

National CineMedia, Inc.  
Form DEF 14A  
March 18, 2010

## SCHEDULE 14A INFORMATION

**Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**NATIONAL CINEMEDIA, INC.**

**(Name of Registrant as Specified In Its Charter)**

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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- (4) Date Filed:

9110 E. Nichols Ave., Suite 200

Centennial, Colorado 80112-3405

**Notice of Annual Meeting of Stockholders to be held on April 27, 2010**

You are cordially invited to attend the Annual Meeting of Stockholders of National CineMedia, Inc., which will be held at United Artists Theatre Meadows 12, 9355 Park Meadows Drive, Littleton, Colorado 80124 on April 27, 2010 at 9:00 a.m., Mountain Time, for the following purposes:

1. To elect three directors to serve until the 2013 Annual Meeting of Stockholders, and until their respective successors are elected and qualified;
2. To approve the National CineMedia, Inc. 2010 Performance Bonus Plan;
3. To ratify the appointment of Deloitte & Touche LLP as our independent auditors for our 2010 fiscal year ending December 30, 2010; and
4. To transact such other business as may properly come before the meeting.

The close of business on March 8, 2010 has been set as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting and any and all adjournments.

Consistent with last year, we are electronically disseminating our Annual Meeting materials by using the Notice and Access method approved by the Securities and Exchange Commission. We believe this process should continue to provide a convenient way to access your proxy materials and vote. The Notice of Internet Availability of Proxy Materials contains specific instructions on how to access Annual Meeting materials via the Internet as well as instructions on how to receive paper copies if preferred. The Proxy Statement and Annual Report for the fiscal year ended December 31, 2009 are available at [www.edocumentview.com/ncmi](http://www.edocumentview.com/ncmi).

Whether or not you are able to attend the Annual Meeting, it is important that your shares be represented regardless of the size of your holdings. Please vote your proxy promptly in accordance with the instructions you receive on the Notice of Internet Availability of Proxy Materials as a quorum of the stockholders must be present, either in person or by proxy, in order for the Annual Meeting to take place.

**Please note that the rules governing brokers have changed recently. Brokers may not vote your shares on the election of directors or any other non-routine matters if you have not given your broker specific instructions as to how to vote. Please be sure to give specific voting instructions to your broker so that your vote can be counted.**

Ralph E. Hardy  
*Executive Vice President, General Counsel and Secretary*

Centennial, Colorado

March 18, 2010

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**NATIONAL CINEMEDIA, INC.**

**PROXY STATEMENT FOR THE 2010**

**ANNUAL MEETING OF STOCKHOLDERS**

The accompanying proxy is solicited by the board of directors of National CineMedia, Inc., a Delaware corporation ( "NCM, Inc.," or the "Company"), for use at the 2010 Annual Meeting of Stockholders to be held at United Artists Theatre Meadows 12, located at 9355 Park Meadows Drive, Littleton, Colorado 80124, on April 27, 2010, at 9:00 a.m., Mountain Time, and at any and all adjournments and postponements thereof (the "Annual Meeting"). Unless the context otherwise requires, the references to "we," "us" or "our" refer to the Company and its consolidated subsidiaries, National CineMedia, LLC ( "NCM LLC"). The proxy may be revoked at any time before it is voted. If no contrary instruction is received, signed proxies returned by stockholders will be voted in accordance with the board of directors' recommendations.

This proxy statement and accompanying proxy are first being made available to stockholders on or about March 18, 2010.

**SHARES OUTSTANDING AND VOTING RIGHTS**

Our board of directors has fixed the close of business on March 8, 2010 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting. Our only outstanding voting stock is our common stock, \$0.01 par value per share, of which 43,095,024 shares were outstanding as of the close of business on the record date, which includes 854,578 shares of unvested restricted stock with voting rights. Each outstanding share of common stock is entitled to one vote.

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its use by delivering to us (Attention: Secretary) a written notice of revocation or a duly executed proxy bearing a later date, or by attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not in itself constitute a revocation of a proxy.

At the Annual Meeting, stockholders will vote on three proposals: to elect three directors to serve until the 2013 Annual Meeting of Stockholders, and until their respective successors are elected and qualified (Proposal 1); to approve the National CineMedia, Inc. 2010 Performance Bonus Plan (Proposal 2); and to ratify the appointment of Deloitte & Touche LLP as our independent auditors for our 2010 fiscal year ending December 30, 2010 (Proposal 3).

Stockholders representing a majority in voting power of the shares of stock outstanding and entitled to vote must be present or represented by proxy in order to constitute a quorum to conduct business at the Annual Meeting. With respect to the election of directors, our stockholders may vote in favor of the nominees, may withhold their vote for all of the nominees, or may withhold their vote as to specific nominees. The affirmative vote of the holders of a plurality of the votes of the holders of shares present in person or represented by proxy at the Annual Meeting and entitled to vote thereon is required to approve Proposal 1. Under the Delaware General Corporation Law ( "DGCL") and our Bylaws and Certificate of Incorporation, the affirmative vote of the holders of a majority in voting power of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote thereon is required to approve Proposals 2 and 3.

Abstentions may be specified on all proposals and will be counted as present for the purposes of the proposal for which the abstention is noted. A vote withheld for a nominee in the election of directors will have no effect. For purposes of determining whether any of the other proposals has received the requisite vote, where a stockholder abstains from voting, it will have the same effect as a vote against the proposal.

The independent tabulator appointed for the Annual Meeting will tabulate votes cast by proxy or in person at the Annual Meeting. For the purposes of determining whether a proposal has received the requisite vote of the holders of the common stock in instances where brokers are prohibited from exercising or choose not to exercise discretionary authority for beneficial owners who have not provided voting instructions (so-called broker non-votes), those shares of common stock will not be included in the vote totals and, therefore, will have no effect on the vote on any of such proposals. Pursuant to the FINRA Conduct Rules, brokers who hold shares in street name have the authority, in limited circumstances, to vote on certain items when they have not received instructions from beneficial owners. A broker will only have such authority if:

the broker holds the shares as executor, administrator, guardian or trustee or is a similar representative or fiduciary with authority to vote; or

the broker is acting pursuant to the rules of any national securities exchange of which the broker is also a member.

Prior to 2010, the election of directors was considered a routine matter for which brokers were permitted to vote shares without customer direction. Beginning this year, brokers are no longer permitted to vote shares for the election of directors in this manner. *Therefore, we urge you to give voting instructions to your broker on all three proposals.* Shares that are not voted by a broker given the absence of customer direction are called broker non-votes. Broker non-votes are not considered votes for or against a proposal and therefore will have no direct impact on any proposal. Under these rules, absent authority or directions described above, brokers will not be able to vote on Proposals 1 and 2.

#### **Costs of Solicitation**

We will pay the cost of soliciting proxies for the Annual Meeting. Proxies may be solicited by our regular employees, without additional compensation, in person, or by mail, courier, telephone or facsimile. We may also make arrangements with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of stock held of record by such persons. We may reimburse such brokerage houses, custodians, nominees and fiduciaries for reasonable out-of-pocket expenses incurred by them in connection therewith.

#### **Annual Report**

Our 2009 Annual Report on Form 10-K, including consolidated financial statements as of and for the year ended December 31, 2009, is available to all stockholders entitled to vote at the Annual Meeting together with this proxy statement, in satisfaction of the requirements of the Securities and Exchange Commission (the SEC). Additional copies of the Annual Report are available at no charge upon request. To obtain additional copies of the Annual Report, please contact us at 9110 E. Nichols Ave., Suite 200, Centennial, Colorado 80112-3405, Attention: Secretary, or at telephone number (303) 792-3600 or (800) 828-2828. You may also view the Annual Report at *NCM.com*. The Annual Report does not form any part of the materials for the solicitation of proxies.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS**

Beneficial ownership is determined under the rules of the SEC and generally includes voting or investment power over securities. Except in cases where community property laws apply or as indicated in the footnotes to this table, we believe that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by the stockholder. As of March 8, 2010, the percentage of beneficial ownership for NCM, Inc. is based on 42,240,446 shares of common stock outstanding (excluding unvested restricted stock) and 101,676,204 membership units outstanding for NCM LLC, of which 42,240,446 are owned by NCM, Inc. Unless indicated below, the address of each individual listed below is



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9110 E. Nichols Ave., Suite 200, Centennial, Colorado 80112-3405. The following table sets forth information regarding the beneficial ownership of our common stock as of March 8, 2010, by:

each person (or group of affiliated persons) who is known by us to own beneficially more than 5% of our common stock;

each of our executive officers;

each of our directors and nominees for director; and

all directors and executive officers as a group.

**BENEFICIAL OWNERSHIP**

Name of Beneficial Owner	Shares of NCM, Inc. Common Stock	NCM LLC Common Membership Units (1)	Percent of Class
<b>Five Percent Stockholders</b>			
American Multi-Cinema, Inc. and Affiliates (2)		18,821,114	30.8%
Cinemark Holdings, Inc. (3)		15,188,955	26.4%
Regal Entertainment Group and Affiliates (4)		25,425,689	37.6%
Wells Fargo and Company (5)	4,260,621		10.1%
Wells Capital Management Incorporated (6)	3,867,238		9.2%
TimesSquare Capital Management, LLC (7)	3,420,500		8.1%
AXA Assurances I.A.R.D. Mutuelle and Affiliates (8)	3,128,944		7.4%
FMR LLC and Related (9)	2,682,500		6.4%
Federated Investors, Inc. and Related (10)	2,679,022		6.3%
RiverSource Investments, LLC and Related (11)	2,485,449		5.9%
Baron Capital Group, Inc. and Affiliates (12)	2,427,680		5.7%
BAMCO, Inc. (12)	2,424,620		5.7%
Baron Capital Management, Inc. (12)	3,060		*
Baron Small Cap Fund (12)	2,400,000		5.7%
BlackRock, Inc. (13)	2,156,416		5.1%
<b>Directors and Executive Officers</b>			
Kurt C. Hall (14)	528,902		*
Clifford E. Marks (15)	170,570		*
Gary W. Ferrera (16)	159,550		*
Ralph E. Hardy (17)	50,424		*
Earl B. Weihe (18)	15,983		*
Thomas C. Galley (19)	68,538		*
Michael L. Campbell	0		0%
Gerardo I. Lopez	0		0%
Lee Roy Mitchell	0		0%
Lawrence A. Goodman	9,461		*
David R. Haas	14,461		*
James R. Holland, Jr.	8,461		*
Stephen L. Lanning	8,461		*
Edward H. Meyer	9,461		*
Scott N. Schneider	8,461		*
All directors, nominees for director and executive officers as a group (15 persons)	1,052,733		2.5%

\* Less than one percent.

- (1) NCM LLC common membership units are redeemable at any time at the option of the holder. Upon any redemption, we may choose whether to redeem the units for shares of our common stock on a one-for-one basis or for a cash payment equal to the market price of shares of NCM, Inc. common stock. If each member of NCM LLC chose to redeem all of its NCM LLC common membership units and we elected to issue

shares of NCM, Inc. common stock in redemption of all of the units, AMC would receive 18,821,114 shares of NCM, Inc. common stock, Cinemark would receive 15,188,955 shares of NCM, Inc. common stock and Regal would receive 25,425,689 shares of NCM, Inc. common stock. These share amounts would represent 18.5%, 15.0% and 25.0%, respectively, of our outstanding common stock, assuming that all of the NCM LLC units are converted into our common stock.

- (2) Includes American Multi-Cinema, Inc., AMC Entertainment Inc., Marquee Holdings Inc., and AMC Entertainment Holdings, Inc. The address of these stockholders is 920 Main Street, Kansas City, Missouri 64105. Represents beneficial ownership as of December 31, 2009 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on February 12, 2010.
- (3) The address of this stockholder is 3900 Dallas Parkway, Suite 500, Plano, Texas 75093. Represents beneficial ownership as of March 17, 2009 based on the Statement of Beneficial Ownership filed on Schedule 13D/A on April 7, 2009.
- (4) Includes Regal Entertainment Group at 7132 Regal Lane, Knoxville, Tennessee 37918 and Anschutz Company and Phillip F. Anschutz at 555 Seventeenth Street, Suite 2400, Denver, Colorado 80202. Represents beneficial ownership as of March 17, 2009 based on the Statement of Beneficial Ownership filed on Schedule 13D/A on March 26, 2009.
- (5) The address of this stockholder is 420 Montgomery Street, San Francisco, California 94104. Represents beneficial ownership as of December 31, 2009 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on January 25, 2010.
- (6) The address of this stockholder is 525 Market Street, 10<sup>th</sup> Floor, San Francisco, California 94105. Represents beneficial ownership as of December 31, 2009 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on January 25, 2010.
- (7) The address of this stockholder is 1177 Avenue of the Americas, 39<sup>th</sup> Floor, New York, New York 10036. Represents beneficial ownership as of December 31, 2009 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on February 9, 2010.
- (8) Includes AXA Assurances I.A.R.D. Mutuelle and AXA Assurances Vie Mutuelle at 26, rue Drouot, 75009 Paris, France; AXA at 25, avenue Matignon, 75008 Paris, France, and AXA Financial, Inc. at 1290 Avenue of the Americas, New York, New York 10104. Represents beneficial ownership as of December 31, 2009 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on February 12, 2010.
- (9) Includes FMR LLC and Edward C. Johnson 3d. The address of these stockholders is 82 Devonshire Street, Boston, Massachusetts 02109. Represents beneficial ownership as of December 31, 2009 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on February 16, 2010.
- (10) Includes Federated Investors, Inc., Voting Shares Irrevocable Trust, John F. Donahue, Rhodora J. Donahue and J. Christopher Donahue. The address of these stockholders is Federated Investors Tower, Pittsburgh, PA 15222-3779. Represents beneficial ownership as of December 31, 2009 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on February 11, 2010.
- (11) Includes RiverSource Investments, LLC and Ameriprise Financial, Inc. The address of these stockholders is 145 Ameriprise Financial Center, Minneapolis, Minnesota 55474. Represents beneficial ownership as of December 31, 2009 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on February 12, 2010.
- (12) Includes Baron Capital Group, Inc., BAMCO Inc, Baron Capital Management, Inc., Ronald Baron and Baron Small Cap Fund. The address of these stockholders is 767 Fifth Avenue, 49<sup>th</sup> floor, New York, New York 10153. Represents beneficial ownership as of December 31, 2009 based on the Statement of Beneficial Ownership filed on Schedule 13G/A on February 5, 2010.
- (13) The address of this stockholder is 40 East 52<sup>nd</sup> Street, New York, New York 10022. Represents beneficial ownership as of December 31, 2009 based on the Statement of Beneficial Ownership filed on Schedule 13G on January 29, 2010.
- (14) Includes 372,960 stock options that were vested and exercisable within 60 days of March 8, 2010.
- (15) Includes 167,570 stock options that were vested and exercisable within 60 days of March 8, 2010.
- (16) Includes 142,652 stock options that were vested and exercisable within 60 days of March 8, 2010.
- (17) Includes 47,144 stock options that were vested and exercisable within 60 days of March 8, 2010.
- (18) Includes 15,613 stock options that were vested and exercisable within 60 days of March 8, 2010.
- (19) Includes 58,538 stock options that were vested and exercisable within 60 days of March 8, 2010.

To our knowledge, none of our officers or directors has pledged any of his shares.

**PROPOSAL 1**

**ELECTION OF DIRECTORS**

Our board of directors currently consists of ten directors. Under the director designation agreement dated as of February 13, 2007, each of our founding members AMC Entertainment Inc. and its affiliates ( *AMC* ), Cinemark Holdings, Inc. and its affiliates ( *Cinemark* ) and Regal Entertainment Group and its affiliates ( *Regal* ) are permitted to appoint or designate up to two persons for nomination to election on our board of directors under the terms set forth in the agreement, one of which must qualify as independent as required by the rules promulgated by the SEC under the Securities Exchange Act of 1934, as amended (the *Exchange Act* ), and by the Nasdaq Stock Market ( *Nasdaq* ). See *Certain Relationships and Related Party Transactions Director Designation Agreement*. The designees pursuant to this agreement for AMC were Edward H. Meyer and Gerardo I. Lopez; for Cinemark were James R. Holland, Jr. and Lee Roy Mitchell; and for Regal were Stephen L. Lanning and Michael L. Campbell.

Our bylaws provide that directors are divided into three classes, designated as Class I, Class II and Class III. The members of each class serve for staggered three-year terms, except that Class I directors in the initial term immediately following our initial public offering ( *IPO* ) served for one year and Class II directors in the initial term immediately following our IPO served for two years. The Class I directors were re-elected in 2008 for a three-year term and the Class II directors were re-elected in 2009 for a three-year term. In 2010, the Class III directors are up for re-election. At the Annual Meeting, the stockholders will elect three Class III directors to serve until the 2013 Annual Meeting of Stockholders, and until their respective successors are duly elected and qualified. Stockholders are not entitled to cumulate votes in the election of directors and may not vote for a greater number of persons than the number of nominees named.

We are soliciting proxies in favor of the re-election of each of the nominees identified below. We intend that all properly executed proxies will be voted for these three nominees unless otherwise specified. All nominees have consented to serve as directors, if elected. If any nominee is unwilling to serve as a director at the time of the Annual Meeting, the persons who are designated as proxies intend to vote, in their discretion, for such other persons, if any, as may be designated by the board of directors. The proxies may not vote for a greater number of persons than the number of nominees named. As of the date of this proxy statement, the board of directors has no reason to believe that any of the persons named below will be unable or unwilling to serve as a nominee or as a director.

**Business Experience of the Nominees**

The names of the nominees and other information about them, such as their directorships at public companies held at any time during the past five years, if applicable and their involvement in certain legal proceedings during the past 10 years, if applicable, are set forth below. In addition, we have included information about each nominee's specific experience, qualifications, attributes or skills that led the board to conclude that the nominee should serve as a director of the Company at the time we are filing this proxy statement, in light of our business and corporate structure.

*Michael L. Campbell.* Mr. Campbell has served as a director of NCM, Inc. since October 2006. Mr. Campbell has served as Regal Entertainment Group's Executive Chairman since June 2009. Prior to that time, Mr. Campbell served as Chairman and Chief Executive Officer from May 2005 until June 2009. He has also served as a director, member of its executive committee, Co-Chairman and Co-Chief Executive Officer of Regal Entertainment Group beginning in 2002. Mr. Campbell founded Regal Cinemas, Inc. in November 1989, and served as Chief Executive Officer of Regal Cinemas, Inc. since its inception. Mr. Campbell currently serves as a director of the National Association of Theatre Owners and Regal Entertainment Group. While he was serving as Chairman and Chief Executive Officer of Regal Entertainment Group, Mr. Campbell was involved in bankruptcy proceedings of Regal Cinemas Inc., which were filed on October 11, 2001.

Mr. Campbell has over 28 years of experience founding and operating both private and public companies. Mr. Campbell brings to the Board a demonstrated ability at the most senior level of a public company in the theatre industry, which gives him a deep understanding of both the role of the board as well as the Company and its operations. Since Mr. Campbell is a board designee for one of our founding members, he brings to the board the perspective of a major stakeholder.

*Gerardo I. Lopez.* Mr. Lopez has served as a director of NCM, Inc. since April 2009. Mr. Lopez is Chief Executive Officer and President of AMC Entertainment Holdings, Inc., Marquee Holdings Inc., and AMC Entertainment Inc. He has served as Chief Executive Officer and President since March 2009, when he was also elected to AMC's Board of Directors. Prior to joining AMC, Mr. Lopez served as executive vice president of Starbucks Coffee Company and president of its Global Consumer Products, Seattle's Best Coffee and Foodservice divisions. In these roles, he led the strategy to support Starbucks' growth and expansion of consumer product offerings worldwide. Mr. Lopez was previously part of the entertainment industry during 2000-2004, when he served as president at Handleman Entertainment Resources, which provided category management and pre-recorded music distribution services to Wal-Mart, Best Buy and other major retailers in the US and abroad. In his more than 25-year career he also has served in a variety of executive management positions with International Home Foods, Frito-Lay, Pepsi-Cola and the Procter & Gamble Company. Mr. Lopez serves on the boards of AMC, TXU Corporation, Safeco Insurance, National Association of Theatre Owners and Digital Cinema Implementation Partners, LLC.

Mr. Lopez's education and experience in business and finance allows him to provide the board significant strategic, managerial and operational expertise. Mr. Lopez has held positions at the most senior level of public companies and is able to draw upon over 25 years of business experience, allowing him to bring a variety of perspectives to the Company. Since Mr. Lopez is a board designee for one of our founding members, he brings to the board the perspective of a major stakeholder.

*Lee Roy Mitchell.* Mr. Mitchell has served as a director of NCM, Inc. since October 2006. Mr. Mitchell has served as Chairman of the Board of Cinemark USA, Inc. since March 1996 and as a Director since its inception in 1987 and Chief Executive Officer of Cinemark USA, Inc. until December 2006. Mr. Mitchell serves on the boards of Cinemark Holdings, Inc. and National Association of Theatre Owners. In addition, Mr. Mitchell serves as a director and member of the compensation committee of Texas Capital Bancshares, Inc.

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

### Board Composition

Our current board of directors has ten members, as set forth below:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Kurt C. Hall	50	President, Chief Executive Officer and Chairman (Class I)
Michael L. Campbell	56	Director (Class III)
Gerardo I. Lopez	50	Director (Class III)
Lee Roy Mitchell	73	Director (Class III)
Lawrence A. Goodman	55	Director (Class I)
David R. Haas	68	Director (Class II)
James R. Holland, Jr.	66	Director (Class II)
Stephen L. Lanning	56	Director (Class II)
Edward H. Meyer	83	Director (Class II)
Scott N. Schneider	52	Director (Class I)

Set forth below is a brief description of the business experience of each of the individuals who, in addition to the nominees whose business experience is set forth above, currently serve on our board, including their directorships at public companies held at any time during the past five years, if applicable and their involvement in certain legal proceedings during the past 10 years, if applicable. In addition, we have included information about each director's specific experience, qualifications, attributes or skills that led the board to conclude that the director should serve as a director of the Company at the time we are filing this proxy statement, in light of our business and corporate structure.

*Kurt C. Hall.* Mr. Hall was appointed President, Chief Executive Officer and Chairman of NCM, Inc. in February 2007 and held those same positions with NCM LLC since March 2005. He has also served as Chairman, President and Chief Executive Officer of NCM, Inc. since October 2006. Prior to his current position, from May 2002 to May 2005, Mr. Hall served as Co-Chairman and Co-Chief Executive Officer of Regal Entertainment Group and President and Chief Executive Officer of its media subsidiary Regal CineMedia Corporation. Since 1988, Mr. Hall has held various executive positions with United Artists Theatre Company, and its predecessor companies, including CFO and then CEO when it became part of Regal Entertainment Group in 2002. Mr. Hall served on the board of directors of IdeaCast, Inc. and on its compensation committee from 2007 until 2009. In 2009, Mr. Hall joined the board of directors of RMG Networks, Inc. and serves as a member of its compensation committee. While he was serving as CEO of United Artists Theatre Company and United Artists Realty Company and their subsidiaries, Mr. Hall was involved in bankruptcy proceedings, which were filed on September 5, 2000.

Mr. Hall has contributed significantly to the founding and development of the Company since its inception. He is familiar with all aspects of the Company, including its management, operations and financial requirements and brings exceptional leadership skills to the Company. Mr. Hall's extensive theatre operating and finance experience provides insight and continuity in its strategic, operational and financial management.

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

Mr. Goodman's extensive background in the media industry allows him to provide sales and marketing advice to our board. Mr. Goodman brings significant business experience and provides strategies and solutions to address the complex media environment and to motivate and compensate executives.

*David R. Haas.* Mr. Haas has served as a director of NCM, Inc. since February 2007. He has been a private investor and financial consultant since January 1995. Mr. Haas was a Senior Vice President and Controller for Time Warner, Inc. from January 1990 through December 1994. Mr. Haas served as a director and chair of the audit committees of Information Holdings, Inc. and Armor Holdings, Inc. until November 2004 and July 2007, respectively.

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

*James R. Holland, Jr.* Mr. Holland has served as lead director of NCM, Inc. since February 2007. He has been the President and Chief Executive Officer of Unity Hunt, Inc., a diversified holding company, since September 1991, and also serves on its executive committee and board of directors. He also serves as chairman of the board of Texas Capital Bancshares, Inc., serves as an audit committee member and director of Placid Holding Co. and serves as chairman of the board of directors and on the audit and compensation committees of Hunt Midwest Enterprises, Inc.

Mr. Holland has demonstrated leadership abilities and extensive knowledge of complex financial and operational issues facing public companies. In addition, his experience as a board and audit committee member and as chief operating officer of various companies, as well as his financial expertise, brings necessary skills and viewpoints to the board.

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

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

*Edward H. Meyer.* Mr. Meyer has served as a director of NCM, Inc. since February 2007. Mr. Meyer founded Ocean Road Advisors, Inc., an investment management company, in January 2007 and currently serves as Chief Executive Officer. He was the former Chairman, Chief Executive Officer and President of Grey Global Group, Inc. from 1972 to December 2006. He also serves as a director and member of the compensation and audit committees of Harman International Industries, Inc.; director and member of the compensation committee of Ethan Allen Interiors Inc.; and director of Retail Opportunity Investments Corp. as well as various privately held corporations.

Mr. Meyer's senior executive positions at various advertising and investment companies gives him the experience to critically review the various business considerations necessary to run a business such as ours. Mr. Meyer is able to offer the board sound business and financial strategies. This, combined with his many years of experience, make him a valued contributor to the Company.

*Scott N. Schneider.* Mr. Schneider has been a director of NCM, Inc. since February 2007. Mr. Schneider became the Chief Executive Officer of AHC LLC, a financial consulting and advisory firm in October 2009. He served as Operating Partner and Chairman, Media and Communications, of Diamond Castle Holdings, LP, a private equity firm, from January 2005 to September 2009. From 2001 to 2004, Mr. Schneider served in various senior executive capacities including President, Chief Operating Officer and Vice Chairman of the Board of Citizens Communications Company. Mr. Schneider currently serves as a director of Centennial Communications Corp., Bonten Media Group, LLC and PRC, LLC. While he was serving as director, PRC, LLC filed bankruptcy proceedings in January 2008. At the request of new management to assist in evaluating financial conditions and operations, Mr. Schneider joined the board of Adelpia Communications for a one-month period prior to its bankruptcy proceedings, which were filed on June 25, 2002. Mr. Schneider resigned from the board of Adelpia Communications prior to any final determination with respect to the bankruptcy proceedings.

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

Our board of directors has determined that Lawrence A. Goodman, David R. Haas, James R. Holland, Jr., Stephen L. Lanning, Edward H. Meyer and Scott N. Schneider, all current directors, qualify as independent directors under the rules promulgated by the SEC under the Exchange Act, and by the Nasdaq. There are no family relationships among any of our executive officers, directors or nominees for director.

### **Company Leadership Structure**

The position of Board Chairman is filled by our Chief Executive Officer. We believe this combined leadership structure promotes unified leadership and direction for the Board and executive management and it conveys a singular, cohesive message to our stockholders, employees, founding members and the investment community. Our directors and management team engage frequently and directly in the flow of information and ideas and we believe our combined leadership structure facilitates the quality, quantity and timeliness of communication. The Company chose to have a lead director to lead executive sessions of non-management directors and preside over meetings in the absence of the chairman. Our lead director is James R. Holland, Jr., a member of our Audit Committee.

### **Board's Role in Risk Oversight**

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

### **Compensation Risk Assessment**

We do not believe we currently have overall compensation practices that are reasonably likely to have a material adverse effect on the Company. Our Compensation Committee reviewed the compensation policies and practices for all employees, including executive officers. The Compensation Committee considered whether the compensation program encouraged excessive risk taking by employees at the expense of long-term Company value. Based upon its assessment, the Compensation Committee does not believe that the compensation program encourages excessive or inappropriate risk-taking. The Compensation Committee believes that the design of the compensation program, which includes a mix of annual and long-term incentives, cash and equity awards and retention incentives, is balanced and does not motivate imprudent risk-taking.

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

The board of directors held six meetings during the fiscal year ended December 31, 2009 and there was one action taken by written consent. During our 2009 fiscal year, no director then in office attended fewer than 75% of the aggregate total number of meetings of the board of directors held during the period in which he was a director and of the total number of meetings held by all of the committees of the board of directors on which he served. The Company does not have a policy regarding attendance by members of the board of directors at the Company's Annual Meeting, but encourages its directors to attend. All of our directors attended our Annual Meeting of Stockholders held on April 28, 2009. The three standing committees of the board of directors are the Audit Committee, the Compensation Committee and the Nominating and Governance Committee.



The following table shows the current membership and number of meetings held by the board and each committee during our 2009 fiscal year:

**DIRECTOR COMMITTEE MEMBERSHIP AND MEETINGS**

<b>Director</b>	<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Nominating and Governance Committee</b>	<b>Board of Directors Chair</b>
Kurt C. Hall				X
Michael L. Campbell				X
Lawrence A. Goodman		Chair	X	X
David R. Haas	Chair			X
James R. Holland, Jr.	X			X
Stephen L. Lanning		X	Chair	X
Gerardo I. Lopez				