

CHARTER COMMUNICATIONS, INC. /MO/  
Form DEF 14A  
March 17, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

**Charter Communications, Inc.**

**(Name of Registrant as Specified in its Charter)**

**Not Applicable**

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

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(4) 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:

March 17, 2016

Dear Stockholder:

You are invited to attend the annual meeting of stockholders of Charter Communications, Inc. (the Company or Charter ), which will be held at the Four Seasons Hotel, 1111 14th Street, Denver, Colorado 80202 on Tuesday, April 26, 2016 at 8:30 a.m. (Mountain Daylight Time).

All stockholders of record at the close of business on February 29, 2016 are invited to attend the meeting. For security reasons, however, to gain admission to the meeting you may be required to present identification containing a photograph and to comply with other security measures. Parking at the hotel for the annual meeting will be complimentary.

Details of the business to be conducted at the annual meeting are provided in the attached Notice of Annual Meeting of Stockholders and Proxy Statement.

Whether or not you attend the annual meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to sign, date, and promptly return the enclosed proxy in the postage-paid envelope that is provided, or you may vote via the Internet pursuant to the instructions on the proxy card. If you decide to attend the annual meeting, you will have the opportunity to vote in person.

On behalf of the board of directors, I would like to express our appreciation for your continued interest in Charter.

Sincerely,

Thomas M. Rutledge

President and Chief Executive Officer

**Charter Communications, Inc.**

**400 Atlantic Street**

**Stamford, CT 06901**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**OF**

**CHARTER COMMUNICATIONS, INC.**

**Date:** April 26, 2016  
**Time:** 8:30 a.m. (Mountain Daylight Time)  
**Place:** Four Seasons Hotel  
1111 14<sup>th</sup> Street  
Denver, Colorado 80202

**Matters to be voted on:**

1. The election of ten Class A directors, named in this proxy statement;
2. The approval of the Company's Executive Incentive Performance Plan
3. An amendment increasing the number of shares in the Company's 2009 Stock Incentive Plan and increasing annual grant limits;
4. The ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the year ended December 31, 2016; and
5. Any other matters properly brought before the stockholders at the meeting.  
The proxy statement more fully describes these proposals.

By order of the Board of Directors,

RICHARD R. DYKHOUSE

*Corporate Secretary*

March 17, 2016

**CHARTER COMMUNICATIONS, INC.**

**PROXY STATEMENT**

**Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to Be Held on April 26, 2016. The 2016 notice and proxy statement and the 2015 annual report to stockholders are available at [www.proxyvote.com](http://www.proxyvote.com).**

This proxy statement and the Notice of Internet Availability of Proxy Materials were first mailed to stockholders on or about March 17, 2016.

**Questions and Answers about Voting and the Annual Meeting**

*What matters will be voted on at the annual meeting?*

As a holder of Class A common stock, you are being asked to vote, on the following:

Proposal 1: To elect ten Class A directors, nominated by our board of directors and named in this proxy statement;

Proposal 2: To approve the Company's Executive Incentive Performance Plan;

Proposal 3: To amend the Company's 2009 Stock Incentive Plan;

Proposal 4: To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the year ended December 31, 2016; and

Proposal 5: To vote on any other matters properly brought before the stockholders at the meeting.

*How does the board of directors recommend that I vote?*

The board of directors recommends that you vote:

**FOR** the election of the ten Class A directors, nominated by our board of directors and named in this proxy statement;

**FOR** the approval of the Company's Executive Incentive Performance Plan;

**FOR** the amendment to the Company's 2009 Stock Incentive Plan; and

**FOR** the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the year ended December 31, 2016.

*What if other matters come up at the annual meeting?*

The items listed on the Notice of Annual Meeting of Stockholders are the only matters that we know will be voted on at the annual meeting. Your proxy gives discretionary authority to the persons named on the proxy card to vote on other matters. On such other business as may properly come before the meeting, your shares will be voted in the discretion and judgment of the proxy holder.

*Who has been nominated for election as directors at the annual meeting?*

The board of directors has nominated ten directors for election, all of whom are currently serving on our board of directors. The ten directors who have been nominated by the board of directors and agreed to serve as directors are Messrs. Conn, Huseby, Jacobson, Maffei, Malone, Markley, Merritt, Nair, Rutledge and Zinterhofer.

***Who can vote at the annual meeting?***

As of the close of business on February 29, 2016 (the Record Date ), a total of 112,433,984 shares of Class A common stock are entitled to be voted by our stockholders at the annual meeting. Each holder of Class A common stock is entitled to one vote per share. The enclosed proxy card indicates the number of Class A shares that our records show you are entitled to vote. There are no other classes of common stock outstanding.

***What is the difference between being a stockholder of record and a beneficial owner?***

You are a stockholder of record if at the close of business on the Record Date your shares were registered in your name with Computershare Shareowner Services, our transfer agent and registrar.

You are a beneficial owner if at the close of business on the Record Date, your shares were held by a brokerage firm or other nominee and not directly in your name, but are held in street name. As the beneficial owner of your shares, you have the right to direct your broker or other nominee how to vote your shares, i.e., for or against the proposals to be considered at the annual meeting. If you do not provide your broker or nominee with instructions on how to vote your shares, your broker or nominee will be able to vote your shares with respect to some of the proposals, but not all. See, *What if I do not provide instructions on how to vote my shares,* below.

***What do I do if my shares are held in street name ?***

If your shares are held in the name of your broker or other nominee, you should return your proxy in the envelope provided by your broker or nominee or instruct the person responsible for holding your shares to execute a proxy on your behalf. In either case, your shares will be voted according to your instructions.

***What if I do not provide instructions on how to vote my shares?***

If you are a stockholder of record and you submit a proxy, but do not provide voting instructions, your shares will be voted for the election of the Company's director nominees and FOR the proposals as described above.

If you are a beneficial owner and you do not provide the broker or other nominee that holds your shares with voting instructions, the broker or nominee has discretionary authority to vote for certain proposals, but not others pursuant to the rules of NASDAQ and the Securities and Exchange Commission ( SEC ). Brokers and other nominees have the discretion to vote on routine matters such as Proposal 4, but not on non-routine matters such as Proposals 1, 2 or 3. Therefore, if you do not provide voting instructions to the broker or nominee that holds your shares, the broker or nominee may only vote for Proposal 4 and any other routine matters properly presented for a vote at the annual meeting.

***What is the quorum required for the meeting?***

We will hold the annual meeting if holders of shares having a majority of the voting power of the Class A common stock as of the Record Date either sign and return their proxy cards, vote via the Internet or attend the meeting. If you sign and return your proxy card or vote via the Internet, your shares will be counted to determine whether we have a quorum, even if you fail to indicate your vote.

Abstentions and broker non-votes will be counted as present for purposes of determining whether a quorum exists at the annual meeting.

***How are broker non-votes and abstentions treated?***

If an executed proxy is returned by a broker holding shares in street name that indicates that the broker does not have discretionary authority as to certain shares to vote on one or more matters (a broker non-vote), such



shares will be considered present at the meeting for purposes of determining a quorum on all matters, but will not be considered to be votes cast with respect to such matters.

A stockholder may vote to abstain on any of the proposals. If you vote to abstain, your shares will be counted as present at the meeting for purposes of determining a quorum on all matters, but will not be considered to be votes cast with respect to such matters. Only FOR and AGAINST votes are counted for purposes of determining the votes cast in connection with each proposal.

With respect to each of the proposals, broker non-votes and abstentions will have no effect on determining whether the affirmative vote constitutes a majority of the shares present or represented by proxy and voting at the annual meeting. In addition, because they do not count as votes cast, assuming a quorum is present, abstentions from voting, broker non-votes or a stockholder's other failure to vote will have no effect on the applicable proposal.

In order to minimize the number of broker non-votes, the Company encourages you to vote or to provide voting instructions to the organization that holds your shares by carefully following the instructions provided in the Notice of Annual Meeting of Stockholders.

***What is the vote required for the proposals on the agenda?***

The affirmative vote of the holders of a majority of Class A shares cast is required for approval of Proposals 1, 2, 3 and 4. Abstentions and broker non-votes are not considered votes cast. Accordingly, assuming a quorum is present, abstentions, broker non-votes and a stockholder's other failure to vote will have no effect on the applicable proposal.

***What are my choices in the proposals on the agenda?***

On Proposal 1, for each of the Class A director nominees you can vote your shares FOR a nominee, AGAINST a nominee or you can abstain from voting. On Proposals 2, 3 and 4, you can (1) vote for a proposal, (2) vote against a proposal, or (3) abstain from voting.

***How do I vote by proxy?***

Follow the instructions on the enclosed proxy card. Sign and date the proxy card and mail it back to us in the enclosed envelope. If you receive more than one proxy card it may mean that you hold shares in more than one account. Sign and return all proxy cards to ensure that all of your shares are voted. The proxy holder named on the proxy card will vote your shares as you instruct. If you sign and return the proxy card but do not indicate your vote, the proxy holder will vote on your behalf FOR each of the director nominees and the Proposals as noted above. Stockholders may also vote their proxy by using the toll free number listed on the proxy card and following the instructions.

***Can I vote via the Internet?***

Stockholders with shares registered in their names with Computershare Shareowner Services, our transfer agent, may authorize a proxy via the Internet at the following address [www.proxyvote.com](http://www.proxyvote.com). A number of brokerage firms and banks participate in a program that permits Internet voting. If your shares are held in an account at a brokerage firm or bank that participates in such a program, you may direct the vote of those shares by following the instructions on the voting form enclosed with the proxy from the brokerage firm or bank.

Proxies submitted via the Internet must be received by 11:59 p.m. (EDT) on April 25, 2016. Please refer to your voting instruction form and/or your proxy card for specific voting instructions. If you vote this year's proxy via the Internet, you may also elect to receive future proxy and other materials electronically by following the instructions when you vote. Making this election will save the Company the cost of producing and mailing these documents.

***Can I change my vote after I return my proxy card?***

Yes. At any time before the vote at the annual meeting, you can change your vote either by giving our Corporate Secretary a written notice revoking your proxy card, or by signing, dating and submitting a new later- dated proxy card via the Internet, by telephone or by mail. We will honor the latest dated proxy card which has been received prior to the closing of the voting. You may also attend the meeting and vote in person.

***Can I vote in person at the annual meeting rather than by completing the proxy card?***

Although we encourage you to complete and return the proxy card to ensure that your vote is counted, you can attend the annual meeting and vote your shares in person. If you wish to attend the annual meeting and vote your shares in person and you are the beneficial owner of your shares, you must obtain the documents required to vote your shares in person at the annual meeting from your broker or nominee.

***Who will count the votes?***

Broadridge Financial Solutions, Inc. has been appointed to receive and tabulate stockholder votes and to act as the inspector of election and certify to the election results.

***Who is soliciting my vote?***

The board of directors is soliciting your vote. In addition, we retained Innisfree M&A Incorporated, a proxy solicitation firm, to solicit proxies in connection with our 2016 annual meeting of stockholders at a total cost of approximately \$20,000 plus expenses. Charter expects to solicit proxies primarily by mail, but directors, officers and other employees of Charter may also solicit in person or by internet, telephone or mail. Contact information for the proxy solicitor appears below.

***Proxy Solicitor***

Charter stockholders who need assistance in voting their shares or need a copy of this proxy statement should contact:

Innisfree M&A Incorporated

501 Madison Avenue, 20<sup>th</sup> Floor

New York City, New York 10022

Stockholders may call toll free: (888) 750-5834

Banks and brokers may call collect: (212) 750-5833

***Who pays for this proxy solicitation?***

The Company pays for the proxy solicitation. We will ask banks, brokers and other nominees and fiduciaries to forward the proxy material to the beneficial owners of the Class A common stock and to obtain the authority of executed proxies. We will reimburse them for their reasonable expenses.

## Proposal No. 1: Election of Class A Directors

### (Item 1 on Proxy Card)

The size of our board of directors is eleven, and we currently have ten members standing as nominees for election. At this time, the board has determined not to fill the vacancy created in 2013 and proxies cannot be voted for a greater number of persons than the number of nominees named. Pursuant to the Company's Certificate of Incorporation and By-Laws, the vacancy may be filled at a later date by a majority vote of the directors. As set forth in more detail below, the Nominating and Corporate Governance Committee of the board of directors has determined that a majority of the ten current directors are independent.

Each of our directors is elected on an annual basis. The board of directors is soliciting your vote for the Class A directors to be elected at the annual meeting of stockholders. Once elected, each of the directors will hold office until his or her successor is elected, or he or she resigns or is otherwise removed.

**THE BOARD OF DIRECTORS RECOMMENDS VOTING FOR THE CLASS A DIRECTOR NOMINEES.**

#### Information about the Class A Director Nominees

The following information concerns the ten individuals who have been nominated by the board of directors for election by the Class A stockholders. Each of the following individuals currently serves as a Class A director.

Directors	Position(s)
W. Lance Conn	Director
Michael P. Huseby	Director
Craig A. Jacobson	Director
Gregory B. Maffei	Director
John C. Malone	Director
John D. Markley, Jr.	Director
David C. Merritt	Director
Balan Nair	Director
Thomas M. Rutledge	Director, President and Chief Executive Officer
Eric L. Zinterhofer	Chairman of the Board of Directors

**W. Lance Conn**, 47, was elected to the board of directors of Charter on November 30, 2009. Prior to November 30, 2009, Mr. Conn served on Charter's board of directors since September 2004. From July 2004 to May 2009, Mr. Conn served as the President of Vulcan Capital, the investment arm of Vulcan, Inc. Mr. Conn served as an officer of Charter Investment, Inc. prior to and during the time of its Chapter 11 bankruptcy proceedings filed concurrently with Charter's Chapter 11 proceedings. From 2008 to 2010, Mr. Conn served as a director of Plains All American Pipeline, L.P. and Plains G.P. Holdings, L.P. Mr. Conn holds a J.D. degree from the University of Virginia, a M.A. degree in history from the University of Mississippi and a B.A. degree in history from Princeton University. We believe Mr. Conn's qualifications to sit on Charter's board include his experience in the media business and as a director.

**Michael P. Huseby**, 61, was appointed to the board of directors of Charter on May 1, 2013 in connection with the Stockholders Agreement (described below under Nomination and Qualifications of Directors, the "Stockholders Agreement") with Liberty Broadband Corporation ("Liberty Broadband"), a stockholder of Charter holding a 25.62% beneficial ownership interest. Since August 2015, Mr. Huseby has been serving as the Executive Chairman of the Board of Directors of Barnes & Noble Education, Inc. Previously, Mr. Huseby served

as the Chief Executive Officer and a member of the Board of Directors of Barnes & Noble, Inc. (B&N) beginning in January 2014. Mr. Huseby previously served as President of B&N and CEO of B&N's NOOK Media subsidiary beginning in July 2013. From March 2012, when he first joined B&N, until July 2013, he served as Chief Financial Officer of B&N. From 2004 to 2011, Mr. Huseby served as Executive Vice President and Chief Financial Officer of Cablevision Systems Corporation and served on its Board of Directors from 2000 to 2001. In addition, Mr. Huseby spent over 20 years at Arthur Andersen as a Global Equity Partner. Mr. Huseby holds a degree in business administration from the Leeds School, University of Colorado at Boulder. We believe Mr. Huseby's qualifications to sit on Charter's Board include his extensive experience in the cable television industry and in financial and business matters.

**Craig A. Jacobson**, 63, was elected to the board of directors of Charter on July 27, 2010. Mr. Jacobson is a founding partner at the law firm of Hansen, Jacobson, Teller, Hoberman, Newman, Warren, Richman, Rush and Kaller, L.L.P., where he has practiced entertainment law for the past 25 years. Mr. Jacobson has been a member of the Board of Directors of Expedia, Inc. since December 2007 and Tribune Media Company since December 31, 2012. Mr. Jacobson was a director of Ticketmaster from August 2008 until its merger with Live Nation Entertainment Company in January 2010. Mr. Jacobson received his Bachelor of Arts degree from Brown University in 1974, where he was a member of Phi Beta Kappa, and his J.D. degree with Honors from George Washington University School of Law in 1979. We believe Mr. Jacobson's qualifications to sit on Charter's board include his media and business experience.

**Gregory B. Maffei**, 55, was appointed to the board of directors of Charter on May 1, 2013 in connection with the Stockholders Agreement. Mr. Maffei has served as the Chief Executive Officer, President and Director of Liberty Broadband, since its spin-off from Liberty Media Corporation (Liberty Media) in November 2014. He has also served as the President and Chief Executive Officer and a director of Liberty Media since August 2012. He served as the President and Chief Executive Officer of the company now known as Starz from May 2007 to January 2013, and as Chairman of the Board since January 2013 and a director since May 2007. He has served as the President and Chief Executive Officer of Liberty Interactive Corporation since February 2006 and a director since November 2005. Mr. Maffei has also served as: (i) a director of Liberty TripAdvisor Holdings, Inc. since August 2014, (ii) the Chairman of the Board and a director of TripAdvisor, Inc. since February 2013, (iii) the Chairman of the Board of Live Nation Entertainment, Inc. since March 2013 and a director since February 2011, (iv) a director of Zillow, Inc. since May 2005, and (v) the Chairman of the Board and a director of Sirius XM Radio Inc. since March 2009. He previously served as a director of B&N from September 2011 to April 2014. Mr. Maffei also served as a director of Electronic Arts, Inc. from June 2003 until July 2013. Mr. Maffei has an M.B.A. from Harvard Business School, where he was a Baker Scholar, and a B.A. from Dartmouth College. We believe Mr. Maffei's qualifications to sit on Charter's board include his significant financial and operational experience.

**John C. Malone**, 75, was appointed to the board of directors of Charter on May 1, 2013 in connection with the Stockholders Agreement. Mr. Malone has served as the Chairman of the Board of Liberty Interactive Corporation (including its predecessors) since 1994, as Chairman of the Board of Liberty Media since August 2011 and as a director since December 2010 and as Chairman of the Board of Liberty Broadband, since its spin-off from Liberty Media in November 2014. He also served as Liberty Interactive Corporation's Chief Executive Officer from August 2005 through February 2006. Mr. Malone has also served as the Chairman of the Board of Liberty Global, Plc. since June 2013, having previously served as Chairman of the Board of Liberty Global, Plc.'s predecessor, Liberty Global, Inc. from June 2005 to June 2013. Mr. Malone previously served as Chairman of the Board of Starz from August 2011 to January 2013, and served as a director from December 2010 to January 2013. Mr. Malone has also served as: (i) a director of Lions Gate Entertainment Corp. since March 2015, (ii) a director of Discovery Communications, Inc. since September 2008, and (iii) a director of Expedia, Inc. since December 2012, having previously served as a director from August 2005 to November 2012. He previously served as a director of Ascent Capital Group, Inc. from January 2010 to September 2012 and a director of SiriusXM Radio from April 2009 to May 2013. Mr. Malone was a Phi Beta Kappa and merit scholar at Yale University where he obtained a Bachelor of Science in Electrical Engineering and Economics in 1963. He

also received a Master of Science in Industrial Management from Johns Hopkins in 1964 and a Doctor of Philosophy (Ph.D.) in Operations Research from Johns Hopkins in 1967. We believe Mr. Malone's qualifications to sit on Charter's board include his extensive experience in the media and telecommunications industry.

**John D. Markley, Jr.**, 50, was elected to the board of directors of Charter on November 30, 2009. Mr. Markley has served as Managing Director of Bear Creek Capital Management, an investment firm focused on public and private companies in the communications, media and technology industries, since 2009. From 1996 to 2009, Mr. Markley was a partner at Columbia Capital, a venture capital firm. Mr. Markley currently serves as chairman of the board of BroadSoft, Inc., where he also serves on the audit and compensation committees. Mr. Markley previously served as a director of Millennial Media, Inc. from July 2006 to May 2014. Mr. Markley received a B.A. degree from Washington & Lee University and an M.B.A degree from Harvard Business School. We believe Mr. Markley's qualifications to sit on Charter's board include his experience in the telecommunications and media industries.

**David C. Merritt**, 61, was elected to the board of directors of Charter on December 15, 2009, and was also appointed as Chairman of Charter's Audit Committee at that time. Prior to December 15, 2009, Mr. Merritt previously served on Charter's board and Audit Committee since 2003. Mr. Merritt is a private investor and consultant. From March 2009 to December 2013, he served as the president of BC Partners, Inc., a financial advisory firm. From October 2007 to March 2009, Mr. Merritt served as Senior Vice President and Chief Financial Officer of iCRETE, LLC. Mr. Merritt is a director of Taylor Morrison Home Corporation and of Calpine Corporation and he serves as the Chairman of the Audit Committee of Calpine Corporation and a member of the Audit Committee of Taylor Morrison Home Corporation. Mr. Merritt also served as a director of Buffet Restaurants Holdings, Inc. until August 2015 and of Outdoor Holdings, Inc. until May 2013. From 1975 to 1999, Mr. Merritt was an audit and consulting partner of KPMG serving in a variety of capacities during his years with the firm, including national partner in charge of the media and entertainment practice. Mr. Merritt holds a B.S. degree in Business and Accounting from California State University Northridge. We believe Mr. Merritt's qualifications to sit on Charter's board include his many years of experience with a major accounting firm, as a director and audit committee member, and in the media industry.

**Balan Nair**, 49, was appointed to the board of directors of Charter on May 1, 2013 in connection with the Stockholders Agreement. Mr. Nair has served as the Executive Vice President and Chief Technology Officer for Liberty Global, Plc. since 2012, having previously served as Senior Vice President and Chief Technology Officer since July 2007. Prior to joining Liberty Global, from December 2006 through June 2007, Mr. Nair served as the chief technology officer of AOL, Inc. Mr. Nair sits on the board of directors and compensation committee of Adtran Corporation. He also sits on the board of Telenet Group Holding, N.V., which trades on EN Brussels. He holds a patent in systems development and is a Licensed Professional Engineer in Colorado. Mr. Nair holds an M.B.A. and a B.S. in electrical engineering, both from Iowa State University. We believe Mr. Nair's qualifications to sit on Charter's board include his operational and technology experience.

**Thomas M. Rutledge**, 62, was appointed as a director and President and Chief Executive Officer of the Company effective on February 13, 2012. Prior to joining Charter, Mr. Rutledge served as Chief Operating Officer of Cablevision from April 2004 until December 2011. A 38-year cable industry veteran, Mr. Rutledge previously served as president of Time Warner Cable. Mr. Rutledge currently serves on the board of the National Cable and Telecommunications Association (NCTA). He served as Chairman of the NCTA from 2008 to 2010, and currently serves on the boards of CableLabs and C-SPAN. In 2011, he received NCTA's Vanguard Award for Distinguished Leadership, the cable industry's highest honor. He is a member of the Cable Hall of Fame and was inducted into the Broadcasting and Cable Hall of Fame in 2011. He received a B.A. in economics from California University in California, Pennsylvania in 1977. We believe Mr. Rutledge's qualifications to sit on Charter's board include his many years of experience as an executive in the media industry.

**Eric L. Zinterhofer**, 44, was elected to the board of directors of Charter on November 30, 2009 and as non-executive Chairman of the board on December 1, 2009. In 2010, Mr. Zinterhofer founded Searchlight Capital

Partners, L.P., a private equity firm. Previously, he served as a senior partner at Apollo Management, L.P. and was with Apollo from 1998 until May 2010. Mr. Zinterhofer is a director of Dish TV India, Ltd., General Communications, Inc., TouchTunes Interactive Networks, Inc., Roots Corporation, Roots USA Corporation and Leo Cable LLC. From 2004 to 2013, Mr. Zinterhofer was a director of Central European Media Enterprises Ltd. Mr. Zinterhofer also served as a director of Hunter Boot Limited from 2012 to 2015 and Integra Telecom, Inc. from 2012 to 2015. Mr. Zinterhofer received B.A. degrees with Honors in Economics and European History from the University of Pennsylvania and received an M.B.A. from Harvard Business School. We believe Mr. Zinterhofer's qualifications to sit on Charter's board include his experience as a director and in the banking and investment industries.

#### **Board of Directors and Committees of the Board of Directors**

Our board of directors meets regularly throughout the year on an established schedule. The board also holds special meetings and acts by written consent from time to time as necessary. The Company held an annual stockholders' meeting in 2015, which all but one of the then-current directors attended. Members of the board of directors are encouraged to attend the annual meeting each year. In 2015, the full board of directors held eleven meetings and acted three times by unanimous written consent. In 2015, the board of directors also held two meetings of the independent directors. All directors attended 75% or more of the aggregate meetings of the board and of the board committees on which they served during 2015 with the exception of Mr. Malone who attended 67% of such meetings.

The board of directors delegates authority to act with respect to certain matters to board committees whose members are appointed by the board of directors. The committees of the board of directors include the following: Audit Committee, Compensation and Benefits Committee, Nominating and Corporate Governance Committee, Section 162(m) Committee and a Finance Committee. The Audit, Compensation and Benefits, Nominating and Governance and Finance Committees each have a charter that is available on our website, [www.charter.com](http://www.charter.com).

Charter's Audit Committee is responsible for overseeing the Company's accounting and financial reporting processes and the audits of the Company's financial statements, reviewing the work of the independent registered public accounting firm (including resolution of disagreements between management and the public accounting firm regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services and reviewing our Risk Management Program. The Audit Committee members in 2015 consisted of Messrs. Merritt, Huseby and Markley. Mr. Merritt is Chairman of the Audit Committee. Charter's board of directors has determined that, in its judgment, Mr. Merritt is an audit committee financial expert within the meaning of the applicable federal regulations. All members of the Audit Committee were determined by the board of directors in 2015 to be independent in accordance with the listing standards of NASDAQ and Rule 10A-3 of the Securities Exchange Act of 1934, as amended. The Audit Committee met four times in 2015.

The Compensation and Benefits Committee reviews and approves the compensation of the senior management of the Company and its subsidiaries. During 2015, the Compensation and Benefits Committee was comprised of Messrs. Conn, Maffei and Zinterhofer. Mr. Conn served as the Chairman of the Compensation and Benefits Committee during 2015. All members of the Compensation and Benefits Committee were determined by the board of directors in 2015 to be independent in accordance with the listing standards of NASDAQ and Rule 10C of the Securities Exchange Act of 1934, as amended. The Compensation and Benefits Committee met six times in 2015 and acted three times by unanimous written consent.

The Nominating and Corporate Governance Committee oversees corporate governance, including recommending board and committee nominations and the corporate guidelines and determining director independence. The Nominating and Corporate Governance Committee members in 2015 were Messrs. Markley, Jacobson and Malone. Mr. Markley is the Chairman of the Nominating and Corporate Governance Committee. All members of the Nominating and Corporate Governance Committee were determined by the board in 2015 to

be independent in accordance with the listing standards of NASDAQ. The Nominating and Corporate Governance Committee considers candidates proposed by stockholders if adequate information is submitted in a timely manner (see Nomination and Qualifications of Directors below). The Nominating and Corporate Governance Committee met four times in 2015.

The Section 162(m) Committee reviews the Company's compensation for purposes of qualifying as performance-related compensation and thus meeting the provisions under Internal Revenue Code Section 162(m) for deductibility. In 2015, the Section 162(m) Committee was comprised of Messrs. Conn and Zinterhofer. In 2015, this committee acted two times by unanimous written consent.

The Finance Committee reviews the Company's financing activities and approves the terms and conditions of certain financing transactions referred to it by the board of directors, in consultation with the Company's legal and financial advisors. The Finance Committee in 2015 consisted of Messrs. Maffei, Merritt and Zinterhofer. The Finance Committee did not meet during 2015 as the full board acted on all financing matters in 2015.

From time to time, the board of directors may create ad hoc committees for specific projects or transactions. There were no ad hoc committees created in 2015.

The Company's Nominating and Corporate Governance Committee of the board of directors and the board of directors have determined that a majority of the ten current directors are independent. The Committee has specifically determined that Messrs. Conn, Huseby, Jacobson, Markley, Merritt, Nair and Zinterhofer are independent directors under NASDAQ rules. The Nominating and Corporate Governance Committee also determined that Messrs. Maffei and Malone are independent under the NASDAQ rules; however, their status or relationship with Liberty Broadband, an affiliate and stockholder of the Company, prohibits an independence finding under SEC rules for Audit Committee membership purposes. The Nominating and Corporate Governance Committee further determined that Messrs. Maffei and Malone's status or relationship with an affiliate of the Company does not prohibit a finding of independence under SEC rules and NASDAQ Rule 5605(d)(2) for Compensation and Benefits Committee membership purposes. Mr. Rutledge is the President and Chief Executive Officer of the Company and is thus not independent.

#### **Nomination and Qualifications of Directors**

Candidates for director are nominated by the board of directors, based on the recommendation of the Nominating and Corporate Governance Committee. Charter's Corporate Governance Guidelines provide that, among other things, candidates for new board membership to be considered by Charter's board of directors should be individuals from diverse business and professional backgrounds with unquestioned high ethical standards and professional achievement, knowledge and experience. Candidates should include diversity of gender, race and national origin, education, professional experience and differences in viewpoints and skills. The Nominating and Corporate Governance Committee does not have a formal policy with respect to diversity; however, the board of directors and the Nominating and Corporate Governance Committee believe that it is important that board members represent diverse viewpoints. In considering candidates for the board of directors, the Nominating and Corporate Governance Committee considers the entirety of each candidate's credentials in the context of these standards. In addition, director candidates must be individuals with the time and commitment necessary to perform the duties of a board member and other special skills that complement or supplement the skill sets of current directors.

In January 2016, Charter entered into a memorandum of understanding (the MOU) with leaders of several leading national civic organizations that will take effect upon the closing of the TWC Transaction (as defined below) and the Bright House Transaction (as defined below). The MOU identifies specific diversity initiatives and establishes a plan of action to guide the collaborative efforts of New Charter (as defined below) and a wide array of diverse civic and leadership organizations. As part of the MOU, Charter has committed to a number of concrete actions, including appointing one African American, one Asian American/Pacific Islander and one

Latino American to its newly formed board of directors within two years of the close of the TWC Transaction and Bright House Transaction (as defined below). New Charter will also appoint a Chief Diversity Officer who will lead the company's diversity and inclusion efforts. The MOU also includes a number of specific steps New Charter will take to increase diversity among its workforce, improve diversity in the procurement of goods and services, expand programming targeting diverse audiences, and enhance its involvement and investment in organizations serving communities of color.

Pursuant to the Stockholders Agreement, dated as of March 19, 2013, between Charter and Liberty Media Corporation (Liberty Media), as amended by an Amendment to Stockholders Agreement, dated as of September 29, 2014, among Charter, Liberty Media and Liberty Broadband Corporation (Liberty Broadband), and as amended by an investment agreement among Liberty Broadband, Charter and New Charter (as defined below), dated as of May 23, 2015 (the Stockholders Agreement), Liberty Broadband has the right to designate four directors for election to our board of directors. Messrs. Huseby, Maffei, Malone and Nair are the Liberty Broadband designees. Subject to Liberty Broadband's continued ownership of 20% or more of the outstanding shares of Class A common stock of Charter, the Stockholders Agreement provides that Liberty Broadband will be entitled to designate up to four persons as nominees for election to Charter's board of directors at least until January 2020 and that one such designee director (as specified by Liberty Broadband) will serve on each of the Audit Committee, the Nominating and Corporate Governance Committee, and the Compensation and Benefits Committee of Charter's board of directors. Consistent with these provisions, the board of directors appointed Mr. Malone to serve on the Nominating and Corporate Governance Committee, Mr. Maffei to serve on the Finance Committee and the Compensation and Benefits Committee and Mr. Huseby to serve on the Audit Committee.

Stockholders may nominate persons to be directors by following the procedures set forth in our Bylaws. These procedures require the stockholder to deliver timely notice to the Corporate Secretary at our principal executive offices. That notice must contain the information required by the Bylaws about the stockholder proposing the nominee and about the nominee. No stockholder nominees have been proposed for this year's meeting.

Stockholders also are free to suggest persons directly to the board of directors to consider as nominees. The board of directors will consider those individuals if adequate information is submitted in a timely manner (see Stockholders Proposal for 2017 Annual Meeting below for deadline requirements) in writing to the board of directors at the Company's principal executive offices, in care of the General Counsel. The board of directors may, however, give less serious consideration to individuals not personally known by the current board members.

#### **Board Leadership Structure and Risk Oversight**

We separate the roles of Chief Executive Officer (CEO) and Chairman of the board in recognition of the differences between the two roles. The CEO is responsible for setting the strategic direction for the Company and the day to day leadership and performance of the Company, while the Chairman of the board, as a non-executive officer, provides guidance to the CEO and presides over meetings of the full board of directors. These positions will be combined upon the closing of the Bright House Transaction as described below.

The full board of directors oversees the various risks to the Company, delegating to the various committees specific responsibilities. The Audit Committee reviews our Enterprise Risk Management (ERM) Program on a regular basis, and the board of directors regularly reviews reports from management and the Audit Committee regarding the ERM Program. The Audit Committee meets regularly with members of management in executive session, as well as with the General Counsel, the Vice President of Internal Audit Services and representatives of our independent registered public accounting firm. The Compensation and Benefits Committee oversees our compensation policies and practices, including reviewing our incentive and equity-based compensation plans and benefits plans. The Nominating and Corporate Governance Committee oversees corporate governance, including recommending board and committee nominations and the corporate guidelines and determining director independence.



### **Governance Impacts of TWC and Bright House Transactions**

On May 23, 2015, the Company entered into an Agreement and Plan of Mergers (the **Merger Agreement**) with Time Warner Cable Inc. ( **TWC** ), CCH I, LLC ( **New Charter** ), a wholly owned subsidiary of the Company; Nina Corporation I, Inc., Nina Company II, LLC, a wholly owned subsidiary of New Charter; and Nina Company III, LLC, a wholly owned subsidiary of New Charter, pursuant to which the parties will engage in a series of transactions that will result in Charter and TWC becoming wholly owned subsidiaries of New Charter (the **TWC Transaction**), on the terms and subject to the conditions set forth in the Merger Agreement. After giving effect to the TWC Transaction, New Charter will be the new public company parent that will hold the operations of the combined companies.

On March 31, 2015, the Company entered into a definitive Contribution Agreement (the **Contribution Agreement**), which was amended on May 23, 2015 in connection with the execution of the Merger Agreement, with Advance/Newhouse Partnership ( **A/N** ), A/NPC Holdings LLC, New Charter and Charter Communications Holdings, LLC ( **Charter Holdings** ), the Company's wholly owned subsidiary, pursuant to which the Company would become the owner of the membership interests in Bright House Networks, LLC ( **Bright House** ) and any other assets (other than certain excluded assets and liabilities and non-operating cash) primarily related to Bright House (the **Bright House Transaction**).

On May 23, 2015, in connection with the execution of the Merger Agreement and the amendment of the Contribution Agreement, the Company entered into the Second Amended and Restated Stockholders Agreement with Liberty Broadband, A/N and New Charter (the **Liberty/BHN Stockholders Agreement**). The Stockholders Agreement will remain in effect until the closing of the TWC Transaction or the Bright House Transaction, whichever occurs earlier, and, in the event the Liberty/BHN Stockholders Agreement is terminated, will revive and continue in full force and effect. Certain provisions of the Liberty/BHN Stockholders Agreement became effective upon its execution. The Liberty/BHN Stockholders Agreement will replace the Stockholders Agreement upon the closing of the TWC Transaction or the Bright House Transaction, whichever occurs earlier.

Under the terms of the Liberty/BHN Stockholders Agreement, the number of New Charter directors will be fixed at 13, and will include New Charter's chief executive officer. Upon the closing of the Bright House Transaction, two designees selected by A/N and three designees selected by Liberty Broadband will become members of the board of directors of New Charter. The remaining eight directors (other than the chief executive officer, who is expected to become chairman of the board) will be independent directors selected by the nominating committee of the New Charter board by the approval of both a majority of the nominating committee and a majority of the directors that were not appointed by either A/N or Liberty Broadband. Thereafter, Liberty Broadband will be entitled to designate three nominees to be elected as directors and A/N will be entitled to designate two nominees to be elected as directors, in each case provided that each maintains certain specified voting or equity ownership thresholds and provided that each nominee meets any applicable requirements or qualifications. The board of directors of New Charter will appoint at least one director nominated by each of A/N and Liberty Broadband to each of the committees of the New Charter board of directors, subject to applicable stock exchange listing rules and certain specified voting or equity ownership thresholds for each of A/N and Liberty Broadband, and provided that the nominating and compensation committees will have at least a majority of directors independent from A/N, Liberty Broadband and New Charter (referred to as the **unaffiliated directors**). The nominating committee will be comprised of three unaffiliated directors, and one designee of each of A/N and Liberty Broadband. A/N and Liberty Broadband also will have certain other committee designation and other governance rights. Mr. Thomas Rutledge, the Company's Chief Executive Officer ( **CEO** ), will serve as CEO and chairman of New Charter.

For more information regarding the TWC Transaction and the Bright House Transaction and other important governance provisions that will become applicable to New Charter following these transactions, see the Company's Definitive Proxy Statement filed with the SEC on August 20, 2015.

### **Stockholder Contact with Directors**

Individuals may communicate directly with members of the board of directors or members of the board's standing committees by writing to the following address:

Charter Communications, Inc.

400 Atlantic Street

Stamford, CT 06901

Attn: Corporate Secretary

The Corporate Secretary will summarize all correspondence received, subject to the standards below, and periodically forward summaries to the board of directors. Members of the board may at any time request copies of any such correspondence. Communications may be addressed to the attention of the board of directors, a standing committee of the board of directors, or any individual member of the board of directors or a committee. Communication that is primarily commercial in nature, relates to an improper or irrelevant topic, or requires investigation to verify its content may not be forwarded.

### **2015 Director Compensation**

The non-employee director compensation package in effect for 2015 included an annual retainer of \$100,000 in cash or equity. The non-employee director compensation package also included an annual award of \$130,000 in restricted stock, except with respect to the Chairman of the Board, who received an annual award of \$280,000 in restricted stock. In addition to these annual retainers, under the non-employee director compensation package, the Audit Committee chair receives \$20,000 per year, the Compensation and Benefits Committee chair receives \$10,000 per year, and the Nominating and Corporate Governance Committee chair receives \$10,000 per year. Each Audit Committee member (including the chair) receives \$20,000 per year, each Compensation and Benefits Committee member (including the chair) receives \$15,000 per year, each Finance Committee member receives \$15,000 per year and each Nominating and Corporate Governance Committee member (including the chair) receives \$10,000 per year.

During 2015, Messrs. Conn, Jacobson, Markley, Merritt and Zinterhofer, as directors unaffiliated with the Company or Liberty Broadband, in addition to regular board and committee meetings, conducted additional deliberations and meetings related to the TWC Transaction and Bright House Transaction. In recognition of the significant additional time and effort put forth by these directors, in December 2015, the board authorized, upon the recommendation of the Compensation and Benefits Committee, the following additional cash payments: \$15,000 to each of Messrs. Jacobson and Merritt, \$30,000 to each of Messrs. Conn and Markley and \$50,000 to Mr. Zinterhofer.

In accordance with the Stockholders Agreement, Messrs. Maffei and Malone do not receive cash or equity compensation in connection with their respective board or committee service. Directors who are employees also do not receive additional compensation for board participation. Mr. Rutledge, Charter's President, CEO and board member, was the only current director who was also an employee during 2015.

The following table sets forth information regarding the compensation paid or issued to those non-employee members of the board of directors listed below for services rendered for the fiscal year ended December 31, 2015.

Name	Fees Earned or Paid in		Total (\$)
	Cash (\$) (1)	Stock Awards (\$) (2)	
W. Lance Conn	155,000	129,982	284,982
Michael P. Huseby	120,000	129,982	249,982
Craig Jacobson	25,000	229,926	254,926
Gregory B. Maffei(3)			
John D. Markley, Jr.	170,000	129,982	299,982
John C. Malone(3)			
David Merritt	170,000	129,982	299,982
Balan Nair	50,000	229,926	279,926
Eric Zinterhofer	146,986	279,989	426,975

- (1) Cash compensation to the directors is paid in advance on a quarterly basis. In addition to the annual retainer of \$100,000, Mr. Conn received \$10,000 for his service as the Compensation and Benefits Committee chair, \$15,000 for his service as a member of the Compensation and Benefits Committee and \$30,000 for transaction related services. In addition to the annual retainer of \$100,000, Mr. Huseby received \$20,000 for his service as a member of the Audit Committee. Mr. Jacobson elected to receive his annual retainer in equity for the period from April 30, 2015 to April 29, 2016. Further, Mr. Jacobson received \$10,000 for his service as a member of the Nominating and Corporate Governance Committee and \$15,000 for transaction related services. In addition to the annual retainer of \$100,000, Mr. Markley received \$20,000 for his service on the Audit Committee, \$10,000 for his service as chair of the Nominating and Corporate Governance Committee, \$10,000 for his service on the Nominating and Corporate Governance Committee and \$30,000 for transaction related services. In addition to the annual retainer of \$100,000, Mr. Merritt received \$20,000 for his service as chair of the Audit Committee, \$20,000 for his service as a member of that committee, \$15,000 for his service on the Finance Committee and \$15,000 for transaction related services. Mr. Nair received \$50,000 of his annual retainer in cash and elected to receive his annual retainer in equity for the period from April 30, 2015 to April 29, 2016 and did not serve on any committees during 2015. Mr. Zinterhofer elected to receive his annual retainer in equity for the period from April 30, 2014 to April 29, 2015. Further, Mr. Zinterhofer received a portion of his annual retainer for the period from May 1, 2015 through December 31, 2015 equal to \$66,986 together with \$15,000 for his service on the Compensation and Benefits Committee, \$15,000 for his service on the Finance Committee and \$50,000 for transaction related services.
- (2) Amounts attributed to the annual equity retainer restricted stock grant for all directors (except the Chairman of the Board) vesting one year after the date of grant (April 28, 2016), with a fair value on the date of grant (April 28, 2015) of \$129,982 (and \$279,989 for the Chairman of the Board also vesting April 28, 2016). As to the equity in lieu of cash retainer stock grant for Messrs. Jacobson and Nair vesting one year after the date of grant (April 28, 2016), the fair value on the date of grant (April 28, 2015) was \$99,944. The grant date fair value amount was calculated in accordance with accounting guidance related to share-based payment transactions (FASB Topic 718). For more information on FASB Topic 718, see [Impact of Tax and Accounting](#) under Compensation Discussion and Analysis.
- (3) In accordance with the Stockholders Agreement, Messrs. Maffei and Malone did not receive cash or equity compensation in 2015 for their board or committee service.

#### Executive Officers

Our executive officers for purposes of Section 16 of the Securities and Exchange Act and our other Executive Vice Presidents as of the date hereof, listed below, are elected by the board of directors annually, and each serves until his or her successor is elected and qualified or until his or her earlier resignation or removal.

**Executive Officer Positions****Section 16 Executive Officers**

	<b>Position</b>
Thomas M. Rutledge	President, Chief Executive Officer and Director
John Bickham	Chief Operating Officer
Christopher L. Winfrey	Executive Vice President and Chief Financial Officer
Donald F. Detampel	Executive Vice President and President, Commercial Services
Richard R. Dykhous	Executive Vice President, General Counsel and Corporate Secretary
Jonathan Hargis	Executive Vice President, Chief Marketing Officer
Kevin D. Howard	Senior Vice President Finance, Controller and Chief Accounting Officer

**Executive Vice Presidents**

	<b>Position</b>
Thomas E. Adams	Executive Vice President, Field Operations
James Blackley	Executive Vice President, Engineering and Information Technology
Catherine C. Bohigian	Executive Vice President, Government Affairs
Richard J. DiGeronimo	Executive Vice President, Product and Strategy
David Kline	Executive Vice President, Advertising Sales
Paul Marchand	Executive Vice President, Human Resources
Kathleen Mayo	Executive Vice President, Customer Operations
James Nuzzo	Executive Vice President, Business Planning
Scott Weber	Executive Vice President, Network Operations

Information regarding our executive officers and our other senior company leaders, other than Mr. Rutledge who also serves as a director, is set forth below.

**John Bickham**, 66, *Chief Operating Officer*. Mr. Bickham joined Charter as Executive Vice President and Chief Operating Officer on April 30, 2012. Prior to joining Charter, Mr. Bickham served as President of Cable and Communications for Cablevision Systems Corporation ( Cablevision ) where he was employed from 2004 through November 2011. Mr. Bickham serves on the Cable Center Board and was honored with the industry s Vanguard Award for Cable Operations Management in 2007. He received his B.S. degree in electrical engineering from Texas A&I University.

**Christopher L. Winfrey**, 40, *Executive Vice President and Chief Financial Officer*. Mr. Winfrey joined Charter as Executive Vice President and Chief Financial Officer on November 1, 2010. Prior to joining Charter, Mr. Winfrey served as Chief Financial Officer and Managing Director of Unitymedia GmbH from March 2006 through October 2010. Mr. Winfrey was also appointed Managing Director of Unitymedia Management GmbH, Unitymedia Hessen Verwaltung GmbH and Unitymedia NRW GmbH in March 2006 and arena Sport Rechte und Marketing GmbH in April 2008. Mr. Winfrey graduated from the University of Florida, with a B.S. degree in Accounting. He also received his M.B.A. from the University of Florida.

**Donald F. Detampel**, 60, *Executive Vice President and President, Commercial Services*. Mr. Detampel joined Charter as Executive Vice President and President, Commercial Services in October 2010. Prior to joining Charter, Mr. Detampel served as Senior Vice President, Business Services at Comcast Corporation from March 2010 through August 2010. Prior to that, Mr. Detampel served as an Executive Chairman and director of New Global Telecom, Inc. from May 2008 through February 2010. Mr. Detampel received B.S. degrees, magna cum laude, in mathematics and physics, from St. Norbert College.

**Richard R. Dykhous**, 52, *Executive Vice President, General Counsel and Corporate Secretary*. Mr. Dykhous has served in his current position since February 2013 having previously been Senior Vice President, General Counsel since 2011 and a Vice President of Charter from 2006 to 2011. Mr. Dykhous received a bachelor s degree in finance from Olivet Nazarene University, an M.B.A. from Indiana University and a J.D. degree from Indiana University School of Law Indianapolis.

**Jonathan Hargis**, 59, *Executive Vice President and Chief Marketing Officer*. Mr. Hargis joined Charter as Executive Vice President and Chief Marketing Officer on April 9, 2012. Prior to joining Charter, Mr. Hargis was with Cablevision from December 2000 through March 2012, most recently serving at Cablevision as Executive Vice President, Marketing. He served on the board of the Cable & Telecommunications Association for Marketing ( CTAM ) Educational Foundation from April 2008 to March 2012 and chaired the CTAM board from September 2011 to March 2012. Mr. Hargis received a B.A. from Otterbein College and an M.B.A. from Wright State University.

**Kevin D. Howard**, 46, *Senior Vice President Finance, Controller and Chief Accounting Officer*. Mr. Howard has served in his position as Senior Vice President Finance, Controller and Chief Accounting Officer since December 2009. From August 1, 2010 through October 31, 2010, Mr. Howard served as Interim Chief Financial Officer. From April 2006 to December 2009, Mr. Howard served as Vice President, Controller and Chief Accounting Officer. Prior to that, he served as Vice President of Finance from April 2003 until April 2006 and as Director of Financial Reporting since joining Charter in April 2002. Mr. Howard served as an executive officer of Charter during the pendency of its Chapter 11 cases in 2009. Mr. Howard received a bachelor's degree in finance and economics from the University of Missouri Columbia and is a certified public accountant and certified managerial accountant.

**Thomas E. Adams**, 60, *Executive Vice President, Field Operations*. Mr. Adams joined Charter as Executive Vice President, Field Operations on October 1, 2012. Prior to joining Charter, Mr. Adams served as Regional Vice President of Operations for Wisconsin at Time Warner Cable from 2009 to September 28, 2012. Prior to that Mr. Adams served as Regional Vice President of Operations for Eastern Carolina at Time Warner Cable from 2007 to 2009. Mr. Adams received an associate degree in Applied Science, Engineering from Delhi Agriculture and Technical College and a B.S degree in Engineering from Florida International University.

**James Blackley**, 60, *Executive Vice President, Engineering and Information Technology*. Mr. Blackley joined Charter as Executive Vice President, Corporate Engineering and Technology on October 15, 2012. Prior to joining Charter, Mr. Blackley served as Executive Vice President, Corporate Engineering and Technology for Cablevision, where he was employed from 1996 through May 2012.

**Catherine C. Bohigian**, 43, *Executive Vice President, Government Affairs*. Ms. Bohigian joined Charter as Executive Vice President, Government Affairs on July 8, 2013. Prior to joining Charter, Ms. Bohigian served as Senior Vice President, Federal Affairs for Cablevision where she was employed from September 2008 through June 2013. Prior to Cablevision from September 2001 to September 2008, Ms. Bohigian worked for the Federal Communications Commission ( FCC ) in various capacities, including Senior Advisor to then-Chairman of the FCC, Kevin Martin. Ms. Bohigian received a B.A. degree from Duke University and a J.D. degree from Harvard Law School.

**Richard J. DiGeronimo**, 38, *Executive Vice President, Product and Strategy*. Mr. DiGeronimo was appointed to his current position in January 2015 having previously been a Senior Vice President, Product and Strategy since March 2011 and a Vice President of Product Management from 2008 to 2011. Prior to joining Charter, Mr. DiGeronimo served as the Vice President and General Manager of cable markets with Level 3 Communications. Mr. DiGeronimo received a B.B.A. from the Ross School of Business at the University of Michigan.

**David Kline**, 58, *Executive Vice President, Advertising Sales*. Mr. Kline joined Charter in October 2015 as Executive Vice President, President of Media Sales. Before joining Charter, Mr. Kline served as President and Chief Operating Officer of Visible World. Prior to that position, he was Chief Operating Officer of Ensequence. Mr. Kline also served as President and Chief Operating Officer of Cablevision Media Sales for more than 15 years, overseeing the company's advertising businesses. Mr. Kline holds a bachelor's degree from The Ohio State University.

**Paul Marchand**, 46, *Executive Vice President, Human Resources*. Mr. Marchand joined Charter in October 2015 as Executive Vice President, Human Resources. Prior to joining Charter, Mr. Marchand spent nearly 12 years with PepsiCo, most recently as Senior Vice President of Human Resources for the North America beverage's field and supply chain organization. He previously served in human resources roles at Merrill Lynch, JPMorgan and the May Department Stores Company. Mr. Marchand holds a master's degree in organizational psychology from Columbia University and a bachelor's degree in advertising from Syracuse University.

**Kathleen Mayo**, 57, *Executive Vice President, Customer Operations*. Ms. Mayo joined Charter as Executive Vice President, Customer Operations on September 17, 2012. Prior to joining Charter, Ms. Mayo joined Cablevision in 1997 and most recently serving as Executive Vice President, Consumer Operations of Cablevision. Ms. Mayo earned a B.A. at West Chester University and an M.B.A. at Temple University.

**James Nuzzo**, 54, *Executive Vice President, Business Planning*. James Nuzzo joined Charter as Executive Vice President, Business Planning on June 23, 2014. Mr. Nuzzo was previously at Cablevision Systems Corporation from 1986 to December 2013 most recently serving as Senior Executive Vice President, Operations and Business Planning. Mr. Nuzzo received a bachelor's degree in Business Administration from Hofstra University in 1983.

**Scott Weber**, 60, *Executive Vice President, Network Operations*. Mr. Weber joined Charter as Executive Vice President, Network Operations on June 18, 2012. Prior to joining Charter, Mr. Weber served as Executive Vice President, Engineering Network Management for Cablevision from January 2007 through January 2012. Mr. Weber is a member of Society of Cable Telecommunications Engineers, Institute of Electrical and Electronics Engineers and American Radio Relay League.

## **Executive Compensation**

### **Compensation Committee Interlocks and Insider Participation**

During 2015, no member of Charter's Compensation and Benefits Committee was an officer or employee of Charter or any of its subsidiaries. Mr. Zinterhofer served as the non-executive Chairman of the Board in 2015.

During 2015: (1) none of Charter's executive officers served on the compensation committee of any other company that has an executive officer currently serving on Charter's board of directors or Compensation and Benefits Committee; and (2) none of Charter's executive officers served as a director of another entity, one of whose executive officers served on the Compensation and Benefits Committee.

## **Report of the Compensation and Benefits Committee**

*The following report does not constitute soliciting materials and is not considered filed or incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, unless we specifically state otherwise.*

The Compensation and Benefits Committee has reviewed and discussed with management the Compensation Discussion and Analysis set forth below including the accompanying tables and recommended to the board of directors that it be included in this proxy statement.

W. LANCE CONN, Chairman

GREGORY B. MAFFEI

ERIC ZINTERHOFER

## Compensation Discussion and Analysis

The following discussion and analysis of compensation arrangements of our Named Executive Officers (who are our CEO, Chief Financial Officer, and other executive officers appearing in the Summary Compensation Table) should be read together with the compensation tables and related disclosures set forth elsewhere in this proxy statement.

### 2015 Highlights

During 2015, the Compensation and Benefits Committee maintained its 2014 approach to annual incentives and maintained its 2014 approach to its Long-Term Incentive Program. The Compensation and Benefits Committee's actions during 2015 included the following:

The Compensation and Benefits Committee approved increases in the base salaries of certain executive officers in connection with execution of new employment agreements effective in 2015 following the expiration of the term of their prior two-year-term employment agreements. Of the Named Executive Officers, only Mr. Detampel's employment agreement was up for renewal, and he received a base salary increase in connection with the renewal.

The Compensation and Benefits Committee determined to leave the structure of the annual incentive unchanged from 2014 to 2015 except that service metrics were not included in the performance criteria due to transaction-related considerations. Potential payout for corporate performance ranged from 0% to 150% of the target bonus amount depending on the Named Executive Officer's weighting of their metrics.

The Compensation and Benefits Committee determined to leave the structure of the Long Term Incentive Program unchanged from 2014 to 2015 consisting of grants of options and restricted stock units which vest in their entirety three years from the grant date. Equity grants under the program were made in the first quarter of 2015 to participants in the program, including the Named Executive Officers.

### Role of the CEO and Compensation and Benefits Committee

The Compensation and Benefits Committee of our board of directors is responsible for overseeing our overall compensation structure, policies and programs and assessing whether our compensation structure results in appropriate compensation levels and incentives for executive management and employees.

Our CEO annually reviews the performance of each of the other Named Executive Officers. He recommends to the Compensation and Benefits Committee salary adjustments, equity incentive compensation, and annual cash bonuses applying specific performance metrics that have been approved by the Compensation and Benefits Committee at the beginning of each year for the other Named Executive Officers. The Compensation and Benefits Committee has regularly requested the CEO to be present at Compensation and Benefits Committee meetings where executive compensation and individual performance are discussed and evaluated although the Compensation and Benefits Committee regularly meets in executive session to consider these matters. The CEO is invited for the purpose of providing insight or suggestions regarding executive performance objectives and/or achievements, and the overall competitiveness and effectiveness of our executive compensation program. Although the Compensation and Benefits Committee considers the CEO's recommendations along with analysis provided by the Compensation and Benefits Committee's compensation consultants, it retains full discretion to set all compensation for our Named Executive Officers other than the CEO. With respect to the CEO, the Compensation and Benefits Committee recommends the CEO's compensation to Charter's full board of directors, with non-employee directors voting on the approval of any recommendations, subject to any employment agreements.

### **Compensation Consultant**

The Compensation and Benefits Committee has the authority under its charter to directly engage the services of a compensation consultant(s) or other advisors. The Compensation and Benefits Committee retained Semler Brossy Consulting Group, LLC ( Semler Brossy ) to serve as its compensation consultant. In carrying out its assignments, Semler Brossy interacts with management when necessary and appropriate. Semler Brossy may, in its discretion, seek input and feedback from management regarding its consulting work product prior to presentation to the Compensation and Benefits Committee in order to confirm alignment with our business strategy and identify data questions or other similar issues, if any. During the year ended December 31, 2015, Semler Brossy provided no services to Charter other than those provided directly to or for the benefit of the Compensation and Benefits Committee including: attending meetings; providing information, research and analysis pertaining to executive compensation programs; conducting a comprehensive assessment of our annual executive compensation program relative to competitive markets; updating the Committee on market trends and changing practices; and advising on the design of the executive compensation program and the reasonableness of individual compensation targets and awards.

The Compensation and Benefits Committee has determined that there was no conflict of interest between the compensation consultant and the Compensation and Benefits Committee during the year ended December 31, 2015. In reaching this conclusion, consistent with its charter, the Compensation and Benefits Committee considered the factors set forth in NASDAQ Rule 5605(d)(3) regarding compensation advisor independence.

### **Compensation Philosophy and Objectives**

The Compensation and Benefits Committee believes that attracting and retaining well-qualified executives is a top priority. The Compensation and Benefits Committee's approach is to compensate executives commensurate with their experience, expertise and performance and to ensure that our compensation programs are competitive with executive pay levels within the cable, telecommunications, and other related industries that define our competitive labor markets. We seek to uphold this philosophy through attainment of the following objectives:

*Pay-for-Performance.* We seek to ensure that the amount of compensation for each Named Executive Officer reflects the executive's performance and service to us for the time period under consideration. Our primary measures of performance used to gauge appropriate levels of performance-based compensation have included stockholder value, revenue, Adjusted EBITDA, operating cash flow, operational improvements, capital management, customer satisfaction, and/or such other metrics as the Compensation and Benefits Committee determines is then critical to our long-term success at that time. While we believe that our executives are best motivated when they believe that their performance objectives are attainable, we also believe that these metrics should be challenging and represent important improvements over performance in prior years. Compensation payable pursuant to our annual Executive Bonus Plan and our Long-Term Incentive Program is dependent on our performance.

*Alignment.* We seek to align the interests of the Named Executive Officers with those of our investors by evaluating executive performance on the basis of the stockholder and financial measurements noted above, which we believe closely correlate to long-term stockholder value creation. The annual cash bonus and long-term incentives are intended to align executive compensation with our business strategies, values and management initiatives, both short-and long-term. Through this incentive compensation, we place a substantial portion of executive compensation at risk, specifically dependent upon our financial performance over the relevant periods. This rewards executives for performance that enhances our financial strength and stockholder value.

*Retention.* We recognize that a key element to our success is our ability to retain a team of highly-qualified executives who can provide the leadership necessary to successfully execute our short-and long-term business strategies. We also recognize that, because of their qualifications, our senior executives are often presented with other professional opportunities, potentially ones at higher compensation levels. It is often



difficult to retain talented management, especially when there are several much larger direct business and people competitors. Our retention strategy faces additional challenges in that the skills of our current management team are attractive to many companies inside and outside of the cable industry. The design of our Long-Term Incentive Program, initially approved in 2014 with grants vesting in their entirety three years from the grant date, in part underscores our focus on retention.

### Compensation Peer Group

The Compensation and Benefits Committee examines the Company's peer group on an annual basis. In order to be included in our compensation peer group, a company generally must be a publicly traded company within the United States and one of the following: (i) a cable or satellite industry company; (ii) a telecommunications company; or (iii) a broadcasting or movies and entertainment company with revenues of between one-third to three times our size.

Based on these factors, the Compensation and Benefits Committee reviewed our compensation peer group and added CBS Corp., DISH Network Corp., Discovery Communications, Inc. and Viacom, Inc. to our peer group, deleted Frontier Communications, Telephone and Data Systems and T-Mobile due to size considerations and deleted DirectTV because it was acquired by AT&T. The 2014 median revenue for the companies in the peer group was \$14.2 billion. The current compensation peer group is:

<b>Compensation Peer Group</b>	
BCE Inc.	Discovery Communications, Inc.
Cablevision Systems Corp.	Liberty Global, Plc.
CBS Corp.	TELUS Corp.
CenturyLink Inc.	Time Warner Cable Inc.
Comcast Corporation	Viacom, Inc.
DISH Network Corp.	Windstream Holdings, Inc.

### Pay Levels and Pay Mix

We determine pay levels for executives based on a number of factors, including the individual's roles and responsibilities within Charter, the individual's experience and expertise, pay levels for peers within Charter, pay levels in the marketplace for similar positions, and performance of the individual and Charter as a whole. In determining these pay levels, the Compensation and Benefits Committee considers all forms of compensation and benefits.

To entice our CEO and Chief Operating Officer (COO), two cable industry veterans, to our Company, the Compensation and Benefits Committee structured initial pay packages that were above the median of the cable companies in our peer group. A significant portion of their initial equity packages, however, were tied to a substantial improvement in the company's stock price. These equity awards were designed to only have value to the CEO and COO if substantial value is delivered to stockholders. In establishing compensation levels for the leadership team below the CEO/COO level (leadership team is comprised of executives who report to either the CEO or COO), the Committee takes into consideration that our key competitors for talent within the cable and satellite industry generally are much larger companies than Charter. However, Charter also believes that it is strategically important to retain a leadership team that is as skilled as or more skilled than any leadership team in the industry. To meet this challenge, the Compensation and Benefits Committee provided a higher than competitive long-term incentive program. Total cash compensation, with some variation by role, is managed closely to the median of the peer group. This strategy has resulted in a compensation package heavily weighted towards equity issuances. The Compensation and Benefits Committee believes it is appropriate to position equity programs aggressively since these programs will only have material value if value is created for the stockholders.

---

## Elements Used to Achieve Compensation Objectives

The main components of our compensation program include:

Base Salary fixed pay that takes into account an individual's role and responsibilities, experience, expertise and individual performance designed to provide a base level of compensation stability on an annual basis;

Bonus Plans variable performance-based pay designed to reward attainment of annual business goals, with target award opportunities generally expressed as a percentage of base salary; and

Long-Term Incentives equity awards designed to motivate long-term performance and align executive interests with those of our stockholders.

### *Details of Each Compensation Element*

#### *(1) Base Salary*

We set base salaries with regard to the level of the individual's position with Charter and the individual's current and sustained performance results. The Compensation and Benefits Committee annually reviews base salary levels for executives, and any changes in those salary levels. Adjustments to base salary levels may be based on factors such as new roles and/or responsibilities assumed by the executive and the executive's significant impact on our then-current goals. Salary adjustments may also be based on changes in market pay levels for comparable positions in our competitive markets. We review and adjust base salaries to account for: (a) market-competitive increases, (b) individual impact on and contributions to the business performance and company goals, (c) salary increases to align certain levels of responsibility; and (d) company-wide total salary increases. In 2015, only one of our Named Executive Officers received a base salary increase in connection with renewal of his employment agreement at the expiration of the term of his prior agreement. Mr. Detampel received an increase to \$655,080 from \$618,000 effective on December 31, 2015. No other employment agreements with NEOs were up for renewal in 2015.

Charter does not apply specific weighting to any one factor in setting the level of salary, and the process ultimately relies on the subjective exercise of the Compensation and Benefits Committee's judgment. Although we generally target salaries at market median compared to an industry peer group and other compensation survey data for experienced professionals, the Compensation and Benefits Committee may also take into account historical compensation, potential as a key contributor as well as special recruiting/retention situations in setting salaries for individual executives above or below the market median. Consistent with our pay philosophy, salary increases are not automatic or the same for each individual, taking into consideration the factors set forth above.

#### *(2) Bonus Plans*

##### **2015 Executive Bonus Plan**

In 2015, Charter determined bonuses for the Named Executive Officers under the Executive Bonus Plan based on Charter's (or, if applicable, an employee's particular operating group's) performance during 2015 measured against three performance measures. These measures were: total revenue, adjusted EBITDA, and capital management. Potential payouts under the 2015 Executive Bonus Plan ranged from 0% to 150% of target bonus amounts. Target bonus amounts for our Named Executive Officers ranged from 75% to 175% of 2015 base annual salaries, subject to the terms and provisions of the applicable employment agreements (see [Employment Agreements](#)).

On February 1, 2016, the Compensation and Benefits Committee determined that Charter's 2015 performance against the performance measures resulted in bonuses payable to Named Executive Officers in the amount equal to 118.76% of such officer's target bonus. The 118.76% of target bonuses is based on achievement of each of the 2015 Charter performance measures with reference to the performance goal and weight assigned to

each as determined by the Compensation and Benefits Committee in reference to Charter's business plan and business goals.

The Charter total revenue measure accounted for 40% of the total bonus and was targeted for \$686 million of growth for 2015. Charter total revenue growth in 2015 for the purposes of the executive bonus plan was \$646 million, resulting in 97.83% attainment of this measure. The Charter adjusted EBITDA measure accounted for 50% of the total bonus and was targeted for \$273 million of growth for 2015. Charter adjusted EBITDA growth in 2015 for the purposes of the executive bonus plan was \$283 million, resulting in 131.25% attainment of this measure. Due to the unanticipated and extraordinary nature of the costs for preparing for the closing of our transactions with Comcast Corporation and subsequently the TWC Transaction and the Bright House Transaction, as well as certain other costs incurred because of the TWC Transaction and Bright House Transaction that were not material, such costs were excluded from the calculation of 2015 adjusted EBITDA growth for the purposes of the 2015 Executive Bonus Plan. Adjusted EBITDA is defined as consolidated net income (loss) plus net interest expense, income taxes, depreciation and amortization, stock compensation expense, loss on extinguishment of debt, (gain) loss on derivative instruments, net, other expense, net and other operating expenses, such as merger and acquisition costs, special charges and (gain) loss on sale or retirement of assets. The Charter capital management measure accounted for 10% of the total bonus and was based on a discretionary assessment by our CEO based on capital expense performance criteria and approval by the Compensation and Benefits Committee. The CEO determined that the Company's capital management performance resulted in 140.00% attainment of this measure. In making his determination of achievement of the capital management metric, the CEO considers a quantitative evaluation of performance against budget and a qualitative evaluation of capital spend including the cost reductions in customer-premises equipment and the progress of product and infrastructure development. The CEO's determination as to achievement of the capital management metric applied equally across all plan participants. 2015 Executive Bonus Plan payments to our Named Executive Officers are reported in the Non-Equity Incentive Plan compensation column of the Summary Compensation Table due to plan payments being based on the achievement of established and disclosed performance targets together with a discretionary component for capital management, that, as set forth above, was determined based on capital expense performance criteria achievement.

The Compensation and Benefits Committee has the discretion to increase or decrease payouts under this annual plan based on organizational factors such as acquisitions or significant transactions, performance driven by changes in products or markets and other unusual, unforeseen or exogenous situations. The CEO is authorized by the Compensation and Benefits Committee to make discretionary bonus awards of up to 5% of the projected payout. Discretionary bonus awards are recommended by management based upon management's judgment of a participant's performance and contribution to the Company, and are in addition to the annual bonus plan. For 2015, none of the Named Executive Officers received any portion of this 5% discretionary allocation.

### ***(3) Long-Term Incentives***

We designed our Long-Term Incentive Program to recognize scope of responsibilities, reward demonstrated performance and leadership, motivate future superior performance, align the interests of the executive with that of our stockholders, and incentivize and retain the executives through the term of the awards. We believe that performance-based incentives help to drive our performance through their direct linkage to controllable business results while, at the same time, rewarding executives for the value created through share price appreciation. While the size of the award is ultimately left to the Compensation and Benefits Committee discretion, we generally target grant levels at the median to top quartile of competitive levels.

The 2009 Stock Incentive Plan (the "Stock Incentive Plan") is an omnibus plan that provides for a range of compensation programs including the potential grant of non-qualified stock options, incentive stock options, stock appreciation rights, dividend equivalent rights, performance units and performance shares, share awards, phantom stock, restricted stock units and restricted stock as each term is defined in the Stock Incentive Plan and in the discretion of the Compensation and Benefits Committee. Unless terminated sooner, the Stock Incentive

Plan will terminate on April 28, 2019, and no option or award can be granted thereafter under that plan. In November 2009, 3,848,393 shares were included in the Stock Incentive Plan and on December 16, 2009, the board of directors approved the inclusion of another 3,848,393 shares. On February 20, 2013, the board of directors approved an amendment to the Stock Incentive Plan to add 6,000,000 shares, which increase was approved by the Company's stockholders at the 2013 annual stockholders' meeting.

As of December 31, 2015, 5,044,950 shares remained available for future grants under the Stock Incentive Plan. See Proposal 3 below, for a description of the Company's proposal to increase the number of shares in the Stock Incentive Plan. As of December 31, 2015, there were 265 participants in the Stock Incentive Plan. See the Summary Compensation Table below for the awards received by our Named Executive Officers.

The Stock Incentive Plan authorizes the repricing of options, which could include reducing the exercise price per share of any outstanding option, permitting the cancellation, forfeiture or tender of outstanding options in exchange for other awards or for new options with a lower exercise price per share, or repricing or replacing any outstanding options by any other method. While the Stock Incentive Plan authorizes repricing, no repricing has occurred under the plan to date.

*The 2011 LTIP.* In 2011, the Compensation and Benefits Committee of the board of directors adopted a multi-year long term incentive plan (the 2011 LTIP). The Committee intended that awards made under the 2011 LTIP in 2011 were to cover equity awards for the years 2011 through 2013 with no further grants being made absent special circumstances (i.e., promotions, new hires or relocation incentives). Awards under the 2011 LTIP for the Named Executive Officers included:

Time-Vesting Stock Options. Time-vesting stock option grant agreements provide for options to purchase shares of the Company's Class A common stock on each vesting date generally divided into a half or a third with each such portion of a grant vesting and becoming exercisable in four equal installments on each of the first four anniversaries of certain specified dates, such as a new employee's hire date. Messrs. Rutledge, Bickham, Winfrey, Detampel and Hargis were previously granted time-vesting options under the 2011 LTIP in 2011 (as to Messrs. Rutledge, Winfrey and Detampel) and in 2012 (as to Messrs. Bickham and Hargis).

Performance-Vesting Stock Options. Performance-vesting stock option grant agreements provide for options to purchase shares of the Company's Class A common stock in tranches commencing on certain specified dates subject to the occurrence of achievement of set stock price thresholds. Performance-vesting option grants under the 2011 LTIP were made to all of our Named Executive Officers; however the grants that were previously made in 2011 to Messrs. Winfrey and Detampel and in 2012 to Mr. Hargis vested in full prior to December 31, 2015. Messrs. Rutledge and Bickham have options remaining for future vesting under their respective grant agreements subject to achievement of varying stock price thresholds. Mr. Rutledge's performance-vesting option agreement provides that his options vest in five tranches with stock price thresholds at \$60, \$80, \$100, \$125 and \$150. Mr. Bickham's performance-vesting options vest in four tranches at \$80, \$100, \$125 and \$150.

Time-Vesting Restricted Stock. Time-vesting restricted stock grant agreements provide that the grantee may receive shares of the Company's Class A common stock on a straight vesting schedule with the grant vesting in 25% installments on each of the four anniversaries of the applicable grant or effective date. Grants of time-vesting restricted stock were made in 2011 and 2012 to Messrs. Rutledge and Bickham, respectively, in connection with the execution of their respective employment agreements. No other Named Executive Officers received time-vesting restricted stock agreements.

Performance-Vesting Restricted Stock. Performance-vesting restricted stock grant agreements provide that the grantee may receive shares of the Company's Class A common stock in tranches commencing on certain specified dates subject to the occurrence of achievement of set stock price thresholds similar to the performance-vesting stock options. Grants of performance-vesting restricted stock were made in 2011 and 2012 to Messrs. Rutledge and Bickham, respectively, in connection with execution of their respective

employment agreements. Mr. Rutledge's restricted stock was granted in three tranches with thresholds at \$60, \$80 and \$100 and Mr. Bickham's restricted stock was granted in two tranches with thresholds at \$80 and \$100. No other Named Executive Officers received performance-vesting restricted stock agreements.

**Restricted Stock Units.** Restricted stock unit ( RSU ) award agreements provide that the grantee may receive one share of the Company's Class A common stock for each RSU following vesting. The grants are generally subject to a straight vesting schedule with the grant vesting in equal parts on each date specified in the executive's grant agreement. Grants of restricted stock units to Named Executive Officers were made as follows: in 2012 to Mr. Winfrey in connection with his relocation package and in 2012 to Mr. Hargis in connection with execution of his employment agreement. Messrs. Rutledge, Bickham and Detampel did not receive RSU grants under the 2011 LTIP.

*The 2014 LTIP.* Effective January 15, 2014, the Compensation and Benefits Committee adopted a new Long-Term Incentive Plan (the 2014 LTIP ). After evaluating the competitive practices of large cable companies, the Company decided to adopt the practice of making annual grants to its executives. The Committee designed the 2014 LTIP to retain, motivate and attract our executive employees with an industry-competitive level of equity compensation. The award agreements under the 2014 LTIP contain terms similar to previous agreements; except that the awards vest 100% three years following the grant date. Grants made in 2014 under the 2014 LTIP include grants of options and restricted stock units. Grants were made to all of our Named Executive Officers in January 2014 and included a long-term incentive mix of 10% of their target grants in restricted stock units and 90% in stock options all vesting in full three years from the date of the grant in January 2017.

*The 2015 LTIP.* Effective January 15, 2015, the Compensation and Benefits Committee adopted a Long-Term Incentive Plan for 2015. Grants were made to all of our Named Executive Officers in January 2015 and included a long-term incentive mix of 10% of their target grants in restricted stock units and 90% in stock options all vesting in full three years from the date of the grant in January 2018.

*The 2016 LTIP.* Effective January 15, 2016, the Compensation and Benefits Committee adopted a Long-Term Incentive Plan for 2016. Grants were made to all of our Named Executive Officers except for Mr. Rutledge in January 2016 and included a long-term incentive mix of 50% of their target grants in restricted stock units and 50% in stock options all vesting in full three years from the date of the grant in January 2019. The Compensation and Benefits Committee expects to address equity awards for Mr. Rutledge in connection with a new employment agreement upon closing of the TWC Transaction and Bright House Transaction.

#### **Timing of Equity Grants**

We maintain a disciplined equity approval policy. We do not grant equity awards in anticipation of the release of material, non-public information. Similarly, we do not time the release of material, non-public information based on equity grant dates. Grants of options, if made, have an exercise price equal to the average of the high and low stock price on the date of grant. For annual equity awards made in 2014, 2015 and 2016, we have granted awards on or about January 15 of each year.

#### **Other Compensation Elements**

The Named Executive Officers are eligible to participate in all other benefit programs offered to all employees generally.

#### **Risk Assessment**

An independent consultant was engaged to perform a risk assessment of the Company's compensation programs and did not identify any material risks that might adversely impact the financial health or performance

of the Company. After review of the report from the independent consultant, the Compensation and Benefits Committee agreed with the conclusion reached by the independent consultant.

### **Stockholder Vote on Say on Pay**

At the Company's 2011 annual stockholders' meeting, the stockholders considered an advisory proposal on the frequency of holding a vote on Executive Compensation and voted to hold an advisory vote on executive compensation every three (3) years. The Compensation and Benefits Committee agreed with the advisory vote. The advisory vote on executive compensation was held at the 2014 annual stockholders' meeting. As the board of directors had recommended, the stockholders approved the 2014 executive compensation with approximately 87% of the outstanding vote cast in favor of the proposal.

### **Impact of Tax and Accounting**

Section 162(m) of the Internal Revenue Code generally provides that certain kinds of compensation in excess of \$1 million in any single year paid to the CEO and the three other most highly compensated executive officers other than the Chief Financial Officer of a public company are not deductible for federal income tax purposes. However, pursuant to regulations issued by the U.S. Treasury Department, certain limited exemptions to Section 162(m) apply with respect to qualified performance-based compensation. While the tax effect of any compensation arrangement is one factor to be considered, such effect is evaluated in light of our overall compensation philosophy. To maintain flexibility in compensating executive officers in a manner designed to promote varying corporate goals, the Compensation and Benefits Committee has not adopted a policy that all compensation must be deductible. Stock options granted under our Stock Incentive Plan qualify as performance-based compensation and, as such, are exempt from the limitation on deductions. Outright grants of restricted stock and certain cash payments (such as base salary and discretionary cash bonuses) are not structured to qualify as performance-based compensation and are, therefore, subject to the Section 162(m) limitation on deductions and will count against the \$1 million cap. However, the Executive Bonus Plan is structured to comply with Section 162(m) to obtain all allowable deductions. Attainment of 2015 targets under the Executive Bonus Plan was certified by the 162(m) Committee of the board of directors.

When determining amounts and forms of compensation grants to executives and employees, the Compensation and Benefits Committee considers the accounting cost associated with the grants. We account for stock-based compensation in accordance with accounting standards regarding stock compensation which addresses the accounting for share-based payment transactions in which a company receives employee services in exchange for (a) equity instruments of that company or (b) liabilities that are based on the fair value of the company's equity instruments or that may be settled by the issuance of such equity instruments. Under this accounting guidance, grants of stock options, restricted stock, restricted stock units, and other share-based payments result in an accounting charge. The accounting charge is equal to the fair value of the instruments being issued on the date of the grant and is amortized over the requisite service period, or vesting period of the instruments. For restricted stock and restricted stock units, the cost is equal to the fair value of the stock on the date of grant times the number of shares or units granted. For stock options, the cost is equal to the fair value of the option on the date of the grant, estimated using the Black-Scholes option-pricing model, times the number of options granted. For stock options and restricted stock with market conditions, the cost is equal to the fair value of the option or restricted stock on the date of grant, estimated using Monte Carlo simulations, times the number of stock options or shares of restricted stock granted. The grant date weighted average assumptions used during each of the years ended December 31, 2015 and 2014 were: risk-free interest rate of 1.5% and 2.0%, respectively; expected volatility of 34.7% and 36.9%, respectively, and expected lives of 6.5 years in both periods.

The valuations assume no dividends are paid. Dollar values included in the Non-Employee Director Compensation Table and the Summary Compensation Table represent the aggregate fair value of all awards granted in 2015 and in prior years.

## Stock Ownership, Compensation Recovery and Hedging

### *Stock Ownership Guidelines*

In July 2014, the board of directors adopted Stock Ownership Guidelines applicable to Charter's outside directors and executive officers, including our Named Executive Officers. The guidelines are based on achievement of a certain specified multiple of the applicable officer's base salary or outside director's cash retainer. The guidelines do not apply to officers, directors or affiliates of any stockholder of the Company beneficially holding 10% or greater of the outstanding shares of the Company's stock.

<b>Title</b>	<b>Ownership Multiple</b>
Chief Executive Officer	5X
Chief Operating Officer	3X
Executive Vice President	2X
Other Covered Individuals	1X
Outside Director	3X

Ownership levels will be evaluated annually by management based on: stock beneficially owned outright and 25% of the value of service based restricted stock and restricted stock units that are only subject to service vesting in determining whether a covered individual has met the applicable level. There is no time requirement to meet the guidelines; however, until the minimum level is reached, a covered individual is required to retain a minimum of 25% of the shares received when options to purchase stock are exercised or restricted stock vests. As of December 31, 2015, all covered directors and the NEOs met the applicable stock ownership guidelines.

### *Compensation Recovery Policy*

In July 2014, the Company's board of directors also adopted a Compensation Recovery Policy. The policy provides that all executive officers, including the Named Executive Officers, may, under certain circumstances be required to repay or forfeit annual incentive or other performance-based compensation, including payments under our Executive Bonus Plan, received in the event of a restatement of Charter's financial statements filed with the SEC. There is a three-year look back period for compensation recovery under the policy. The policy applies regardless of whether or not the individual was at fault in the circumstances leading to the restatement; however, the Compensation and Benefits Committee has been granted greater authority to recover any outstanding equity based awards, vested and unvested, if the Compensation and Benefits Committee finds that a covered executive was engaged in any fraud or intentional misconduct with regard to the circumstances leading to the restatement.

### *Hedging*

The Company prohibits any Named Executive Officer, as well as other senior members of management, from hedging Company securities.

### Summary Compensation Table

The following table sets forth compensation information for our Named Executive Officers that were identified as such as of December 31, 2015.

Name and Principal Position	Year	Salary (\$)	Stock Awards \$(1)	Option Awards \$(2)	Non-Equity Incentive Plan Compensation \$(3)	All Other Compensation \$(4)	Total (\$)
<b>Thomas M. Rutledge</b>	2015	2,000,000	999,925	8,999,426	4,156,600	205,436	16,361,387
	2014	2,000,000	999,995	8,999,952	3,800,650	304,255	16,104,852
President and Chief							
Executive Officer	2013	2,000,000			2,232,965	249,849	4,482,814
<b>Christopher L. Winfrey</b>	2015	651,500	249,981	2,249,827	580,291		3,731,599
	2014	566,500	250,067	2,249,988	530,598	12,321	3,609,474
Executive Vice President							
and Chief Financial Officer	2013	566,500			271,066	10,556	848,122
<b>John Bickham</b>	2015	1,375,000	499,962	4,499,713	2,204,483	150,303	8,729,461
	2014	1,375,000	499,998	4,499,976	2,015,702	172,662	8,563,338
Chief Operating Officer							
<b>Donald F. Detampel, Jr.,</b>	2015	618,000	249,981	2,249,827	583,480		3,701,288
	2014	618,000	250,067	2,249,988	503,315		3,621,370
Executive Vice President							
and President Commercial Services	2013	618,000			295,708		913,708
<b>Jonathan Hargis(6)</b>	2015	565,000	249,981	2,249,827	503,246		3,568,054
Executive Vice President	2014	552,385	250,067	2,249,988	460,150		3,512,590
and Chief Marketing Officer							

- (1) Amounts reported in this column reflect the aggregate grant date fair value of restricted stock and restricted stock unit grants, if any, to each Named Executive Officer during the applicable fiscal years set forth above. Amounts reported represent the aggregate grant date fair value based on the closing stock price on the applicable grant date. For more information on accounting guidance regarding stock compensation, see [Impact of Tax and Accounting](#) under Compensation Discussion and Analysis.
- (2) Amounts reported in this column were calculated in accordance with accounting guidance regarding stock compensation and reflect the aggregate grant date fair value of options granted to each Named Executive Officer during the applicable fiscal years set forth above. For more information on accounting guidance regarding stock compensation, see [Impact of Tax and Accounting](#) under Compensation Discussion and Analysis.
- (3) The amounts reported under this column are executive bonus plan payments made in 2016 for each Named Executive Officer under the 2015 Executive Bonus Plan.
- (4) The following table identifies the perquisites and personal benefits received by the Named Executive Officers, identified below, that exceeded \$10,000 in the aggregate for the year ended December 31, 2015:

Name	401(k) Matching	Executive Long-	Other \$(b)
------	--------------------	--------------------	----------------



	Personal Use of Corporate Airplane \$(a)	Contributions (\$)	Term Disability Premiums (\$)	Gross-up for Executive Long Term Disability (\$)	
<b>Thomas M. Rutledge</b>	203,660		618	1,158	
<b>John Bickham</b>	148,478		618	1,158	49

- (a) As set forth in more detail below under the section titled "Employment Agreements", Messrs. Rutledge and Bickham are allowed to use the Company's aircraft for a certain amount of hours of discretionary personal use every year in accordance with their respective employment agreements. Amounts reported above for Messrs. Rutledge and Bickham are calculated as the aggregate incremental cost to the Company using a method that takes into account variable costs such as aircraft fuel and oil expenses per hour of flight; crew travel expenses; landing and parking fees; and trip-related inspections, repairs and maintenance. The aggregate incremental costs reported above also take into account costs associated with pre-paid hourly flight cards and private aircraft for hire services. Because the

Company's aircraft is used primarily for business travel, this methodology excludes fixed costs that do not change based on usage, such as salaries of pilots and crew or purchase or lease costs of aircraft. For purposes of determining an executive's taxable income, personal use of our aircraft is valued using a method based on Standard Industry Fare Level (SIFL) rates, as published by the Internal Revenue Service. The amount determined using the SIFL rates is typically lower than the amount determined using the incremental cost method.

(b) Amounts reported for 2015 include a gross-up for a 2015 service award to Mr. Bickham.

(5) Mr. Hargis was not identified as a Named Executive Officer as of December 31, 2013 and, accordingly, compensation data for that year is not included.

**2015 Grants of Plan Based Awards**

Name	Grant Date(1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares of Stock or Units (#)(3)	All Other Option Awards: Number of Securities Underlying Options (#)(4)	Exercise or Base Price of Option Awards (\$)(5)	Grant Date Fair Value of Stock and Option Awards (\$)(6)
		Threshold 0% (\$)	Target 100% (\$)	Maximum 150% (\$)				
<b>Thomas M. Rutledge</b>	01/15/2015		3,500,000	5,250,000	6,292		999,925	
	01/15/2015					150,618	8,999,426	
<b>Christopher L. Winfrey</b>	01/15/2015		488,625	732,938	1,573		249,981	
	01/15/2015					37,654	2,249,827	
<b>John Bickham</b>	01/15/2015		1,856,250	2,784,375	3,146		499,962	
	01/15/2015					75,309	4,499,713	
<b>Donald F. Detampel, Jr.</b>	01/15/2015		463,500	695,250	1,573		249,981	
	01/15/2015					37,654	2,249,827	
<b>Jonathan Hargis</b>	01/15/2015		423,750	635,625	1,573		249,981	
	01/15/2015					37,654	2,249,827	

(1) The 2015 LTIP grants were made on January 15, 2015 under the Stock Incentive Plan and were approved at a meeting of the Compensation and Benefits Committee on December 11, 2014.

(2) These columns show the range of payouts under the 2015 Executive Bonus Plan based on the applicable 2015 performance criteria. Related payments were made in 2016 for 2015 performance based on the metrics described in the section titled "2015 Executive Bonus Plan" in the Compensation Discussion & Analysis. These payments are reflected in the Non-Equity Incentive Plan column in the Summary Compensation Table.

(3) Awards under this column were granted as restricted stock units under the 2015 LTIP and are more fully described in the "Outstanding Equity Awards at Fiscal Year-End" table.

(4)

Edgar Filing: CHARTER COMMUNICATIONS, INC. /MO/ - Form DEF 14A

These option awards were granted as options under the 2015 LTIP and are more fully described in the Outstanding Equity Awards at Fiscal Year-End table.

- (5) The exercise prices of the option awards were determined using the average of high and low stock prices on the date of grant.
- (6) Amounts were calculated in accordance with FASB Topic 718 and represent the aggregate grant date fair value. For more information on FASB Topic 718, see Impact of Tax and Accounting under Compensation Discussion and Analysis.

**Outstanding Equity Awards at Fiscal Year End**

The following table provides information concerning unexercised options and unvested restricted stock and restricted stock units for each of our Named Executive Officers that remained outstanding as of December 31, 2015.

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Units of Stock That Have Not Vested (#)(1)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#)(1)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$)(1)
<b>Thomas M. Rutledge</b>	150,000(2)	50,000(2)		\$ 53.595	12/19/2021				
	168,750(3)		111,700(3)	\$ 53.595	12/19/2021(4)				
		163,576(5)		\$ 136.425	1/15/2024				
		150,618(5)		\$ 158.920	1/15/2025	76,250(6)	\$ 13,961,375	76,677(7)	\$ 14,039,559
<b>Christopher L. Winfrey</b>				32.700	11/1/2020				
	90,000(9)			55.120	4/26/2021				
	71,041(2)	6,459(2)		55.120	4/26/2021				
	180,833(3)			136.425	1/15/2024				
		40,894(5)		158.920	1/15/2025				
	37,654(5)				3,406(8)	\$ 623,639			
<b>John Bickham</b>	52,500(2)	17,500(2)		60.460	4/30/2022				
	105,000(3)		35,000(3)	60.460	4/30/2022(11)				
		81,788(5)		136.425	1/15/2024				
		75,309(5)		158.920	1/15/2025	25,000(6)	\$ 4,577,500	33,000(7)	\$ 6,042,300
					6,811(8)	\$ 1,247,094			
<b>Donald F. Detampel Jr.</b>	8,750(9)			32.520	10/13/2020				
	32,291(2)	6,459(2)		55.120	4/26/2021				
		40,894(5)		136.425	1/15/2024				
		37,654(5)		158.920	1/15/2025				
					3,406(8)	\$ 623,639			
<b>Jonathan Hargis</b>	5,666	8,334		61.870	4/9/2022				
		40,894(5)		136.425	1/15/2024				
		37,654(5)		158.920	1/15/2025				
						5,000(11)	\$ 915,500		
					3,406(8)	\$ 623,639			

(1) Based on the closing stock price at December 31, 2015 of \$183.10 per share.

(2) Amounts shown reflect time-vesting options granted under the 2011 LTIP with annual vesting on each anniversary date. Mr. Rutledge had 50,000 time-vesting options vest on February 13, 2016. Mr. Winfrey had 6,459 time-vesting options vest on December 31, 2016. Mr. Bickham will have 17,500 time-vesting options vest on April 30, 2016. Mr. Detampel will have 6,459 time-vesting options vest on December 31, 2016. Mr. Hargis will have 8,334 time-vesting options vest on April 9, 2016.

- (3) Amounts shown reflect performance-vesting options granted under the 2011 LTIP. Grants of performance-vesting options vest subject to achievement of certain price per share thresholds measured based on the average of the per share closing price of the Company's Class A common stock on the NASDAQ Global Select for sixty (60) consecutive trading days. Mr. Rutledge had 18,750 options vest upon the attainment of each of the \$60, \$80 and \$100 price per share price thresholds on February 13, 2016. Mr. Rutledge also had 27,725 options vest upon the attainment of each of the \$125 and \$150 price per share price thresholds on February 13, 2016. All 180,833 options of Mr. Winfrey's performance-vesting option grant vested prior to December 31, 2015. Mr. Bickham will have 11,250 options capable of vesting subject to the attainment of each of the \$80 and \$100 price per share price thresholds on or after April 30, 2016. Mr. Bickham will also have 6,250 options capable of vesting subject to the attainment of each of the \$125 and \$150 price per share price thresholds on or after April 30, 2016.

- (4) The expiration date for Tranches I (\$60 threshold), II (\$80 threshold) and III (\$100 threshold) of Mr. Rutledge's performance-vesting stock options is December 19, 2021. For the remaining tranches in Mr. Rutledge's performance-vesting stock option grant (Tranche IV (\$125 threshold) and Tranche V (\$150 threshold)), the option expiration date was the later of: (i) the 5<sup>th</sup> business day following February 13, 2016 (February 19, 2016); or (ii) if an agreement in respect of a transaction which, if consummated, would result in a change in control is executed on or before February 13, 2016, the date on which such transaction is consummated or abandoned but in no event not later than December 19, 2021. On February 13, 2016, Mr. Rutledge exercised all of his remaining Tranche IV and Tranche V stock options.
- (5) Amounts shown reflect the three-year cliff vesting options granted to each of the Named Executive Officers. Grants of three-year cliff vesting options vest 100% on the third anniversary of the grant date. Mr. Rutledge will have 163,576 options vest on January 15, 2017 and 150,618 options vest on January 15, 2018. Mr. Winfrey will have 40,894 options vest on January 15, 2017 and 37,654 options vest on January 15, 2018. Mr. Bickham will have 81,788 options vest on January 15, 2017 and 75,309 options vest on January 15, 2018. Mr. Detampel will have 40,894 options vest on January 15, 2017 and 37,654 options vest on January 15, 2018. Mr. Hargis will have 40,894 options vest on January 15, 2017 and 37,654 options vest on January 15, 2018.
- (6) Amounts shown reflect time-vesting restricted stock granted to Messrs. Rutledge and Bickham under the 2011 LTIP. Grants of time-vesting restricted stock vest in 25% installments on each of the four anniversaries of the applicable date. Mr. Rutledge had 76,250 shares vest on February 13, 2016. Mr. Bickham will have 25,000 shares vest on April 30, 2016.
- (7) Amounts shown reflect performance-vesting restricted stock granted to Messrs. Rutledge and Bickham under the 2011 LTIP. Grants of performance-vesting restricted stock vest subject to achievement of certain price per share thresholds measured based on the average of the per share closing price of the Company's Class A common stock on the NASDAQ Global Select for sixty (60) consecutive trading days. Mr. Rutledge had 25,559 shares vest upon the attainment of the \$60 price per share price threshold on February 13, 2016. Mr. Rutledge had 25,559 shares vest upon the attainment of the \$80 price per share price threshold on February 13, 2016. Mr. Rutledge had 25,559 shares vest upon the attainment of the \$100 price per share price threshold on February 13, 2016. Mr. Bickham will have 16,500 shares capable of vesting subject to the attainment of each of the \$80 price per share price threshold and the \$100 price per share price threshold on April 30, 2016.
- (8) Amounts shown reflect the three-year cliff vesting restricted stock units granted to each of our Named Executive Officers. These restricted stock units will vest 100% on the third anniversary of the grant date. Mr. Rutledge will have 7,330 restricted stock units vest on January 15, 2017 and 6,292 restricted stock units vest on January 15, 2018. Mr. Winfrey will have 1,833 restricted stock units vest on January 15, 2017 and 1,573 restricted stock units vest on January 15, 2018. Mr. Bickham will have 3,665 restricted stock units vest on January 15, 2017 and 3,146 restricted stock units vest on January 15, 2018. Mr. Detampel will have 1,833 restricted stock units vest on January 15, 2017 and 1,573 restricted stock units vest on January 15, 2018. Mr. Hargis will have 1,833 restricted stock units vest on January 15, 2017 and 1,573 restricted stock units vest on January 15, 2018.
- (9) Amounts shown reflect option awards granted to Messrs. Winfrey and Detampel in the year ended December 31, 2010. These option grants vest in equal installments over a four-year period from the grant date. As of December 31, 2015, Mr. Winfrey had 90,000 vested options capable of being exercised from his 2010 option award grant with no further options remaining for vesting. As of December 31, 2015, Mr. Detampel had 8,750 vested options capable of being exercised from his 2010 award grant with no further options remaining for vesting.
- (10) The expiration date for Tranches I (\$80 threshold) and II (\$100 threshold) of Mr. Bickham's performance-vesting stock options is April 30, 2022. For the remaining tranches in Mr. Bickham's performance-vesting stock option grant (Tranche III (\$125 threshold) and Tranche IV (\$150 threshold)), the option expiration date is the later of: (i) the 185<sup>th</sup> day following April 30, 2016 (November 2, 2016); or (ii) if an agreement in

respect of a transaction which, if consummated, would result in a change in control is executed on or before April 30, 2016, the date on which such transaction is consummated or abandoned but in no event later than April 30, 2022.

- (11) Amounts shown reflect restricted stock units granted to Mr. Hargis in connection with the execution of his original employment agreement in April 2012. Mr. Hargis will have 5,000 restricted stock units vest on April 9, 2016.

#### 2015 Options Exercised and Stock Vested

The following table provides information on option awards exercised and restricted stock and stock unit awards that vested during 2015 for each of the Company's Named Executive Officers.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting or Transfer for Value (#)	Value Realized on Vesting (\$)(1)
Thomas M. Rutledge(2)	166,350	21,192,158	152,924	27,096,604
Christopher L. Winfrey(3)			2,200	344,366
John Bickham(4)			58,000	11,037,400
Donald F. Detampel, Jr.(5)				
Jonathan Hargis(6)	16,000	1,942,240	5,000	953,900

- (1) Amount attributed to the average high and low market values of the stock on the day of vesting.
- (2) Mr. Rutledge exercised 166,350 stock options on a net exercise basis at an exercise price of \$53.595 per option on December 22, 2015 at a market value of \$180.99 (the average of the high and low trading prices on that day) with 106,225 shares withheld to cover the exercise price and taxes. Mr. Rutledge had 76,674 performance-vesting restricted shares vest on February 13, 2015 and 36,479 shares were withheld on February 13, 2015 to cover taxes at a market value of \$177.19 (the average of the high and low trading prices on that day). Mr. Rutledge also had 76,250 time-vesting restricted shares vest on February 13, 2015 and 37,096 were withheld on February 13, 2015 to cover taxes at a market value of \$177.19 (the average of the high and low trading prices on that day).
- (3) Mr. Winfrey did not exercise any options during 2015. Mr. Winfrey had 2,200 restricted stock units vest on February 3, 2015 and 827 shares were withheld on February 3, 2015 to cover taxes at a market value of \$156.53 (the average of the high and low trading prices on that day).
- (4) Mr. Bickham did not exercise any options during 2015. Mr. Bickham had 33,000 performance-vesting shares vest on April 30, 2015 and 16,056 shares were withheld on April 30, 2015 to cover taxes at a market value of \$190.30 (the average of the high and low trading prices on that day). Mr. Bickham also had 25,000 time-vesting restricted shares vest on April 30, 2015 and 12,163 shares were withheld to cover taxes at a market value of \$190.30 (the average of the high and low trading prices on that day).
- (5) Mr. Detampel did not exercise any options during 2015. Mr. Detampel did not have any restricted stock or restricted stock unit vesting events in 2015.
- (6) Mr. Hargis exercised and sold 16,000 stock options at an exercise price of \$61.87 per option on August 7, 2015 at a market value of \$183.26 (the average of the high and low trading prices on that day). Mr. Hargis also had 5,000 restricted stock units vest on April 9, 2015 and 2,020 shares were withheld to cover taxes at a market value of \$190.78 (the average of the high and low trading prices on that day).





### **Retirement Benefits**

We sponsor a 401(k) plan, which is a qualified retirement plan offered to all eligible employees, including our Named Executive Officers, that permits eligible employees to elect to defer a portion of their compensation on a pre-tax basis.

### **Employment Agreements**

#### ***Thomas M. Rutledge***

On December 19, 2011, Charter entered into an employment agreement with Thomas Rutledge pursuant to which Mr. Rutledge became the President and Chief Executive Officer of the Company effective February 13, 2012 (the Rutledge Agreement). Under the Rutledge Agreement, Mr. Rutledge is to serve as Charter's President and Chief Executive Officer for a term expiring on February 13, 2016, with Mr. Rutledge entitled to resign for Good Reason (as defined in the Rutledge Agreement) if Charter does not renew the term on substantially similar terms and conditions (excluding the grant of equity or equity-based awards) for a one-year period after the end of the initial four-year term. Under the Rutledge Agreement, Mr. Rutledge is to receive a current base salary of \$2,000,000 during the term. Mr. Rutledge is eligible to participate in the Executive Bonus Plan with a target bonus equal to 175% of base salary. Mr. Rutledge is also eligible to participate in other employee benefit plans, programs and arrangements available to other senior executives. In addition, Charter must reimburse Mr. Rutledge for all reasonable travel expenses incurred in connection with his travel to Charter's corporate offices, and Mr. Rutledge is entitled to use the Company jet for such travel and for commuting and up to 50 hours of discretionary personal use per calendar year (without carryover). The Rutledge Agreement contains a one-year non-compete provision and a two-year non-solicitation clause. On February 11, 2016, Charter and Mr. Rutledge entered into an amendment to his employment agreement that extended the term to February 13, 2017, increased his target bonus to 300% of his base salary and increased to 125 hours the amount of discretionary personal use of the Company jet per calendar year.

#### ***Christopher L. Winfrey***

On March 10, 2015 and effective as of December 31, 2014, Charter and Mr. Winfrey entered into an employment agreement (the Winfrey Agreement). The Winfrey Agreement provides that Mr. Winfrey shall be employed in an executive capacity as Executive Vice President and Chief Financial Officer with such responsibilities, duties and authority as are customary for such role, including, but not limited to, overall management responsibility for Charter's financial and accounting functions, at a base salary of \$651,500 per year during the term. He is eligible to participate in the Executive Bonus Plan with a target bonus of up to 75% of his annual base salary. He is also eligible to receive such other employee benefits as are generally made available to other senior executives. The Winfrey Agreement has an initial term from the effective date through December 31, 2016 provided that the term can be extended by the Company for unlimited one-year periods. The Winfrey Agreement also contains a two-year non-compete provision and a two year non-solicitation clause.

#### ***John Bickham***

Effective April 30, 2012, Charter entered into an employment agreement with John Bickham (the Bickham Agreement). The Bickham Agreement provides that Mr. Bickham shall be employed in an executive capacity as Chief Operating Officer with such responsibilities, duties and authority as are customary for such role reporting to the Chief Executive Officer at a base salary of \$1,375,000 per year during the term. Under the Bickham Agreement, Mr. Bickham is to serve as Charter's Chief Operating Officer for a term expiring on April 30, 2016. He is eligible to participate in the Executive Bonus Plan with a target bonus of up to 135% of his annual base salary. Mr. Bickham is also eligible to participate in other employee benefit plans, programs and arrangements available to other senior executives. In addition, Charter must reimburse Mr. Bickham for all reasonable travel expenses incurred in connection with his travel to Charter's corporate offices, and Mr. Bickham is entitled to use the Company jet for such travel and for up to 40 hours of discretionary personal use per calendar year (without

carryover). The Bickham Agreement contains a one-year non-compete provision and a two-year non-solicitation clause.

***Donald Detampel***

Effective December 31, 2015, Charter and Mr. Detampel entered into an employment agreement (the *Detampel Agreement*). The *Detampel Agreement* provides that Mr. Detampel be employed in an executive capacity as Executive Vice President and President, Commercial Services with such responsibilities, duties and authority as are customary for such role, including, but not limited to, overall management responsibility for the Company's services known as Charter Business. The *Detampel Agreement* provides that Mr. Detampel shall be employed at a current base salary of \$655,080 per year. Mr. Detampel is eligible to participate in the Executive Bonus Plan with a target bonus of up to 75% of his annual base salary. He is also eligible to receive such other employee benefits as are generally made available to other senior executives. The *Detampel Agreement* contains a two-year non-compete provision and a two-year non-solicitation clause.

***Jonathan Hargis***

Effective April 9, 2014, Charter and Mr. Hargis entered into an employment agreement (the *Hargis Agreement*). The *Hargis Agreement* provides that Mr. Hargis be employed in an executive capacity as Executive Vice President and Chief Marketing Officer with such responsibilities, duties and authority as are customary for such role, including, but not limited to, the overall management responsibility for the marketing operations and strategy of the Company. The *Hargis Agreement* provides that Mr. Hargis shall be employed at a current base salary of \$565,000 per year. Mr. Hargis is eligible to participate in the Executive Bonus Plan with a target bonus of up to 75% of his annual base salary. He is also eligible to receive such other employee benefits as are generally made available to other senior executives. The *Hargis Agreement* contains a two-year non-compete provision and a two-year non-solicitation clause.

**Separation and Related Arrangements**

***Named Executive Officers***

The stock price used in the separation tables that follow is based on \$183.10 per share the closing price of Charter's Class A common stock on the NASDAQ Global Select Market on December 31, 2015. The paragraphs that follow each event describe the payments that each Named Executive Officer would have received assuming the applicable termination event occurred on December 31, 2015. The descriptions that follow cover only information regarding benefits that are not generally available to other employees. Benefits generally available to other employees include:

Salary earned through date of termination;

Lump sum payment for COBRA coverage for the period of severance, if applicable; and

Lump sum payment of accrued and unused vacation.

As used in the following sections:

**Severance** : Named Executive Officers may be eligible for certain payments following the occurrence of certain termination events specified in their employment agreements and in the tables that follow. If eligible for severance: Messrs. Rutledge and Bickham will each receive severance equal to two and one-half times their applicable annual base salary and target bonus; Messrs. Winfrey, Detampel and Hargis will each receive severance equal to two times their applicable annual base salary and target bonus.

**Bonus** : As used in the tables below, *Bonus* is the target bonus set forth and defined in each Named Executive Officer's employment agreement payable in accordance with the 2015 Executive Bonus Plan but assumed at 100% performance attainment for the purposes of these separation tables. If eligible for a



bonus payment on a specific termination event: Mr. Rutledge will receive a target bonus of 300% of his annual base salary; Mr. Bickham will receive a target bonus of 135% of his annual base salary; Messrs. Winfrey, Detampel and Hargis will each receive a target bonus of 75% of his annual base salary. See the 2015 Executive Bonus Plan section in the Compensation Discussion and Analysis for further details of the plan. See the Summary Compensation Table for actual 2015 Executive Bonus Plan payouts.

Stock Options, Restricted Stock and Restricted Stock Units : includes grants made under the Stock Incentive Plan. See Long-Term Incentives under the Compensation Discussion and Analysis section for further details on equity incentives offered by the Company.

***Termination by Charter for Cause or a Voluntary Termination by the Executive without Good Reason***

Under the current employment agreements with each of the Named Executive Officers, we do not provide any severance in the event of a termination by the Company for cause or a voluntary termination by a Named Executive Officer without good reason and all bonus awards and unvested equity will be forfeited and cancelled effective as of the date of termination. Under the long-term incentive award agreements with our Named Executive Officers, vested options may be exercised for a period of time not to exceed six months from the effective date of a for cause/voluntary termination or the option expiration date, if sooner. For cause is generally defined under our Named Executive Officers employment agreements to include: breaches of material obligations, fiduciary duties, the Company's code of conduct or other material Company policies; material misrepresentations or concealments from the Company or board of directors; misappropriation of Company property; criminal convictions, guilty or no contest pleas to felonies, or any crime expected to have a negative impact or institution of charges not dismissed within a time certain for crimes related to fraud, embezzlement, dishonesty, breach of trust or moral turpitude; admission or finding of liability for knowing or deliberate breach of any securities laws; gross neglect of duty; willful misconduct or recklessness related to duties; illegal possession of a controlled substance; excessive alcohol use in connection with duties or otherwise on the Company's premises or during a Company function; willful or gross negligent commission of an act or failure to act which causes or is reasonably expected to cause substantial economic injury to the business reputation of the Company. Under our employment agreements with Messrs. Rutledge and Bickham, for cause includes the foregoing factors amended to read that breaches of material obligations and fiduciary duties, material misrepresentations and concealments and failure to adhere to Company policies must be willful and reasonably expected to cause substantial injury to the business or reputation of the Company. Messrs. Rutledge and Bickham's employment agreements also include an additional for cause factor for a circumstance where the executive is enjoined by a court of competent jurisdiction from performing his employment agreement duties. For a definition of good reason, see the section below, titled Termination by the Company without Cause or by the Executive for Good Reason (other than for a Change in Control).

***Termination due to Death, Disability or Retirement by the Executive***

Under the employment and long-term incentive award agreements with each of our Named Executive Officers, we may be required to make certain payments to, or allow for pro-rata equity vesting for, these executives or their estates or beneficiaries in the event that the executive is terminated as a result of death or disability or in the event of an executive's retirement from the Company.

An executive is deemed to have a disability if, due to illness or injury: the executive is unable to perform his or her duties without accommodation for a certain period of time; or the executive is considered disabled for the purposes of receiving long term disability benefits under a participating plan or policy. In the event there is a period of time during which a Named Executive Officer is not being paid annual base salary and not receiving long-term disability insurance payments, the executive will receive interim payments equal to such unpaid disability insurance payments until commencement of disability insurance payments.

Charter generally defines retirement eligibility in its long-term incentive plan documents as the employee's age plus years of service equal to 70; provided, however, that the 2012 long-term incentive award agreements (for grants under the 2011 LTIP) for Mr. Bickham contain a different definition of retirement allowing him to resign and claim a retirement at any time entitling him to receive pro-rata portions of his equity. Although none of the Named Executive Officers meet the rule of 70 retirement qualification, the table that follows assumes that they did as of December 31, 2015.

	Severance \$(1)	Bonus \$(2)	Stock Options \$(3)	Restricted Stock and Restricted Stock Units \$(4)	Total (\$)
<b>Thomas M. Rutledge</b>		3,500,000	24,566,012	25,870,082	53,936,094
<b>Christopher L. Winfrey</b>		488,625	1,537,356	311,211	2,337,192
<b>John Bickham</b>		1,856,250	7,396,521	7,750,661	17,003,432
<b>Donald F. Detampel, Jr.</b>		491,310	1,537,356	311,211	2,339,877
<b>Jonathan Hargis</b>		423,750	2,273,652	978,397	3,675,799

- (1) No severance is payable in the event of a termination based on death, disability or the retirement of any Named Executive Officer.
- (2) Each Named Executive Officer or his or her estate or beneficiaries will be entitled to receive a pro-rata bonus for the performance period ending prior to the date of a death or disability termination event or the effective date of the Named Executive Officer's retirement. Bonus is the target bonus set forth and defined in each Named Executive Officer's employment agreement payable in accordance with the 2015 Executive Bonus Plan but assumed at 100% performance attainment for the purposes of these separation tables.
- (3) All option award grants made to our Named Executive Officers are subject to pro-rata vesting of all unvested equity in the event of a termination based on death, disability or the executive's retirement. As to performance-vesting option awards, the pro-rata vesting will remain subject to the achievement of the applicable stock price threshold. For the purposes of calculating the amount set forth in the table above, the Company has assumed that all thresholds were met as of December 31, 2015. As of December 31, 2015, of the Named Executive Officers, only Messrs. Rutledge (with stock price thresholds of \$60, \$80, \$100, \$125 and \$150) and Bickham (with stock price thresholds of \$80, \$100, \$125 and \$150) had unvested performance-vesting options remaining for future vesting.
- (4) All restricted stock and restricted stock unit award grants made to our Named Executive Officers are subject to pro-rata vesting of all unvested equity in the event of a termination based on death, disability or the executive's retirement. As to performance-vesting restricted stock awards, the pro-rata vesting will remain subject to the achievement of the applicable stock price threshold. For the purposes of calculating the amount set forth in the table above, the Company has assumed that all thresholds were met as of December 31, 2015. Of the Named Executive Officers, only Messrs. Rutledge and Bickham were the recipients of performance-vesting restricted stock grants with such grants carrying stock price thresholds of \$80 and \$100.

***Termination by Charter Without Cause or by the Executive for Good Reason (other than for a Change in Control)***

In the event that Charter terminates a Named Executive Officer's employment without cause or the executive terminates his or her employment with Charter for good reason other than in connection with a change in control, Charter will be required to make certain payments to the executive and the executive will be entitled to pro-rata vesting of long-term incentive award grants to the executive.

For a definition of a for cause, see the prior section titled Termination by Charter for Cause or a Voluntary Termination by the Executive without Good Reason.

An executive may generally only terminate his or her employment for good reason following thirty (30) days written notice to the Company of his or her intent to terminate, or, in certain circumstances, advance notice to the Company detailing the good reason and giving the Company an opportunity to cure prior to termination. As the term is used in the employment agreements of our Named Executive Officers, good reason includes: a material reduction in base salary, bonus, authority, duties, or responsibilities of the executive or of the executive's reporting structure; a material failure by the Company to comply with provisions of the executive's employment agreement including paying compensation when due and the location of the executive's primary workplace; if within six months following a change in control, the executive has not received an offer of employment from the surviving company for their exact position; or any failure by a successor company to assume the executive's employment agreement following a change in control.

For a definition of change in control, see the section immediately following titled Termination within 30 days before or 13 months after Change in Control for without Cause or Good Reason.

	Severance \$(1)	Bonus \$(2)	Stock Options \$(3)	Restricted Stock and Restricted Stock Units \$(4)	Total (\$)
<b>Thomas M. Rutledge</b>	13,750,000	3,500,000	24,566,012	25,870,082	67,686,094
<b>Christopher L. Winfrey</b>	2,280,250	488,625	1,537,356	311,211	4,617,442
<b>John Bickham</b>	8,078,125	1,856,250	7,396,521	7,750,661	25,081,557
<b>Donald F. Detampel, Jr.</b>	2,292,780	491,310	1,537,356	311,211	4,632,657
<b>Jonathan Hargis</b>	1,977,500	423,750	2,273,652	978,397	5,653,299

- (1) All Named Executive Officers are entitled to severance in accordance with the terms and conditions of each executive's respective employment agreement with the Company.
- (2) All Named Executive Officers will be entitled to a pro-rata bonus previously earned for the performance period ending prior to the date of termination. Bonus is the target bonus set forth and defined in each Named Executive Officer's employment agreement payable in accordance with the 2015 Executive Bonus Plan but assumed at 100% performance attainment for the purposes of these separation tables.
- (3) All option award grants made to our Named Executive Officers are subject to pro-rata vesting of all unvested equity in the event of a without cause/good reason termination. As to performance-vesting option awards, the pro-rata vesting will remain subject to the achievement of the applicable stock price threshold. For the purposes of calculating the amount set forth in the table above, the Company has assumed that all thresholds were met as of December 31, 2015. As of December 31, 2015, of the Named Executive Officers, only Messrs. Rutledge (with stock price thresholds of \$60, \$80, \$100, \$125 and \$150) and Bickham (with stock price thresholds of \$80, \$100, \$125 and \$150) had unvested performance-vesting options remaining for future vesting.
- (4) All restricted stock and restricted stock unit award grants made to our Named Executive Officers are subject to pro-rata vesting of all unvested equity in the event of a without cause/good reason termination. As to performance-vesting restricted stock awards, the pro-rata vesting will remain subject to the achievement of the applicable stock price threshold. For the purposes of calculating the amount set forth in the table above, the Company has assumed that all thresholds were met as of December 31, 2015. Of the Named Executive Officers, only Messrs. Rutledge and Bickham were the recipients of performance-vesting restricted stock grants with such grants carrying stock price thresholds of \$80 and \$100.

***Termination within 30 days before or 13 months after Change in Control without Cause or for Good Reason***

Under our employment agreements with each of the Named Executive Officers, we may be required to make payments to the executives in the event that, within 30 days before, or 13 months following, the occurrence of a change in control, Charter or any of its subsidiaries, terminate the executive's employment without cause or he or she terminates his or her employment with Charter and its subsidiaries for good reason.

A change in control is defined to include: any person or entity acquires beneficial ownership of 35% or more of our outstanding common stock or combined voting power over our outstanding voting securities (or 50% or greater with regard to certain existing beneficial owners of greater than 10% of our outstanding stock); the incumbent directors (as defined in the employment agreements) cease to constitute a majority of the board of directors; the completion of certain corporate transactions including a reorganization or merger subject to certain exceptions; the complete liquidation or dissolution of the Company; and the sale or disposition of all or substantially all of the assets of the Company. The consummation of the TWC Transaction and the Bright House Transaction will constitute a change in control under our employment agreements.

	Severance \$(1)	Bonus \$(2)	Stock Options \$(3)	Restricted Stock and Restricted Stock Units \$(4)	Total (\$)
<b>Thomas M. Rutledge</b>	13,750,000	3,500,000	32,217,812	30,495,122	79,962,934
<b>Christopher L. Winfrey</b>	2,280,250	488,625	3,645,822	623,639	7,038,336
<b>John Bickham</b>	8,078,125	1,856,250	12,077,023	11,866,894	33,878,292
<b>Donald F. Detampel, Jr.</b>	2,292,780	491,310	3,645,822	623,639	7,053,551
<b>Jonathan Hargis</b>	1,977,500	423,750	3,829,530	1,539,139	7,769,919

- (1) All Named Executive Officers are entitled to severance in accordance with the terms and conditions of each executive's respective employment agreement with the Company.
- (2) All Named Executive Officers will be entitled to a pro-rata bonus previously earned for the performance period ending prior to the date of termination. Bonus is the target bonus set forth and defined in each Named Executive Officer's employment agreement payable in accordance with the 2015 Executive Bonus Plan but assumed at 100% performance attainment for the purposes of these separation tables.
- (3) All option award grants made to our Named Executive Officers are subject to full, accelerated vesting of all unvested equity in the event of a change in control termination. As to the performance-vesting option awards, in the event of a change in control, all unvested performance-vesting options will vest based upon the highest price paid per share in the change in control transaction. Unless otherwise determined by the Company's Compensation and Benefits Committee at the time of such change in control, all non-eligible options and all unvested eligible options that do not vest in accordance with the award agreement in connection with a change in control shall be cancelled and forfeited. For the purposes of calculating the amount set forth in the table above, the Company has assumed that all thresholds were met as of December 31, 2015. As of December 31, 2015, of the Named Executive Officers, only Messrs. Rutledge (with stock price thresholds of \$60, \$80, \$100, \$125 and \$150) and Bickham (with stock price thresholds of \$80, \$100, \$125 and \$150) had unvested performance-vesting options remaining for future vesting.
- (4) All restricted stock and restricted stock unit award grants made to our Named Executive Officers are subject to full, accelerated vesting of all unvested equity in the event of a change in control termination. As to performance-vesting restricted stock, in the event of a change in control, all unvested performance-vesting restricted stock will vest based upon the highest price paid per share in the change in control transaction. For the purposes of calculating the amount set forth in the table above, the Company has assumed that all thresholds were met as of December 31, 2015. Of the Named Executive Officers, only Messrs. Rutledge and Bickham were the recipients of performance-vesting restricted stock grants with such grants carrying stock price thresholds of \$80 and \$100.

**Limitation of Directors Liability and Indemnification Matters**

Our Certificate of Incorporation limits the liability of directors to the maximum extent permitted by Delaware law. The Delaware General Corporation Law provides that a corporation may eliminate or limit the personal liability of a director for monetary damages for breach of fiduciary duty as a director, except for liability for:

- (1) any breach of the director's duty of loyalty to the corporation and its stockholders;
- (2) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- (3) unlawful payments of dividends or unlawful stock purchases or redemptions; or
- (4) any transaction from which the director derived an improper personal benefit.

Our Bylaws provide that we will indemnify all persons whom we may indemnify pursuant thereto to the maximum extent permitted by law from and against any claims, damages, liabilities, losses, costs or expenses incurred in connection with or arising out of the performance by them of their duties for us or our subsidiaries.

We have also entered into indemnification agreements that require us to indemnify each of our directors and executive officers to the fullest extent permitted by law for any claims made against each of these persons because he or she is, was or may be deemed to be a stockholder, director, officer, employee, controlling person, agent or fiduciary of Charter or any of our subsidiaries. We are obligated to pay the expenses of these persons in connection with any claims that are subject to the agreement.



### Certain Beneficial Owners of Charter Class A Common Stock

The following table sets forth information as of February 16, 2016 regarding the beneficial ownership of Charter Class A common stock by:

each holder of more than 5% of outstanding shares Charter Class A common stock;

each Charter director and named executive officer; and

all Charter directors and executive officers as a group.

Name	Shares Beneficially Owned(1)	
	Number	Percent of Class
<b>5% Stockholders:</b>		
Liberty Broadband Corporation(2)	28,838,718	25.62%
12300 Liberty Boulevard		
Englewood, CO 80112		
Berkshire Hathaway Inc.(3)	10,281,603	9.14%
3555 Farnam Street		
Omaha, Nebraska 68131		
FMR LLC(4)	6,215,007	5.52%
245 Summer Street		
Boston, MA 02210		
<b>Directors and Executive Officers:</b>		
W. Lance Conn(5)	9,170	*
Michael P. Huseby(5)	3,937	*
Craig A. Jacobson(6)	17,596	*
Gregory B. Maffei(7)		*
John C. Malone(2)(7)		*
John D. Markley, Jr.(5)(8)	16,327	*
David C. Merritt(5)	9,170	*
Balan Nair(6)	3,486	*
Eric L. Zinterhofer(9)	12,861	*
Thomas M. Rutledge(10)	742,769	*
Christopher L. Winfrey(11)	449,008	*
John Bickham(12)	245,281	*
Donald F. Detampel, Jr.(13)	103,200	*
Jonathan Hargis(14)	25,277	*
<b>All executive officers and directors as a group (16 persons)(15)</b>	<b>1,715,600</b>	<b>1.51%</b>

\* less than 1%

(1) Beneficial ownership is determined in accordance with the rules and regulations of the SEC. These rules generally provide that a person is the beneficial owner of securities if such person has or shares the power to vote or direct the voting thereof, or to dispose or direct the

disposition thereof or has the right to acquire such powers within 60 days. Shares shown in the table above include shares held in the beneficial owner's name or jointly with others, or in the name of a bank, nominee or trustee for the beneficial owner's account. Common stock subject to options that are currently exercisable or exercisable within 60 days of February 16, 2016 are deemed to be outstanding and beneficially owned by the person holding the options. These shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Percentage of beneficial ownership is based on 112,541,678 shares of Class A common stock outstanding as of February 16, 2016. Except as disclosed 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. Unless otherwise indicated in the table or footnotes below, the address for each beneficial owner is 400 Atlantic Street, Stamford, CT 06901.

- (2) Based on the Schedule 13D/A filed by Liberty Broadband on June 1, 2015. For information on Liberty Broadband's designees to Charter's board of directors and the Stockholders Agreement, see Governance Impacts of TWC and Bright House Transactions above and Certain Relationships and Related Transactions below. In connection with the spin-off of Liberty Broadband from Liberty Media, on October 30, 2014, a wholly-owned special purpose subsidiary of Liberty Broadband entered into two margin loan agreements that are unconditionally guaranteed by Liberty Broadband and secured by a portion of Liberty Broadband's ownership interest in Charter sufficient to meet a loan to value requirement. The margin loans mature October 30, 2017. John C. Malone, Chairman of the Board of Directors of Liberty Broadband and a director of Charter, may be deemed to have voting and dispositive control, pursuant to Rule 13d-3(a), over the shares of Charter owned by Liberty Broadband as a result of the positions he holds with Liberty Broadband as well as his control of approximately 47.2% of the voting power of Liberty Broadband, among other factors. Mr. Malone, however, disclaims beneficial ownership of any Charter shares owned by Liberty Broadband on the basis that he is not, individually, a party to any agreement, arrangement or understanding relating to the voting or disposition of any such shares. Decisions with respect to the voting or disposition of any Charter shares owned by Liberty Broadband are made by Liberty Broadband's board of directors.
- (3) Based on a Schedule 13G, Amendment No. 1, dated December 31, 2015 and filed on February 16, 2016 by Berkshire Hathaway Inc., a Delaware corporation ( BH ), 3555 Farnam Street, Omaha Nebraska 68131, Warren E. Buffett, 3555 Farnam Street, Omaha Nebraska 68131 ( WB ), National Indemnity Company, 1314 Douglas Street, Omaha Nebraska 68102 ( NIC ), GEICO Corporation, One GEICO Plaza, Washington DC 20076 ( GEICO ), Government Employees Insurance Company (GEIC ), GEICO Advantage Insurance Company ( GAIC ), GEICO Casualty Company ( GCC ), GEICO Choice Insurance Company ( GCIC ), GEICO Secure Insurance Company, One GEICO Plaza, Washington DC 20076 ( GSIC ), The Buffalo News Drivers/Distributors Pension Plan, c/o The Buffalo News, One News Plaza, Buffalo, NY 14240 ( BNDDPP ), BNSF Master Retirement Trust ( BNSF ), Buffalo News Mechanical Pension Plan ( BNMPP ), Flight Safety International Inc. Retirement Income Plan, c/o Flight Safety International Inc., La Guardia Airport, Marine Air Terminal, Flushing, NY 11371 ( FSI ), Fruit of the Loom Pension Trust, c/o Fruit of the Loom Inc., One Fruit of the Loom Drive, Bowling Green, KY 42103 ( FLPT ), GEICO Corporation Pension Plan Trust, c/o GEICO Corporation, One GEICO Plaza, Washington, DC 20076 ( GCPPT ), General Re Corporation Employment Retirement Trust ( GRCERT ), Johns Manville Corporation Master Pension Trust c/o Johns Manville Corporation, 717 17<sup>th</sup> Street, Denver, CO 80202 ( JMCMPPT ), Benjamin Moore & Co. Revised Retirement Income Plan, c/o Benjamin Moore & Co., 101 Paragon Drive, Montvale, NJ 07645, Lubrizol Master Trust Pension, c/o The Lubrizol Corporation, 29400 Lakeland Blvd, Wickliffe, Ohio 44092 ( LMTP ), Dexter Pension Plan, c/o H.H. Brown Shoe Co. Inc., 124 West Putnam Ave., Greenwich, CT 06830 ( DPP ), and Scott Fetzer Collective Investment Trust, c/o Scott Fetzer Co., 28800 Clemens Road, Westlake, OH 44145 (SFCIT ). The 13G, Amendment No. 1, reports as follows: WB and BH have shared voting and dispositive power over 10,281,603 of the reported shares; NIC and GEICO have shared voting and dispositive power over 7,463,157, of the reported shares; GEIC has shared voting and dispositive power over 4,928,594 of the reported shares; GAIC has shared voting and dispositive power over 408,468 of the reported shares; GCC has shared voting and dispositive power over 1,726,829 of the reported shares; GCIC has shared voting and dispositive power over 212,105 of the reported shares; GSIC has shared voting and dispositive power over 187,161 of the reported shares; BNDDPP has shared voting and dispositive power over 6,800 of the reported shares; BNSF has shared voting and dispositive power over 864,446 of the reported shares; BNMPP has shared voting and dispositive power over 16,000 of the reported shares; FSI has shared voting and dispositive power over 250,000 of the reported shares; FLPT has shared voting and dispositive power over 125,000 of the reported shares; GCPPT has shared voting and dispositive power over 335,000 of the reported shares; GRCERT has shared voting and dispositive power over 317,000 of the reported shares; JMCMPPT has shared voting and dispositive power over 525,000 of the reported shares; BMCRRIP has shared voting and dispositive power over 200 of the reported shares; LMTP has shared voting and dispositive power over 360,000 of the reported shares; DPP has shared voting and dispositive power over 5,000 of the reported shares; and SFCIT has shared voting and dispositive power over 14,000 of the reported shares.

- (4) Based on a Schedule 13G dated December 31, 2015 and filed on February 12, 2016 by FMR LLC and Abigail P. Johnson in which they report having shared voting power over 124,881 shares and shared dispositive power over 6,215,007 shares.
- (5) Includes 714 shares of restricted stock that are not yet vested but eligible to be voted.
- (6) Includes 1,263 shares of restricted stock that are not yet vested but eligible to be voted.
- (7) Mr. Maffei is the President and Chief Executive Officer of Liberty Broadband and Mr. Malone is the Chairman of the Board of Liberty Broadband. Liberty Broadband beneficially owns 25.62% of the outstanding shares of Charter Class A common stock. Each of Messrs. Maffei and Malone expressly disclaim beneficial ownership of any shares owned by Liberty Broadband.
- (8) Includes: 1,000 shares held jointly with his spouse and 803 shares held by the John Markley Family Trust. Mr. Markley's shares are pledged as collateral security for a line of credit.
- (9) Includes 1,538 shares of restricted stock that are not yet vested but eligible to be voted.
- (10) Includes: 200,000 time-vesting options vested and exercisable; and 225,000 performance-vesting options vested and exercisable.
- (11) Includes: 90,000 options vested and exercisable, 71,041 time-vesting options and 180,833 performance-vesting options that are vested and exercisable. Also includes 55,000 shares beneficially held by Mr. Winfrey and owned by Atalaya Management, LLC which is 100% owned by The Christopher Lawrence Winfrey Revocable Trust, a revocable trust pursuant to which Mr. Winfrey is the grantor and beneficiary with the power to revoke the trust.
- (12) Includes: 58,000 shares of restricted stock that are not yet vested, but eligible to be voted, 52,500 time-vesting options and 105,000 performance-vesting options that are vested and exercisable.
- (13) Includes: 8,750 options and 32,291 time-vesting options that are vested and exercisable.
- (14) Includes: 5,666 time-vesting options that are vested and exercisable, and 8,334 time-vesting options and 5,000 restricted stock units that will vest April 9, 2016.
- (15) Includes: options and restricted stock units that are exercisable or eligible to become vested within sixty days of February 16, 2016, and the shares of Charter Class A common stock beneficially owned described in footnotes (10), (11), (12), (13) and (14).

---

## Certain Relationships and Related Transactions

We maintain written policies and procedures covering related party transactions. The Audit Committee reviews the material facts of related party transactions. Management has various procedures in place, *e.g.*, our Code of Conduct, which requires annual certifications from employees that are designed to identify potential related party transactions. Management brings those to the Audit Committee for review as appropriate. Our Related Party Transaction Policy provides that a Related Party Transaction is any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) in which: (1) the aggregate amount involved will or may be expected to exceed \$120,000 in any calendar year; (2) the Company is a participant; and (3) any Related Party has or will have a direct or indirect interest (other than solely as a result of being a director or a less than 10% beneficial owner of another entity). A

Related Party is any person: (a) who is or was (since the beginning of the last fiscal year for which the Company has filed a Form 10-K and proxy statement, even if they do not presently serve in that role) an executive officer, director or nominee for election as a director; (b) who is a greater than 5% beneficial owner of the Company's common stock; or (c) who is an immediate family member of any of the foregoing. Immediate family member includes a person's spouse, parents, stepparents, children, stepchildren, siblings, mothers-in-law and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law and anyone residing in such person's home (other than a tenant or employee). Open market purchases or privately-negotiated transactions, excluding any distributions by the Company, involving any securities of the Company or its subsidiaries, are not deemed to be a Related Party Transaction under our Related Party Transaction Policy.

The following sets forth certain transactions in which we are involved and in which the directors, executive officers and affiliates of Charter have or may have a material interest. The indentures of our subsidiaries, CCO Holdings, LLC and CCO Holdings Capital Corp., require delivery of fairness opinions for transactions with affiliates involving more than \$100 million. Such fairness opinions have been obtained whenever required. All of our transactions with affiliates have been deemed by Charter's board of directors or a committee of the board of directors to be in our best interest. Related party transactions are approved by the Audit Committee or another independent body of Charter's board of directors.

Liberty Broadband currently owns a significant amount of Charter Class A common stock and is entitled to certain governance rights with respect to Charter. Members of the Charter board of directors include directors who are also officers and directors of Liberty Broadband, Charter's principal stockholder. Dr. John Malone is the Chairman of Liberty Broadband, and Mr. Greg Maffei is the President and Chief Executive Officer of Liberty Broadband. As of February 16, 2016, Liberty Broadband beneficially held approximately 25.62% of Charter Class A common stock. Pursuant to the Stockholders Agreement, Liberty Broadband has the right to designate up to four directors as nominees for Charter's board of directors through Charter's 2019 annual meeting of stockholders with one designated director to be appointed to each of the audit committee, the nominating and corporate governance committee and the compensation and benefits committee.

In connection with the Bright House Transaction, Charter and New Charter entered into the Liberty/BHN Stockholders Agreement with Liberty Broadband and A/N, which will supersede the Stockholders Agreement in its entirety upon the earlier to occur of the closing of the TWC Transaction and the closing of the Bright House Transaction, unless the Bright House contribution agreement is terminated prior to the closing of the Bright House Transaction. Following the closing of the TWC Transaction and the Bright House Transaction, Charter expects that Liberty Broadband will have an equity interest of between approximately 19% and 17% and A/N will have an equity interest of between approximately 14% and 13%, in each case on an as-converted, as-exchanged basis, in New Charter. Giving effect to certain proxy agreements among Liberty Broadband, Liberty Interactive and A/N, and the voting cap contained in the Liberty/BHN Stockholders Agreement, Liberty Broadband is expected to have 25.01% of the outstanding voting power in New Charter following the consummation of the TWC Transaction and Bright House Transaction. The Liberty/BHN Stockholders Agreement and New Charter's amended and restated certificate of incorporation will fix the size of the board at 13 directors, and three designees selected by Liberty Broadband and two designees selected by A/N will become members of the New Charter board of directors. Thereafter, Liberty Broadband will be entitled to designate three

nominees to be elected as directors and A/N will be entitled to designate two nominees to be elected as directors, in each case provided that each maintains certain specified voting or equity ownership thresholds and each nominee meets certain applicable requirements or qualifications. Liberty Broadband and A/N are required to vote (subject to the applicable voting cap) their respective shares of New Charter Class A common stock and New Charter Class B common stock for the director nominees nominated by the nominating and corporate governance committee of the board of directors, including the respective designees of Liberty Broadband and A/N, and against any other nominees, except that, with respect to the unaffiliated directors, Liberty Broadband and A/N must instead vote in the same proportion as the voting securities are voted by stockholders other than A/N and Liberty Broadband or any group which includes any of them are voted, if doing so would cause a different outcome with respect to the unaffiliated directors.

As part of the emergence from Chapter 11 bankruptcy in 2009, the Company agreed to a Registration Rights Agreement with certain holders of the Company's Class A common stock which required the Company to file a shelf registration statement with the SEC to provide for a continuous secondary offering of the stock. The original registration statement first became effective in November 2010 and expired in November 2013. The Registration Rights Agreement provides that any holder of securities that wishes to sell stock under the existing shelf registration statement must give the Company five business days' notice that such holder wishes to sell and that the Company notify the other holders which were party to the Registration Rights Agreement. The Company will be required to file a new registration statement in connection with any such sale.

Charter is aware that Dr. Malone may be deemed to have a 36.8% voting interest in Liberty Interactive Corp. ( Liberty Interactive ) and is Chairman of the Board, an executive officer position, of Liberty Interactive. Liberty Interactive owns approximately 38.0% of the common stock of HSN, Inc. ( HSN ) and has the right to elect 20% of the board members of HSN. Liberty Interactive wholly owns QVC, Inc. ( QVC ). Charter has programming relationships with HSN and QVC which pre-date the Liberty Transaction. For the year ended December 31, 2015, Charter received payments in the aggregate of approximately \$17 million from HSN and QVC as a part of the channel carriage fees and revenue sharing arrangements for home shopping sales made to customers in Charter's footprint.

Dr. Malone also serves on the board of directors of Discovery Communications, Inc. ( Discovery ) and Charter is aware that Dr. Malone may be deemed to have a 28.7% voting interest in Discovery for the election of directors. In addition, Dr. Malone may be deemed to have a 47.2% voting interest in Starz. Mr. Maffei is a non-executive Chairman of the Board of Starz. Charter purchases programming from both Discovery and Starz pursuant to agreements entered into prior to Messrs. Malone and Maffei joining Charter's board of directors. Based on publicly available information, Charter does not believe that either Discovery or Starz would currently be considered related parties. The amounts paid to Discovery and Starz represent less than 3% of the total operating costs and expenses for the year ended December 31, 2015.

Berkshire Hathaway ( Berkshire ) became a greater than 5% shareholder of Charter in 2015. Berkshire has a number of subsidiary companies. Charter has existing vendor relationships with a number of those companies, some of which involved amounts in excess of \$120,000 for 2015 or may involve amounts in excess of \$120,000 for 2016. Each of these vendor relationships predates Berkshire's acquisition of a greater than 5% interest in Charter. The following summarizes each of these relationships with Berkshire subsidiaries:

Spectrum Business has service agreements with Cerro Flow Products for voice, Internet and video. The agreements are two year agreements that commenced in 2014 with month-to-month renewals. Through December 2015, Spectrum Business recorded revenues of approximately \$119,000 from Cerro Flow Products and estimates that it will receive a similar amount of revenues for 2016.

FlightSafety provides flight training and certification for Charter's pilots. Through December 2015, Charter recorded payments of \$169,000 to FlightSafety and estimates payments for 2016 of approximately \$309,000.

NV Energy d/b/a Sierra Pacific is a utility services provider to Charter and a customer of Spectrum Reach. Through December 2015, Charter recorded payments of \$1.8 million to NV Energy and estimates payments for 2016 of approximately \$1.8 million. Through December 2015, Spectrum Reach recorded revenue of \$66,000 from NV Energy and estimates that it will receive a similar amount of revenues for 2016.

PacifiCorp is a utility company that provides electricity to Charter and is also a Spectrum Reach customer. Through December 2015, Charter recorded payments of \$1.1 million to PacifiCorp and estimates payments for 2016 of approximately \$1.1 million. Through December 2016, Spectrum Reach recorded revenue of \$35,000 from PacifiCorp and estimates revenue for 2016 of approximately \$9,000.

RC Willey Home Furnishings is a customer of Spectrum Reach. Through December 2015, Spectrum Reach recorded revenue of \$120,000 from RC Willey Home Furnishings and estimates revenue for 2016 of approximately \$136,000. Charter believes that all of these agreements and relationships and pricing are arms-length and at market terms.

**Proposal No. 2: Approval of the 2016 Executive Incentive Performance Plan (Item 2 on Proxy Card)**

The board of directors adopted the 2016 Executive Incentive Performance Plan ( EIPP ) effective February 2, 2016, subject to approval by the Company's stockholders. The EIPP is intended to provide for the payment of qualified performance-based compensation in the form of incentive compensation that is not subject to the deduction limitation of Section 162(m) of the Internal Revenue Code of 1986, as amended. Section 162(m) limits to \$1,000,000 the amount of an employer's deduction for a fiscal year relating to compensation for certain executive officers, with exception for specific types of compensation such as performance-based compensation.

*Participation.* Participation in the EIPP will be determined annually by the Section 162(m) Committee of the board of directors. The participants in the EIPP for any Performance Period (as determined by the Section 162(m) Committee) shall be comprised of each employee of the Company who is a covered employee for purposes of Section 162(m), or who may be such a covered employee as of the end of a tax year for which the Company would claim a tax deduction in connection with payment of compensation to such employee, during such Performance Period and who is designated individually or by class to be a participant for such Performance Period by the Section 162(m) Committee at the time a Target Award is established for such employee. A Target Award is the maximum amount that may be paid to a participant as incentive compensation for a Performance Period if certain performance criteria are achieved in the Performance Period.

*Target Awards and Incentive Compensation Payment.* The Section 162(m) Committee shall establish objective performance criteria for the Target Award of each participant for each Performance Period in writing. Such formula shall be based upon one or more of the following criteria, individually or in combination, as determined by the Section 162(m) Committee in its discretion shall determine: (a) adjusted EBITDA; (b) adjusted EBITDA less capital expenditures; (c) revenue; (d) pre-tax or after-tax return on equity; (e) earnings per share; (f) pre-tax or after-tax net income, as defined by the Committee; (g) business unit or departmental pre-tax or after-tax income; (h) book value per share; (i) market price per share; (j) relative performance to peer group companies; (k) cost and expense management; (l) total return to stockholders; (m) customer experience and customer service metrics, as the Committee in its discretion may approve; (n) operating income; (o) net revenue or net revenue growth; (p) earnings or net earnings; (q) gross revenue or gross revenue growth; (r) gross profit or gross profit growth; (s) net profit or net profit growth; (t) net interest margin; (u) operating profit or net operating profit (before or after taxes), economic profit, profit margins or other corporate profit measures; (v) return measures (including, but not limited to, dividends, return on investment, assets, capital, employed capital, invested capital, equity or sales); (w) cash flow measures (including, but not limited to, operating cash flow, free cash flow, cash flow return on equity and cash flow return on capital), which may but are not required to be measured on a per-share basis; (x) gross or net operating margins; (y) productivity ratios; (z) operating efficiency; (aa) measures of economic value added or EVA (net operating profit after tax minus the sum of capital multiplied by the cost of capital) or other value creation metrics; (bb) asset quality; (cc) inventory control; (dd) enterprise value; (ee) sales, net sales or net sales growth; (ff) employee satisfaction; (gg) employee retention; (hh) competitive market metrics; (ii) objective measures of personal targets, goals or completion of projects (including, but not limited to, succession and hiring projects, completion of specific acquisitions, reorganizations or other corporate transactions or expansions of specific business operations or meeting divisional or project budgets); (jj) working capital targets (including but not limited to any subcomponents of working capital such as inventory, accounts receivable, accounts payable, accrued liabilities and/or customer deposits); (kk) asset growth; (ll) customer growth; (mm) dividend yield; (nn) system-wide revenues; (oo) comparisons of continuing operations to other operations; (pp) market share; (qq) cost of capital, debt leverage, year-end cash position or book value; (rr) strategic objectives; and (ss) any combination of the foregoing. Performance criteria (and underlying business criteria, as applicable) may be in respect of: (i) the performance of the Company, (ii) the performance of any of its subsidiaries, (iii) the performance of any of its divisions, (iv) a per share basis, (v) a per subscriber basis, or (vi) any combination of the foregoing. Such formula shall be sufficiently detailed and objective so that a third party having knowledge of the relevant performance results could calculate the incentive compensation to be paid to the participant pursuant to such Target Award formula.



The Section 162(m) Committee shall have the right to reduce the amount payable pursuant to a Target Award of a participant in its sole discretion at any time and for any reason before the incentive compensation is payable to the participant, based on such criteria as it shall determine. Notwithstanding any contrary provision of the EIPP, the Section 162(m) Committee may not adjust upwards the amount payable pursuant to a Target Award subject to the EIPP, nor may it waive the achievement of the performance criteria established pursuant to the EIPP for the applicable Performance Period.

The amount payable pursuant to a Target Award may be paid in the form of cash, an award of restricted stock or other benefit under the Company's Amended and Restated 2009 Stock Incentive Plan or any successor plan, or any other form of payment approved by the Section 162(m) Committee; provided that the value of such payments at the time the payment, credit or award is made, does not exceed the dollar amount of the Target Award.

The maximum bonus amount payable to each participant for any calendar year Performance Period shall be \$20,000,000. The Section 162(m) Committee shall have the power to impose such other restrictions on Target Awards and incentive compensation subject to the EIPP as it may deem necessary or appropriate to ensure that such compensation satisfies all requirements for performance-based compensation within the meaning of Section 162(m) of the Code, the regulations promulgated thereunder, and any successors thereto.

The Company's annual Executive Bonus Plan, described in the Compensation Discussion and Analysis above, is the Company's only current plan which has been approved by the Company's Section 162(m) Committee as an incentive performance plan. Therefore, the target awards payable under the EIPP assuming attainment of 100% any established performance criteria for certain participants and groups, are the same as shown under "Target" in the Estimated Future Payouts Under Non-Equity Incentive Plan Awards columns of the 2015 Grants of Plan Based Awards table above.

The board of directors recommends the approval of the EIPP in order to comply with the requirements of Section 162(m) and provide performance-based compensation to our executives. A copy of the EIPP is attached as [Appendix A](#).

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE 2016 EXECUTIVE INCENTIVE PERFORMANCE PLAN.**

**Proposal No. 3: Approval to Increase the Number of Shares of Class A Common Stock in the Company's 2009 Stock Incentive Plan by Ten Million Shares and Increase the Annual Grant Limits (Item 3 on Proxy Card)**

At this Annual Meeting, stockholders are being asked to approve the addition of 10.0 million shares of Class A common stock to the Company's 2009 Stock Incentive Plan and increase the maximum number of options and shares of stock that may be granted to a participant in a given year from 1.0 million for each type of award to 2.5 million for each type of award. Since December 2009 through January 31, 2016, the Company made awards of approximately 13.2 million shares under the 2009 Stock Incentive Plan. Of these awards, approximately 2.4 million shares have been forfeited or cancelled, approximately 1.0 million shares have been withheld for payment of taxes and exercise prices, leading to approximately just 3.8 million shares remaining for future awards. See "Long-Term Incentives" in the Compensation Discussion and Analysis, above, for a description of the 2009 Stock Incentive Plan and awards made pursuant to that plan.

Our long-term incentive award compensation program is designed to recognize scope of responsibilities, reward demonstrated performance and leadership, motivate future superior performance, align the interests of the executive with that of our stakeholders, and incentivize and retain the executives through the term of the awards. We believe that performance-based incentives help to drive our performance through their direct linkage to controllable business results while, at the same time, rewarding executives for the value created through share price appreciation. Upon the closing of the TWC Transaction and the Bright House transaction, the Company will make grants to TWC and BHN employees to incent them to remain employees of New Charter and will employ a significantly larger number of employees who would be eligible to receive grants under the Stock Incentive Plan. In addition, the closing of the TWC Transaction and the Bright House Transaction will significantly reduce the percentage of the Company's outstanding shares that may be granted under the Stock Incentive Plan. The approval of the addition of 10.0 million shares of Class A common stock to the 2009 Stock Incentive Plan and the increase in the maximum number of options and shares of stock that may be granted to a participant in a given year would provide the Compensation and Benefits Committee the flexibility to make awards to participants as the committee deems appropriate. This is particularly necessary given the additional size and scope of the Company following the closing of the TWC Transaction and the Bright House Transaction and equity grants that may be made in connection with upcoming renewals of executive employment agreements. The 3.8 million shares available for future grant under the 2009 Stock Incentive Plan represents approximately 3.4% of the Company's outstanding shares and would represent only 1.2% to 1.3% after the closing of the TWC Transaction and the Bright House Transaction on a fully diluted basis. Approving the proposal would result in the Company having shares available for future grant under the 2009 Stock Incentive Plan of approximately 4.5% to 4.8% of the Company's outstanding shares after the closing of the TWC Transaction and the Bright House Transaction on a fully diluted basis.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL TO INCREASE THE NUMBER OF SHARES OF CLASS A COMMON STOCK IN THE COMPANY'S 2009 STOCK INCENTIVE PLAN BY TEN MILLION SHARES AND INCREASE THE ANNUAL GRANT LIMITS.**

**Proposal No. 4: Ratification of the Appointment of Independent Registered**

**Public Accounting Firm**

**(Item 4 on Proxy Card)**

The Audit Committee of the board of directors has appointed KPMG LLP ( KPMG ) as the Company s independent registered public accounting firm for 2016. Stockholder ratification of the selection of KPMG as the Company s independent registered public accounting firm is not required by the Company s Bylaws or other applicable requirement. However, as a matter of corporate responsibility, the Audit Committee decided to solicit stockholder ratification of this appointment. Ratification of the appointment of KPMG as the Company s independent registered public accounting firm is not required for KPMG s retention; however, if the appointment is not ratified, the Audit Committee may consider re-evaluating the appointment.

KPMG has been serving as the Company s independent registered public accounting firm since 2002. The Company has been advised that no member of KPMG had any direct financial interest or material indirect financial interest in the Company or any of its subsidiaries or, during the past three years, has had any connection with the Company or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer or employee. The Company has been advised that no other relationship exists between KPMG and the Company that impairs KPMG s status as the independent registered public accounting firm with respect to the Company within the meaning of the Federal securities laws and the requirements of the Independence Standards Board.

Representatives of KPMG will be in attendance at the annual meeting and will have an opportunity to make a statement if they so desire. The representatives will also be available to respond to appropriate questions.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS THE COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.**

## Accounting Matters

### Principal Accounting Firm

KPMG acted as the Company's independent registered public accounting firm since 2002, and, subject to ratification by stockholders at the annual meeting, KPMG is expected to serve as the Company's independent registered public accounting firm for 2016.

### Services of Independent Registered Public Accounting Firm

The Audit Committee has adopted policies and procedures requiring the pre-approval of non-audit services that may be provided by our independent registered public accounting firm. We have also complied and will continue to comply with the provisions of the Sarbanes-Oxley Act of 2002 and the related SEC rules pertaining to auditor independence and audit committee pre-approval of audit and non-audit services.

### Audit Fees

During the years ended December 31, 2015 and 2014, we incurred fees and related expenses for professional services rendered by KPMG for the audits of our and our subsidiaries' financial statements, for the review of our and our subsidiaries' interim financial statements, registration statement filings and offering memoranda filings totaling approximately \$5.1 million and \$4.2 million, respectively.

### Audit-Related Fees

We incurred audit-related fees to KPMG of approximately \$1.2 million and \$0.8 million during the years ended December 31, 2015 and 2014, respectively. These services were primarily related to accounting and reporting consultation and services related to the TWC Transaction and BHN Transaction announced in 2015 and the transactions with Comcast Corporation announced in 2014.

### Tax Fees

None.

### All Other Fees

We incurred other fees to KPMG of approximately \$0.2 million during the year ended December 31, 2014 related to integration advisory support.

The Audit Committee appoints, retains, compensates and oversees the independent registered public accounting firm (subject, if applicable, to board of director and/or stockholder ratification), and approves in advance all fees and terms for the audit engagement and non-audit engagements where non-audit services are not prohibited by Section 10A of the Securities Exchange Act of 1934, as amended with respect to independent registered public accounting firms. Pre-approvals of non-audit services are sometimes delegated to a single member of the Audit Committee. However, any pre-approvals made by the Audit Committee's designee are presented at the Audit Committee's next regularly scheduled meeting. The Audit Committee has an obligation to consult with management on these matters. The Audit Committee approved 100% of the KPMG fees for the years ended December 31, 2015 and 2014. Each year, including 2015, with respect to the proposed audit engagement, the Audit Committee reviews the proposed risk assessment process in establishing the scope of examination and the reports to be rendered.

In its capacity as a committee of the board, the Audit Committee oversees the work of the independent registered public accounting firm (including resolution of disagreements between management and the public

accounting firm regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services. The independent registered public accounting firm reports directly to the Audit Committee. In performing its functions, the Audit Committee undertakes those tasks and responsibilities that, in its judgment, most effectively contribute to and implement the purposes of the Audit Committee charter. For more detail of the Audit Committee's authority and responsibilities, see the Company's Audit Committee charter on the Company's website, [www.charter.com](http://www.charter.com).

### **Report of the Audit Committee**

*The following report does not constitute soliciting materials and is not considered filed or incorporated by reference into any other Company filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, unless we state otherwise.*

The Audit Committee was established to oversee the Company's accounting and financial reporting processes and the audits of the Company's annual financial statements. In 2015, the Audit Committee consisted of Messrs. Merritt, Huseby and Markley. All members were determined by the board to be independent in accordance with the applicable corporate governance listing standards of the NASDAQ Global Select Market. The Company's board of directors has determined that, in its judgment, Mr. Merritt is an audit committee financial expert within the meaning of the applicable federal regulations.

The Audit Committee's functions are detailed in a written amended and restated Audit Committee charter adopted by the board of directors in December 2009, a copy of which is available on the Company's website at [www.charter.com](http://www.charter.com). As more fully described in its charter, the Audit Committee reviews the Company's financial reporting process on behalf of the board of directors. Company management has the primary responsibility for the Company's financial statements and the reporting process. The Company's independent registered public accounting firm is responsible for performing an audit of the Company's consolidated financial statements in accordance with generally accepted auditing standards and expressing an opinion on the conformity of the financial statements to generally accepted accounting principles. The internal auditors are responsible to the Audit Committee and the board of directors for testing the integrity of the financial accounting and reporting control systems and such other matters as the Audit Committee and board of directors determine. The Audit Committee held four meetings in 2015.

The Audit Committee has reviewed and discussed with management the Company's audited financial statements for the year ended December 31, 2015. The Audit Committee has discussed the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (Communication with Audit Committees) with KPMG, the independent registered public accounting firm for the Company's audited financial statements for the year ended December 31, 2015.

The Audit Committee has also received the written disclosures and the letter from KPMG required by Independence Standards Board Standard No. 1 (Independence Discussion with Audit Committees), and the Audit Committee has discussed the independence of KPMG with that firm and has considered the compatibility of non-audit services with KPMG's independence.

Based on the Audit Committee's review and discussions noted above, the Audit Committee recommended to the board of directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 for filing with the SEC.

DAVID C. MERRITT

MICHAEL P. HUSEBY

JOHN D. MARKLEY, JR.

### **Section 16(a) Beneficial Ownership Reporting Requirement**

Section 16 of the Exchange Act requires our directors and certain of our officers, and persons who own more than 10% of our common stock, to file initial reports of ownership and reports of changes in ownership of our common stock and other of our equity securities with the SEC. Such persons are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of the copies of such forms furnished to us and written representations that no other reports were required, we believe that all Section 16(a) filing requirements applicable to our officers, directors and greater than 10% beneficial owners were complied with during the 2015 fiscal year.

### **Code of Ethics**

We have adopted a Financial Code of Ethics within the meaning of federal securities regulations for our employees, including all executive officers and directors. We also established a hotline and website for reporting alleged violations of the Financial Code of Ethics, established procedures for processing complaints and implemented educational programs to inform our employees regarding the Financial Code of Ethics. A copy of our Financial Code of Ethics is available on our website at [www.charter.com](http://www.charter.com).

### **Stockholder Proposals for 2017 Annual Meeting**

If you want to include a stockholder proposal in the proxy statement for the 2017 annual meeting, it must be delivered to the Corporate Secretary at the Company's executive offices no later than November 17, 2016. The federal proxy rules specify what constitutes timely submission and whether a stockholder proposal is eligible to be included in the proxy statement.

If a stockholder desires to bring business before the meeting that is not the subject of a proposal timely and properly submitted for inclusion in the proxy statement or to make a nomination of a person for election to the board of directors, the stockholder must follow procedures outlined in the Company's Bylaws. One of the procedural requirements in the Bylaws is timely notice in writing of the business the stockholder proposes to bring before the meeting. To be timely with respect to the 2017 annual meeting, such a notice must be delivered to the Company's Corporate Secretary at the Company's executive offices no earlier than January 6, 2017 and no later than January 31, 2017. However, in the event that the Company elects to hold its next annual meeting more than 30 days before or after the anniversary of this annual meeting, such stockholder proposals would have to be received by the Company not earlier than 120 days prior to the next annual meeting date and not later than 90 days prior to the next annual meeting date.

Such notice must include: (1) for a nomination for director, all information relating to such person that is required to be disclosed in a proxy for election of directors; (2) as to any other business, a description of the proposed business, the text of the proposal, the reasons therefore, and any material interest the stockholder may have in that business; and (3) certain information regarding the stockholder making the proposal. These requirements are separate from the requirements a stockholder must meet to have a proposal included in the Company's proxy statement. The foregoing time limits also apply in determining whether notice is timely for purposes of rules adopted by the SEC relating to the exercise of discretionary voting authority.

Any stockholder desiring a copy of the Company's Bylaws will be furnished one without charge upon written request to the Corporate Secretary. A copy of the amended and restated Bylaws was filed as an exhibit to the Company's Current Report on Form 8-K filed on December 4, 2009, and is available at the SEC Internet site (<http://www.sec.gov>).

### Other Matters

At the date of mailing of this proxy statement, we are not aware of any business to be presented at the annual meeting other than the matters discussed above. If other proposals are properly brought before the meeting, any proxies returned to us will be voted as the proxyholder sees fit.

**Our Annual Report on Form 10-K for the year ended December 31, 2015 is available without charge by accessing the Investor section of our website at [www.charter.com](http://www.charter.com). You also may obtain a paper copy of the Form 10-K, without exhibits, at no charge by writing to the Company at 400 Atlantic Street, Stamford, CT 06901, Attention: Investor Relations.**

**In addition, certain financial and other related information, which is required to be furnished to our stockholders, is provided to stockholders concurrently with this Proxy Statement in our 2015 Annual Report. The SEC has enacted a rule that allows the Company to deliver only one copy of our Proxy Statement and 2015 Annual Report to multiple security holders sharing an address if they so consent. This is known as householding. The Household Election, which appears on your proxy card, provides you with a means for you to notify us whether you consent to participate in householding. By marking Yes in the block provided, you will consent to participate in householding and by marking no you will withhold your consent to participate. If you do nothing, you will be deemed to have given your consent to participate in householding. Your consent to householding will be perpetual unless you withhold or revoke it. You may revoke your consent at any time by contacting Broadridge Financial Solutions ( Broadridge ), either by writing to Broadridge, Household Department, 51 Mercedes Way, Edgewood, New York 11717, or by calling (800) 542-1061. We will remove you from the householding program, following which you will promptly receive an individual copy of our Annual Report and this Proxy Statement. Even if your household receives only one Annual Report and one Proxy Statement, a separate proxy card will be provided for each stockholder. If you vote using the proxy card, please sign and return it in the enclosed postage-paid envelope. If you vote by Internet or telephone, there is no need to mail the proxy card.**



**CHARTER COMMUNICATIONS, INC.**

**2016 EXECUTIVE INCENTIVE PERFORMANCE PLAN**

**ARTICLE I. ESTABLISHMENT AND PURPOSE**

1.1 **Establishment of the Plan.** Charter Communications, Inc. (the Company) hereby establishes the Charter Communications, Inc. 2016 Executive Incentive Performance Plan (the Plan).

1.2 **Purpose.** Section 162(m) of the Code (as defined below) limits to \$1,000,000 the amount of an employer's deduction for a fiscal year relating to compensation for certain executive officers, with exceptions for specific types of compensation such as performance-based compensation.

This Plan is intended to provide for the payment of qualified performance-based compensation in the form of incentive compensation that is not subject to the Section 162(m) deduction limitation.

1.3 **Effective Date.** The effective date of the Plan is January 1, 2016, subject to approval of the material terms of the Plan by the Company's stockholders.

**ARTICLE II. DEFINITIONS**

2.1 **Definitions.** Whenever used herein, the following terms will have the meanings set forth below, unless otherwise expressly provided. When the defined meaning is intended, the term is capitalized.

(a) **Board** means the Board of Directors of the Company.

(b) **Code** means the Internal Revenue Code of 1986, as amended.

(c) **Committee** means the Section 162(m) Committee of the Board, or another committee appointed by the Board to serve as the administrator for the Plan, which committee at all times consists of persons who are outside directors as that term is defined in the regulations promulgated under Section 162(m) of the Code.

(d) **Company** means Charter Communications, Inc., and its successors.

(e) **Employer** means the Company and any entity that is a subsidiary or affiliate of the Company.

(f) **Participant** for a Performance Period means an officer or other key employee who is designated by the Committee as a participant in the Plan for that Performance Period in accordance with Article III.

(g) **Performance Period** shall mean the fiscal year of the Company; or any other period designated as a Performance Period by the Committee.

(h) **Plan** means the Charter Communications, Inc. Executive Incentive Performance Plan.

(i) **Target Award** shall mean the maximum amount that may be paid to a Participant as incentive compensation for a Performance Period if certain performance criteria are achieved in the Performance Period.

2.2 **Severability.** In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provision had not been included.

---

**ARTICLE III. ELIGIBILITY AND PARTICIPATION**

**3.1 Eligibility.** The Participants in this Plan for any Performance Period shall be comprised of each employee of the Company who is a covered employee for purposes of Section 162(m) of the Code, or who may be such a covered employee as of the end of a tax year for which the Company would claim a tax deduction in connection with the payment of compensation to such employee, during such Performance Period and who is designated individually or by class to be a Participant for such Performance Period by the Committee at the time a Target Award is established for such employee.

**3.2 Participation.** Participation in the Plan will be determined annually by the Committee. Employees approved for participation will be notified of their selection as soon after approval as practicable.

**3.3 Termination of Approval.** The Committee may withdraw approval for a Participant's participation at any time. In the event of such withdrawal, the employee concerned will cease to be a Participant as of the date of such withdrawal. The employee will be notified of such withdrawal as soon as practicable following the Committee's action. A Participant who is withdrawn from participation under this Section will not receive any award for the Performance Period under this Plan.

**ARTICLE IV. PERFORMANCE CRITERIA**

**4.1 Target Awards.** The Committee shall establish objective performance criteria for the Target Award of each Participant for each Performance Period in writing. Such formula shall be based upon one or more of the following criteria, individually or in combination, as determined by the Committee in its discretion: (a) adjusted EBITDA; (b) adjusted EBITDA less capital expenditures; (c) revenue; (d) pre-tax or after-tax return on equity; (e) earnings per share; (f) pre-tax or after-tax net income, as defined by the Committee; (g) business unit or departmental pre-tax or after-tax income; (h) book value per share; (i) market price per share; (j) relative performance to peer group companies; (k) cost and expense management; (l) total return to stockholders; (m) customer experience and customer service metrics, as the Committee in its discretion may approve; (n) operating income; (o) net revenue or net revenue growth; (p) earnings, (q) net earnings; gross revenue or gross revenue growth; (r) gross profit or gross profit growth; (s) net profit or net profit growth; (t) net interest margin; (u) operating profit or net operating profit (before or after taxes), economic profit, profit margins or other corporate profit measures; (v) return measures (including, but not limited to, dividends, return on investment, assets, capital, employed capital, invested capital, equity or sales); (w) cash flow measures (including, but not limited to, operating cash flow, free cash flow, cash flow return on equity and cash flow return on capital), which may but are not required to be measured on a per-share basis; (x) gross or net operating margins; (y) productivity ratios; (z) operating efficiency; (aa) measures of economic value added or EVA (net operating profit after tax minus the sum of capital multiplied by the cost of capital) or other value creation metrics; (bb) asset quality; (cc) inventory control; (dd) enterprise value; (ee) sales, net sales or net sales growth; (ff) employee satisfaction; (gg) employee retention; (hh) competitive market metrics; (ii) objective measures of personal targets, goals or completion of projects (including, but not limited to, succession and hiring projects, completion of specific acquisitions, reorganizations or other corporate transactions or expansions of specific business operations or meeting divisional or project budgets); (jj) working capital targets (including but not limited to any subcomponents of working capital such as inventory, accounts receivable, accounts payable, accrued liabilities and/or customer deposits); (kk) asset growth; (ll) customer growth; (mm) dividend yield; (nn) system-wide revenues; (oo) comparisons of continuing operations to other operations; (pp) market share; (qq) cost of capital, debt leverage, year-end cash position or book value; (rr) strategic objectives; and (ss) any combination of the foregoing. Performance criteria (and underlying business criteria, as applicable) may be in respect of: (i) the performance of the Company, (ii) the performance of any of its subsidiaries, (iii) the performance of any of its divisions, (iv) a per share basis, (v) a per subscriber basis, or (vi) any combination of the foregoing. Such formula shall be sufficiently detailed and objective so that a third party having knowledge of the relevant performance results could calculate the incentive compensation to be paid to the Participant pursuant to such Target Award formula.

Such performance criteria for a Target Award shall be established in writing by the Committee no later than 90 days after the beginning of such Performance Period (but no later than the time prescribed by Section 162(m) of the Code or the regulations thereunder in order for the level to be considered pre-established).

At the time it establishes the performance criteria for a Target Award, or at any time thereafter, in either case to the extent permitted under Section 162(m) of the Code and the regulations thereunder without adversely affecting the treatment of the Target Award as performance-based compensation, the Committee may, in its discretion, provide for the manner in which performance will be measured against the performance criteria (or may adjust the performance criteria) to reflect the impact of specified corporate transactions, accounting or tax law changes and other extraordinary or nonrecurring events.

**4.2 *Payment of Incentive Compensation.*** As a condition to the right of a Participant to receive any incentive compensation under this Plan, the Committee shall first be required to certify in writing, by resolution of the Committee or other appropriate action, that the performance criteria of the Target Award have been achieved and that the incentive compensation amount of such Target Award has been accurately determined in accordance with the provisions of this Plan. For this purpose, approved minutes of a meeting of the Committee in which the certification is made shall be treated as written certification.

The Committee shall have the right to reduce the amount payable pursuant to a Target Award of a Participant in its sole discretion at any time and for any reason before the incentive compensation is payable to the Participant, based on such criteria as it shall determine. Notwithstanding any contrary provision of this Plan, the Committee may not adjust upwards the amount payable pursuant to a Target Award subject to this Plan, nor may it waive the achievement of the performance criteria established pursuant to this Plan for the applicable Performance Period.

The incentive compensation so determined by the Committee shall be paid to the Participant as soon as administratively practical after the amount of the incentive compensation has been determined and documented as provided above.

The amount payable pursuant to a Target Award may be paid in the form of cash, an award of Restricted Stock or other benefit under the Company's Amended and Restated 2009 Stock Incentive Plan or any successor plan or any other form of payment approved by the Committee; provided that the value of such payments at the time the payment, credit or award is made, does not exceed the dollar amount of the Target Award.

The Committee shall have the power to impose such other restrictions on Target Awards and incentive compensation subject to this Plan as it may deem necessary or appropriate to ensure that such awards and compensation satisfy all requirements for performance-based compensation within the meaning of Section 162(m) of the Code, the regulations promulgated thereunder, and any successors thereto.

**4.3 *Maximum Incentive Compensation.*** The maximum incentive compensation payable to each Participant for any calendar year Performance Period shall be \$20,000,000.

#### ARTICLE V. RIGHTS OF PARTICIPATION

**5.1 *Employment.*** Nothing in this Plan will interfere with or limit in any way the right of the Employer to terminate a Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of an Employer.

**5.2 *Nontransferability.*** No right or interest of any Participant in this Plan will be assignable or transferable or subject to any lien or encumbrance, whether directly or indirectly, by operation of law or otherwise, including without limitation execution, levy, garnishment, attachment, pledge, and bankruptcy.

5.3 **No Funding.** Nothing contained in this Plan and no action taken hereunder will create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Participant or beneficiary or any other person. Amounts due under this Plan at any time and from time to time will be paid from the general funds of the Company. To the extent that any person acquires a right to receive payments hereunder, such right shall be that of an unsecured general creditor of the Company.

5.4 **No Rights Prior to Award Approval.** No Participant will have any right to payment of incentive compensation pursuant to this Plan unless and until it has been determined and approved under Section 4.2.

**ARTICLE VI. ADMINISTRATION**

6.1 **Administration.** This Plan will be administered by the Committee according to any rules that it may establish from time to time that are not inconsistent with the provisions of the Plan. It is intended that the awards under this Plan shall constitute qualified performance-based compensation under Section 162(m) of the Code and the Plan and all awards hereunder shall be administered, interpreted and construed accordingly.

6.2 **Expenses of the Plan.** The expenses of administering the Plan will be borne by the Company.

**ARTICLE VII. REQUIREMENTS OF LAW**

7.1 **Governing Law.** The Plan will be construed in accordance with and governed by the laws of the State of Missouri.

7.2 **Withholding Taxes.** The Company has the right to deduct from all payments under this Plan any Federal, State, or local taxes required by law to be withheld with respect to such payments.

**ARTICLE VIII. AMENDMENT AND TERMINATION**

8.1 **Amendment and Termination.** The Committee, in its sole and absolute discretion may modify or amend any or all of the provisions of this Plan at any time and from time to time, without notice, and may suspend or terminate it entirely.

**ARTICLE IX. STOCKHOLDER APPROVAL**

9.1 **Stockholder Approval.** This Plan shall be subject to approval by the affirmative vote of a majority of the shares cast in a separate vote of the stockholders of the Company at the 2016 Annual Meeting of Stockholders, and such stockholder approval shall be a condition to the right of a Participant to receive any incentive compensation hereunder.

The undersigned hereby certifies that this Plan was duly adopted by the Board at its meeting on December 10, 2015.

By: /s/ Richard R. Dykhouse  
Richard R. Dykhouse, Executive Vice  
President, General Counsel and  
Corporate Secretary

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

***CHARTER COMMUNICATIONS, INC.***

***400 ATLANTIC STREET***

***STAMFORD, CT 06901***

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR  
BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS  
DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

**The Board of Directors recommends you vote FOR the following:**

1. Election of Directors  
Nominees

**For Against Abstain**