. See Definitions of Performance Measures Used in Incentive Plans in Fiscal 2017 below for the definitions of Free Cash Flow and the reconciliations to the closest GAAP based measurement. **Elements of 2017 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

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and are designed to attract, motivate, reward and retain superior talent who are critical to our long-term growth and profitability. The 2017 Compensation Program consists of the following pay elements:



The designs for the Annual Cash Incentive Plan and Long-Term Incentive Plan were generally maintained from the 2016 Compensation Program, based on our 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 2017, computed using the annual salary, target annual cash incentive (assuming 100% achievement) and grant date fair value of PBRS and TBRS. The first chart presents the compensation elements for our CEO, Andrew J. England. The NEOs included in the second chart are Messrs. Marks and Hardy and Ms. Scherping and House.

Fiscal Year 2017 Compensation Mix

Andrew J. England (a)

(a) Approximately 62% of Mr. England’s compensation is performance-based and approximately 73% of his compensation is variable, which represents the performance-based elements and time-based restricted stock.

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Other NEOs (b)

(b) Approximately 54% of all other NEOs' compensation is performance-based and approximately 76% of their compensation is variable, which represents the performance-based elements and time-based restricted stock.

Pay-for-Performance Alignment. Our Compensation Committee believes that having a large percentage of executive officers' pay as performance-based compensation ensures that their interests are aligned with those of our stockholders. Consistent with our compensation program design, our compensation program results for the 2017 fiscal year were aligned with the Company's financial results. The fiscal year 2017 annual cash incentives paid out below target (58.6%) as described in greater detail in Fiscal 2017 Executive Performance Bonus Plan Payments. PBRs paid out below target (94.7%) for the 2015-2017 performance period, as described in greater detail in Long-Term Incentives.

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 CEO has substantial input in the determination of executive compensation other than his own and made recommendations for the compensation of all of the other NEOs that were ultimately approved by our Compensation Committee. Our CEO's compensation was determined and approved by our Compensation Committee. Our CEO is not present during voting or deliberations by our Compensation Committee regarding his compensation.

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In 2017, our 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 our Compensation Committee regarding executive compensation. Our Compensation Committee determined that ClearBridge is independent from the Company.

As part of its review, ClearBridge considered base salary, annual cash incentive, total cash compensation (combined salary and annual cash incentive), 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 publicly and domestically 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). Our 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 as an input to its decision making. Although our 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 considering multiple factors.

The following peer companies were used in our competitive analysis for fiscal 2017 decisions:

Carmike Cinemas, Inc.	Nexstar Media Group, Inc.
comScore, Inc.	Salem Media Group, Inc.
Entercom Communications Corp	The E.W. Scripps Company
Entravision Communications Corporation	TiVo Inc.
Global Eagle Entertainment Inc.	Townsquare Media, Inc.
Gray Television, Inc.	Urban One, Inc. (formerly Radio One)
IMAX Corp.	WebMD Health Corp.
Lee Enterprises, Incorporated	World Wrestling Entertainment, Inc.
MSG Networks Inc.	

We eliminated seven companies and added twelve companies from our 2016 peer group either due to acquisition or as a result of our Compensation Committee's assessment of the group relative to industry and size criteria.

2017 Compensation

Provided below is a summary of the key elements of our 2017 compensation program.

Component	Description	Purpose
Base Salary	Fixed cash component	Reward for level of responsibility, experience and sustained individual performance
Annual Cash Incentive	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 2017 consisted of: Reward for the creation of
 stockholder value and retain
Performance-based restricted shares executives for the long-term

Time-based restricted shares

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Component	Description	Purpose
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 2017 are described below.

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

Base salaries are reviewed annually by our Compensation Committee and our 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.

The base salaries of our NEOs in 2017 compared to 2016 as of the end of the fiscal year were as follows.

Name	2016 Base Salary	2017 Base Salary	Percentage Change
Andrew J. England	\$ 750,000	\$ 875,000	17 %
Clifford E. Marks	\$ 841,500	\$ 858,330	2 %
Katherine L. Scherping	\$ 400,000	\$ 408,000	2 %

Ralph E. Hardy	\$	304,187	\$	310,271	2 %
Geri R. House	\$	237,866	\$	285,440	20 %

For 2017, we believe salary was within a market competitive range compared to our competitors.

Annual Cash Incentive. Annual cash incentives are intended to compensate executives for achieving financial goals that support our annual operational and strategic goals. The 2017 annual cash incentives for NEOs were awarded under the Executive Performance Bonus Plan that was approved by stockholders on May 1, 2013.

The target percentages for our NEOs were established based on the responsibility, experience and seniority of the individual. We believe our annual cash incentives, 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 those of our stockholders. A stretch bonus is further incentive for our executive officers to exceed operating budgets and thus further increase our equity value.

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Payments of annual cash incentives are objectively calculated based on the achievement of specific financial targets for each NEO. The process for setting the financial targets for 2017 was consistent with previous years as part of the annual budget review and approval. Our Compensation Committee approved a change in the performance measures for the annual cash incentive for all NEOs to align the team to work toward the same objectives. For 2017, the annual cash incentive was based (i) 50% on achievement of Adjusted OIBDA for Compensation Purposes and (ii) 50% on Adjusted Advertising Revenue targets. The stretch bonus for achievement above 100% of the target bonus was also based on the equal weighting of the achievement of the aforementioned targets. For 2017, our Compensation Committee also approved an additional cash incentive payment equal to 10 percentage points of the executive's annual cash incentive as a percentage of target if revenue in the first quarter of 2017 was achieved at or above target in order to incentivize higher sales during the first quarter, which has historically been the Company's lowest quarter of the year. This additional cash incentive was only to be paid if both annual Adjusted Advertising Revenue and annual Adjusted OIBDA for Compensation Purposes were achieved at or above target. The additional cash incentive payment was not achieved. Additionally, for Fiscal 2017 no stretch bonuses were paid as 100% of the target was not achieved that year. These performance measures are non-GAAP measures and are specifically defined in the Definitions of Performance Measures Used in Incentive Plans in Fiscal 2017 section below.

Our annual cash incentive is 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 our Compensation Committee in conjunction with the issuance of our annual audit report.

The annual cash incentive potential which is based equally on Adjusted OIBDA for Compensation Purposes (defined in the Definitions of Performance Measures Used in Incentive Plans in Fiscal 2017 below) and Adjusted Advertising Revenue (defined in Definitions of Performance Measures Used in Incentive Plans in Fiscal 2017 below) is achieved as follows. Straight line interpolation is applied to performance between the levels shown.

Percentage of Adjusted OIBDA for Compensation Purposes and Adjusted Advertising Revenue Achieved	% of Target Bonus
Less than 85%	0%
85%	25%
90%	50%
95%	75%
100%	100%
Greater than 105%	150%

Actual fiscal year 2017 performance results were as follows.

Fiscal 2017 Performance Measures (in millions) (1)

	Target	Actual	Achievement relative to target
Adjusted OIBDA for Compensation Purposes	\$ 197.9	\$ 177.5	89.7% of targeted Adjusted OIBDA for Compensation Purposes

Adjusted Advertising Revenue	\$ 422.8	\$ 396.2	93.7% of targeted Adjusted Advertising Revenue target
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(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.

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Resulting annual cash incentive payouts for fiscal year 2017 were as follows.

Fiscal 2017 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 2017 Summary Compensation Table for Messrs. England, Marks, and Hardy and Ms. Scherping and House.

Name	Annual Cash Incentive						
	Target Award as a % of Salary (1)	Adjusted OIBDA for Compensation Purposes (50% weighting) Actual Achievement as a % of Target	Actual Award as a % of Target	Adjusted Advertising Revenue (50% weighting) Actual Achievement as a % of Target	Actual Award as a % of Target	Total Actual Award as a % of Target	Total Award Amount
Andrew J. England	100%	89.7%	48.7%	93.7%	68.6%	58.6%	\$ 512,969
Clifford E. Marks	100%	89.7%	48.7%	93.7%	68.6%	58.6%	\$ 503,196
Katherine L. Scherping	75%	89.7%	48.7%	93.7%	68.6%	58.6%	\$ 179,393
Ralph E. Hardy	75%	89.7%	48.7%	93.7%	68.6%	58.6%	\$ 136,422
Geri R. House	75%	89.7%	48.7%	93.7%	68.6%	58.6%	\$ 125,504

(1) Percentage of base salary determined at the end of our 2017 fiscal year (December 28, 2017).

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 plans, the National CineMedia, Inc. 2007 Equity Incentive Plan as amended and restated and the National CineMedia, Inc. 2016 Equity Incentive Plan, together we refer to as the Equity Incentive Plan. Stockholders approved the National CineMedia, Inc. 2016 Equity Incentive Plan in May 2016 because the National CineMedia, Inc. 2007 Equity Incentive Plan was set to expire, and has expired, by its terms in February 2017.

All grants under the Equity Incentive Plan to our executive officers are approved by our 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 2017, 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 2017-2019 Free Cash Flow, as defined within the Definitions of Performance Measures Used in Incentive Plans and 2019 Digital Revenue goals, as defined below.

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.

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On January 19, 2017, our Compensation Committee granted PBRS and TBRS to Messrs. England, Marks, and Hardy and Mses. Scherping and House, as follows.

Name	2017 Restricted Stock Awards (1)							
	PBRS			TBRS			Total	
	% of Total LTI (2)	Target Grant Date Fair Value of Shares Granted (3)	Target Number of Shares Granted (3)	% of Total LTI	Grant Date Fair Value of Shares Granted	Number of Shares Granted (4)	Total Grant Date Fair Value of Shares Granted	Total Number of Target Shares Granted
Andrew J. England	75%	\$ 1,124,992	76,013	25%	\$ 375,002	25,338	\$ 1,499,995	101,351
Clifford E. Marks	60%	\$ 1,416,242	95,692	40%	\$ 944,166	63,795	\$ 2,360,408	159,487
Katherine L. Scherping	60%	\$ 428,401	28,946	40%	\$ 285,596	19,297	\$ 713,997	48,243
Ralph E. Hardy	60%	\$ 325,778	22,012	40%	\$ 217,190	14,675	\$ 542,968	36,687
Geri R. House					\$ 199,815			
	60%	\$ 299,700	20,250	40%		13,501	\$ 499,515	33,751

- (1) The performance-based and time-based restricted stock awards include the right to receive dividend equivalents, subject to vesting.
- (2) Messrs. Marks and Hardy and Mses. Scherping and House received 60% PBRS and 40% TBRS due to their positions as President in the case of Mr. Marks and Executive Vice Presidents in the case of Mr. Hardy and Mses. Scherping and House. Mr. England received 75% PBRS and 25% TBRS due to his position as Chief Executive Officer.
- (3) Performance-based restricted stock awards vest in February 2020 based (a) 75% on the achievement of cumulative 2017-2019 Free Cash Flow goals and (b) 25% on the achievement of 2019 Digital Revenue goals (defined as revenue derived from advertising sold online, through mobile devices and other digital platforms). Reflects the target number of shares that will vest if actual cumulative Free Cash Flow and Digital Revenue equals 100% of the targets. Straight line interpolation is applied to performance between the levels shown.

Free Cash Flow - % of Target	Award Vesting % of Target Shares
<85%	0%
85%	25%
90%	50%
95%	75%
100%	100%
³ 105%	150%
Digital Revenue - % of Target	Award Vesting % of Target Shares
<44.4%	0%
44.4%	25%
100%	100%
³ 155.6%	200%

(4) Vest ratably over a 3-year period.

Results for Performance-Based Restricted Stock with Measurement Periods Ended December 28, 2017. The performance-based restricted stock granted on January 21, 2015 (2015 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 28, 2017. The performance-based restricted stock granted on April 10, 2015 (April 2015 PBRS) were scheduled to vest based on achievement of the actual cumulative Free Cash

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Flow target at the end of the eleven-quarter measurement period ending December 28, 2017. The 2015 PBRS and April 2015 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
<80%	0%
80%	25%
95%	90%
100%	100%
³ 110%	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 %
2015 PBRS cumulative Free Cash Flow (a)	\$ 557.8	\$ 543.1	97.4%	94.7%
April 2015 PBRS grant three-year cumulative Free Cash Flow (a)	\$ 541.5	\$ 525.6	97.1%	94.1%

(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 28, 2017.

	Number of Shares Awarded on January 21, 2015	Number of Shares Awarded on April 10, 2015	Total Vesting on February 26, 2018	Accrued Dividends (1)
Clifford E. Marks	78,168	9,422	82,924	\$ 216,969
Ralph E. Hardy	24,295		23,017	\$ 60,765
Geri R. House	17,811		16,874	\$ 44,548

(1) As a result of the level of achievement of the awards which vested on February 26, 2018, accrued dividends were paid on March 13, 2018.

Stockholder Say-on-Pay Vote and Company Response Related to 2018 Compensation Decisions

In establishing and recommending 2018 compensation for the Company's NEOs, our Compensation Committee considered the results of the say-on-pay vote at the 2017 Annual Meeting of Stockholders. At that meeting, our stockholders approved our executive compensation for the 2017 fiscal year with approximately 97% 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 through the say-on-pay vote when reviewing the compensation program throughout the year. Our Compensation Committee considered the results of the advisory approval and as such, generally maintained the overall composition of executive compensation for the 2018 fiscal year.

Below is information about compensation decisions made in early 2018 for active NEOs, Mr. England, Mr. Marks and Ms. Scherping.

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Base Salary. Our Compensation Committee reviewed executive compensation in January 2018 and decided to increase the base salary by a cost of living adjustment of 2% for Mr. Marks which is consistent with the average increases given to the majority of employees and leave Ms. Scherping and Mr. England's base salary unchanged.

Annual Cash Incentive. The process for setting the financial targets for 2018 was consistent with previous years as part of the annual budget review and approval. No changes were made to the pay-for-performance scales for Adjusted Advertising Revenue and Adjusted OIBDA for Compensation Purposes.

Long-Term Incentives. Our 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 2017 LTI program, as our Compensation Committee believed the program continued to align with the Company's business and compensation objectives. For the 2018 grants, our Compensation Committee approved a target of 2020 digital revenue weighted at 25% and a target for three-year cumulative Free Cash Flow weighted at 75%, consistent with the 2017 grant design to reinforce the future strategy of the business.

The 2018 long-term incentive grants were 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 24, 2018 are provided below.

Name	2018 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 (4)	% of Total LTI	Grant Date Fair Value of Shares Granted	Number of Shares Granted	Total Number of Target Shares Granted	Total Grant Date Fair Value of Shares Granted
Andrew J. England	75%	\$ 1,125,003	170,455	25%	\$ 374,999	56,818	227,273	\$ 1,500,002
Clifford E. Marks	60%	\$ 631,567	95,692	40%	\$ 421,047	63,795	159,487	\$ 1,052,614
Katherine L. Scherping	60%	\$ 191,044	28,946	40%	\$ 127,360	19,297	48,243	\$ 318,404

(1) The performance-based and time-based restricted stock awards include the right to receive dividend equivalents, subject to vesting.

(2)

Performance-based restricted stock awards vest on March 1, 2021 based (a) 75% on the achievement of cumulative 2018-2020 Free Cash Flow goals and (b) 25% on the achievement of 2020 Digital Revenue goals (defined as revenue derived from advertising sold online, through mobile devices and other digital platforms).

- (3) Vest ratably over a 3-year period.
- (4) Reflects the target number of shares that will vest if actual cumulative Free Cash Flow and Digital Revenue equals 100% of the targets. The performance-based restricted stock awards are scheduled to vest based on the scales below. Our Compensation Committee may apply other pre-determined adjustments to the definition of Free Cash Flow and Digital Revenue under the plan.

Free Cash Flow - % of Target	Award Vesting % of Target Shares
<85%	0%
85%	25%
90%	50%
95%	75%
100%	100%
105%	150%

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Digital Revenue - % of Target	Award Vesting % of Target Shares
<36.2%	0%
36.2%	25%
100%	100%
³ 163.8%	200%

Straight line interpolation is applied to Free Cash Flow and Digital Revenue performance between the levels shown. 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.

Other Compensation. Our employees, including our NEOs, participate in various employee benefits. These benefits include the following: medical and dental insurance; flexible spending accounts for healthcare; life, accidental death and dismemberment and disability insurance; employee assistance programs (confidential counseling); a 401(k) plan; and paid time off.

None of our NEOs participate in or have account balances in qualified or non-qualified defined benefit plans sponsored by us or in non-qualified defined contribution plans or other deferred compensation plans maintained by us. Our Compensation Committee may elect to provide our officers and other employees with non-qualified defined contribution or deferred compensation benefits if our Compensation Committee determines that doing so is in our best interests.

Potential Payments upon Termination or Change in Control. Upon certain types of terminations of employment, payments may be made to our executive officers in accordance with their respective employment agreements. These events and potential amounts are further described below under the heading [Potential Payments Upon Termination or Change in Control](#).

Definitions of Performance Measures Used in Incentive Plans for Fiscal 2017. Presented below are definitions of performance measures used in incentive plans. Our Compensation Committee may apply pre-determined adjustments to the definitions of the financial performance criteria under the plans.

Table of Contents**Adjusted OIBDA for Compensation Purposes**

Adjusted OIBDA for Compensation Purposes used to measure achievement against performance bonus targets is a non-GAAP financial measure that differs from Adjusted OIBDA as defined in our Form 10-K. Adjusted OIBDA is a key metric used by management to measure the Company's operating performance. OIBDA represents operating income plus depreciation and amortization expense. Adjusted OIBDA for Compensation Purposes subtracts out the revenue from advertising by NCM LLC's founding members' beverage supplier and barter revenue, net of barter expense, and adds back share-based compensation costs, CEO transition costs, restructuring expense, early lease termination expense, the change in the make-good liability during 2017. While Adjusted OIBDA for Compensation Purposes is a measure used to calculate our Executive Performance Bonus awards, this non-GAAP measure should not be considered in isolation of, or as a substitute for, measures of our financial performance as determined in accordance with GAAP, such as operating income. Adjusted OIBDA for Compensation Purposes has material limitations as a performance measure because it excludes items that are necessary elements of our costs and operations. Because other companies may calculate Adjusted OIBDA for Compensation Purposes differently than we do, this measure may not be comparable to similarly-titled measures reported by other companies. The following table reconciles operating income to Adjusted OIBDA for Compensation Purposes (dollars in millions).

	FY 2017 Target	FY 2017 Actual
Operating income	\$ 177.5	\$ 153.9
Depreciation and amortization	35.5	37.6
OIBDA	213.0	191.5
Founding member circuit beverage revenue	(31.5)	(29.9)
Share-based compensation costs	15.4	11.2
CEO transition costs	0.3	0.5
Restructuring expense	0.9	0.9
Early lease termination expense		1.8
Change in the make-good liability		0.9
Barter revenue, net of barter expense	(0.2)	0.6

Adjusted OIBDA for compensation purposes	\$	197.9	\$	177.5
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Adjusted Advertising Revenue

Adjusted Advertising Revenue used to determine achievement against performance bonus targets is a non-GAAP financial measure. Adjusted Advertising Revenue represents reported advertising revenue less founding member circuit beverage revenue and zero margin barter revenue, plus the change in the make-good liability during 2017. This non-GAAP measure should not be considered in isolation of, or as a substitute for, measures of our financial performance as determined in accordance with GAAP, such as advertising revenue. The following table reconciles advertising revenue to Adjusted Advertising Revenue (dollars in millions).

	FY 2017 Target	FY 2017 Actual
Advertising revenue	\$ 456.8	\$ 426.1
Less: Founding member circuit beverage revenue and other revenue	(31.5)	(29.9)
Less: Barter revenue	(2.5)	(0.9)
Plus: Change in the make-good liability		0.9
Adjusted Advertising Revenue	\$ 422.8	\$ 396.2

Table of Contents**Free Cash Flow**

Free Cash Flow is a non-GAAP measure used by management to measure the Company's operating cash flow in determining whether PBRS targets have been achieved. Free Cash Flow represents Adjusted OIBDA for Compensation Purposes, described above, less capital expenditures. The following table reconciles operating income to Free Cash Flow (dollars in millions).

2015 Performance Based Restricted Stock	2015-2017 3- Year Cumulative Ended December 28, 2017	
	Target	Actual
Operating income	\$ 532.3	\$ 480.1
Depreciation and amortization	110.5	100.4
OIBDA	642.8	580.5
Founding member circuit beverage revenue	(92.4)	(88.6)
Share-based compensation costs	40.4	44.2
Merger-related administrative costs		34.3
CEO transition costs		4.8
Early lease termination expense		1.8
Change in the make-good liability		3.6
Restructuring expense		0.9
Capital expenditures	(33.0)	(38.4)
Free Cash Flow Actual	\$ 557.8	\$ 543.1

April 2015 Performance Based Restricted Stock	Q2 2015-2017 11 Quarter Cumulative Ended December 28, 2017	
	Target	Actual
Operating income	\$ 516.1	\$ 497.2
Depreciation and amortization	102.3	92.0
OIBDA	618.4	589.2
Founding member circuit beverage revenue	(84.2)	(81.0)
Share-based compensation costs	37.2	41.3
Merger-related administrative costs		0.9
CEO transition costs		4.7
Early lease termination expense		1.8
Change in the make-good liability		4.0
Restructuring expense		0.9
Capital expenditures	(29.9)	(36.2)
Free Cash Flow Actual	\$ 541.5	\$ 525.6

Table of Contents**Other Policies****Adoption of Share Ownership Guidelines**

The Company adopted the following share ownership guidelines for its executive officers and directors in January 2013:

Position	Minimum Share Ownership Level
Chief Executive Officer and Director	Lesser of: 3 times base salary or 140,000 shares
President 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. As of May 23, 2018, all executive officers and directors meeting the tenure requirement were in compliance with the share ownership guidelines.

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 have adopted a clawback policy 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 the Company in the event of a material negative accounting restatement of our financial statements due to material noncompliance by the Company with any financial reporting requirement under the securities laws. If our 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, our 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.

Table of Contents**EXECUTIVE COMPENSATION TABLES****FISCAL 2017 SUMMARY COMPENSATION TABLE**

The following table shows the amount of compensation earned by our NEOs during the years indicated. For additional information regarding the material terms of each NEOs' employment agreement, see Employment Agreements and Potential Payments Upon Termination or Change in Control below.

Name and Principal Position	Year	Salary	Stock Awards (1)	Non-Equity Incentive Plan	All Other Compensation	Total
				(2)	(3)	
Andrew J. England Chief Executive Officer	2017	\$ 875,000	\$ 1,500,000	\$ 512,969	\$ 212,893	\$ 3,100,861
	2016	\$ 750,000	\$ 2,255,787	\$ 660,464	\$ 201,060	\$ 3,867,311
	2015	\$ 858,330	\$ 2,360,408	\$ 503,196	\$ 271,594	\$ 3,993,528
Clifford E. Marks President	2017	\$ 841,500	\$ 2,314,122	\$ 741,041	\$ 301,079	\$ 4,197,742
	2016	\$ 806,763	\$ 2,169,032	\$ 1,200,465	\$ 281,503	\$ 4,457,763
	2015	\$ 408,000	\$ 714,000	\$ 179,393	\$ 57,692	\$ 1,359,085
Katherine L. Scherping (4) Chief Financial Officer	2017	\$ 160,000	\$ 396,843	\$ 116,393	\$ 15,249	\$ 688,485
	2016	\$ 310,271	\$ 542,968	\$ 136,422	\$ 75,527	\$ 1,065,194
Ralph E. Hardy Former EVP and General Counsel	2017	\$ 304,187	\$ 532,330	\$ 200,905	\$ 83,162	\$ 1,120,584
	2016	\$ 297,997	\$ 596,447	\$ 334,717	\$ 84,353	\$ 1,313,514
	2015	\$ 285,440	\$ 499,515	\$ 125,504	\$ 66,585	\$ 977,044
Geri R. House Former EVP, People and Organization	2017	\$ 237,866	\$ 525,005	\$ 157,102	\$ 78,175	\$ 998,148
	2016	\$ 233,202	\$ 524,712	\$ 261,741	\$ 65,350	\$ 1,085,050
	2015					

(1) The amounts represent the aggregate grant date fair value of the target level of stock awards computed in accordance with ASC Topic 718. For a discussion of the assumptions and methodologies used in calculating the grant date fair value of these awards, please see Note 10 to the Company's consolidated financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2017, filed on March 18, 2018. Certain of the stock awards granted in 2017, 2016 and 2015 are scheduled to vest based upon the achievement of performance conditions relating to cumulative Free Cash Flow and 2019 Digital Revenue (for the 2017 awards only) at the end of the three-year measuring period. The amounts for these awards are presented based on 100% of the fair market value on the date of grant and do not include an estimate of performance. Actual results could

materially differ from this estimate. Stock awards are further discussed in the Long-Term Incentives section of our CD&A. The table below includes the maximum amounts payable assuming the highest level of performance is achieved:

Stock Awards

Name	Grant Date	Maximum Number of Shares Scheduled to Vest	Maximum Grant Date Fair Value (a)
Andrew J. England			\$ 2,203,115
	1/19/2017	148,859	\$ 2,062,494
	1/20/2016	137,408	
	1/1/2016	48,109	\$ 755,792
Clifford E. Marks			\$ 3,245,559
			\$ 3,008,357
	1/19/2017	219,295	
	1/20/2016	200,424	\$ 325,006
	4/10/2015	20,415	
Katherine L. Scherping	1/21/2015	169,364	\$ 2,494,732
			\$ 981,747
Ralph E. Hardy	1/19/2017	66,334	
	8/11/2016	25,455	\$ 396,843
Ralph E. Hardy			\$ 746,579
	1/19/2017	50,445	\$ 692,029
	1/20/2016	46,105	
	1/21/2015	52,640	\$ 775,380
Geri R. House			\$ 686,827
	1/19/2017	46,407	\$ 656,260
	1/20/2016	43,722	
	1/21/2015	44,528	\$ 655,890

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(a) The amount is based on the maximum number of shares as of the grant date subject to the award assuming the highest level of performance is achieved (150% for 2015 and 2016 grants and 162.5% for 2017 grants) for the performance-based restricted stock grants. The time-based restricted stock grants are included at 100%. The amounts for these awards are presented based upon the fair market value on the date of grant.

(2) Our Compensation Committee approved fiscal 2017 performance bonuses for the NEOs on February 20, 2018, and the bonuses were paid on March 13, 2018. See further discussion in the Annual Performance Bonus section of our CD&A. For fiscal 2015, the payments of non-equity incentive plan compensation included a stretch bonus due to achievement of certain performance measures.

(3) The following table provides details about each component of the All Other Compensation column from the Fiscal 2017 Summary Compensation Table above.

Name	Year	401(k) Employer Term Life Disability Contribution Insurance Insurance			Restricted Stock Dividends	Misc.	(e) (f)	Total All Other Compensation
		(a)	(b)	(c)	(d)			
Andrew J. England	2017	\$ 2,755	\$ 1,783	\$ 2,075	\$ 127,070	\$ 79,210	(e) (f)	\$ 212,893
	2016	\$ 2,730	\$ 1,170	\$ 1,492	\$ 112,469	\$ 83,199	(e)	\$ 201,060
Clifford E. Marks		\$ 3,664	\$ 3,334	\$ 1,698	\$ 259,263	\$ 3,635	(f)	\$ 271,594
	2017	\$ 3,470	\$ 1,268	\$ 1,498	\$ 294,843	\$		\$ 301,079
	2016	\$ 6,360	\$ 895	\$ 1,508	\$ 272,740	\$		\$ 281,503
Katherine L. Scherping	2017	\$ 6,103	\$ 1,703	\$ 1,635	\$ 46,944	\$ 1,307		\$ 57,692
	2016	\$ 3,323	\$ 234	\$ 492	\$ 11,200	\$	(f)	\$ 15,249
Ralph E. Hardy		\$ 6,480	\$ 3,658	\$ 1,509	\$ 63,880	\$		\$ 75,527
	2017	\$ 5,087	\$ 513	\$ 1,498	\$ 76,064	\$		\$ 83,162
	2016	\$ 6,360	\$ 340	\$ 1,452	\$ 76,201	\$		\$ 84,353
Geri R. House	2017	\$ 6,041	\$ 235	\$ 1,508	\$ 57,845	\$ 956	(f)	\$ 66,585
	2016							

2015	\$	6,360	\$	225	\$	1,435	\$	70,155	\$	78,175
	\$	6,360	\$	197	\$	1,430	\$	57,363	\$	65,350

- (a) Represents matching contributions made pursuant to NCM LLC's defined contribution 401(k) plan. Eligible employees, including the NEOs, are eligible for a discretionary contribution under the 401(k) plan on base pay up to IRS limits.
- (b) Represents imputed income for term life insurance coverage.
- (c) Represents imputed income for long-term and short-term disability insurance coverage.
- (d) Dividends are accrued and paid only when vested. Dividends that are accrued on unvested restricted stock are reported in the year such amounts accrue instead of the year paid, based on an SEC staff interpretation. These dividends are payable to the executive only if and to the extent the restricted stock vests and is not forfeited. The amounts above include dividends declared of \$0.88 per share in 2017, \$0.88 per share in 2016 and \$0.88 per share in 2015. The Company assigned probability weightings to the restricted stock dividends at the end of each fiscal year based upon its expectations of the performance conditions being met and shares ultimately vesting.
- (e) Represents housing and relocation expenses, grossed up to cover tax obligations. Such expenses totaled \$76,328 for Mr. England in 2017. Mr. England's relocation was completed in 2017 and no additional housing and relocation expenses are expected in 2018.
- (f) Represents business-related awards, gifts and prizes and taxable fringe benefits for Messrs. England and Marks and Mses. Scherping and House.

(4) Ms. Scherping has been employed since August 2016.

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The following table shows the awards granted to our NEOs for our 2017 fiscal year.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Grant Date Stock Awards (3)	
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (\$)	Target (\$)	Maximum (\$)	Number of Shares (#)	Fair Value of Awards (\$)
Andrew J. England	N/A	218,750	875,000	1,312,500					\$ 1,124,992
	1/19/2017	\$	\$	\$	19,003	76,013	123,521		
	1/19/2017							25,338	\$ 375,002
Clifford E. Marks	N/A	214,583	858,330	1,287,495					\$ 1,416,242
	1/19/2017	\$	\$	\$	23,923	95,692	155,500		
	1/19/2017							63,795	\$ 944,166
Katherine L. Scherping	N/A	\$ 76,500	\$ 306,000	\$ 459,000				19,297	\$ 428,401
	1/19/2017				7,237	28,946	47,037		
	1/19/2017								\$ 285,596
Ralph E. Hardy	N/A	58,176	232,703	349,055					\$ 325,778
	1/19/2017	\$	\$	\$	5,503	22,012	35,770		
	1/19/2017							14,675	\$ 217,190
Geri R. House	N/A	53,520	214,080	321,120					\$ 299,700
	1/19/2017	\$	\$	\$	5,063	20,250	32,906		
	1/19/2017							13,501	\$ 199,815

- (1) Amounts represent potential cash bonus amounts if targets are achieved for 2017 performance for each NEO. Our Compensation Committee may, at its discretion, reduce the amount of any awards payable under the Executive Performance Bonus Plan by up to 25%. See Non-Equity Incentive Plan Compensation in our Summary Compensation Table for amounts paid.
- (2) Represents performance-based restricted stock grants made in 2017 under the Equity Incentive Plan. The restricted stock awards provide that the award will accrue dividends payable subject to vesting. For additional information regarding equity awards see Long-Term Incentives in the CD&A and Equity Incentive Plan Information.
- (3) Grant date fair value of stock and option awards was calculated in accordance with GAAP. Some of the 2017 restricted stock awards are scheduled to vest based upon achievement of the actual cumulative Free Cash Flow and 2019 Digital Revenue targets at the end of the three-year measuring period and are presented in the table based on target amounts. Refer to footnote (2) to our Summary Compensation Table for the maximum number of shares that could be awarded.

Non-Equity Incentive Plan Awards

Refer to our Summary Compensation Table for the actual payouts for fiscal 2017, 2016, and 2015. Additional information about these awards and our actual performance is included in our CD&A, Annual Performance Bonus.

Equity Incentive Plan Awards

During fiscal 2017, each of our NEOs received awards under our Equity Incentive Plan. Additional information about the awards is included in our CD&A, Long-Term Incentives.

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OUTSTANDING EQUITY AWARDS AT DECEMBER 28, 2017

Name	Stock Option Awards				Restricted Stock Awards			
	Number of Securities Underlying Unexercised Options	Number of Securities Underlying Exercised Options	Option Exercise Price	Option Expiration Date (1)	Number of Shares of Stock That Have Not Vested	Market Value of Shares of Stock That Have Not Vested (2)	Equity Incentive Plan Awards: Number of Unearned Shares That Have Not Vested (3)	Market or Payout Value of Unearned Shares That Have Not Vested (2)
Andrew J. England					32,073	(4) \$ 217,455		
							74,950	\$ 508,161
					16,656	(5) \$ 112,928		
							76,013	\$ 515,368
					25,338	(6) \$ 171,792		
Clifford E. Marks	182,964	\$ 17.79	1/13/2021					
	38,543	\$ 23.28	9/7/2021					
	40,659	\$ 12.73	1/12/2022					
							78,168	\$ 529,979
					17,371	(7) \$ 117,775		
							9,422	\$ 63,881
					2,094	(8) \$ 14,197		
							92,503	\$ 627,170
					41,113	(5) \$ 278,746		
							95,692	\$ 648,792
					63,795	(6) \$ 432,530		
Katherine L. Scherping					16,970	(9) \$ 115,057		
							28,946	\$ 196,254
					19,297	(6) \$ 130,834		
Ralph E. Hardy	22,143	\$ 8.93						