

TIME WARNER INC.
Form DEF 14A
March 31, 2008
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant ☒ x

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))
- ☒ x Definitive Proxy Statement
- ☐ " Definitive Additional Materials
- ☐ " Soliciting Material Pursuant to § 240.14a-12

Time Warner 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):

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(3) Filing Party:

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March 31, 2008

Dear Fellow Stockholder:

You are cordially invited to attend Time Warner Inc.'s 2008 Annual Meeting of Stockholders. The meeting will be held on Friday, May 16, 2008, at 10:00 am (local time) at the Omni Hotel at CNN Center in Atlanta, Georgia. A map with directions to the meeting is provided on the back cover of this Proxy Statement.

This Proxy Statement not only describes the items that stockholders are being asked to consider and vote on at the Annual Meeting, but also provides you with important information about your Company.

As a stockholder, you will be asked to vote on a number of important matters. We encourage you to vote on all the matters listed in the enclosed Notice of Annual Meeting of Stockholders and Proxy Statement. The Board of Directors recommends a vote **FOR** each of the Company proposals described as Proposals 1, 2, 3 and 4 in the Proxy Statement and **AGAINST** the stockholder proposal described as Proposal 5 in the Proxy Statement.

Whether or not you plan to attend the Annual Meeting of Stockholders in person, your vote is important. After reading the enclosed Notice and Proxy Statement, **please promptly submit your proxy by telephone, Internet or mail**. If you submit your proxy over the Internet, you will have the opportunity to agree to receive future stockholder documents electronically via e-mail, and we encourage you to do so. If you choose to vote this year by traditional proxy or instruction card, please sign, date and mail the card in the envelope provided.

If you are planning to attend the Annual Meeting in person, because of security procedures, **you will need to register in advance to gain admission to the meeting**. In addition to registering in advance, **you will be required to present government-issued photo identification** (e.g., driver's license or passport) to enter the Omni Hotel on the day of the Annual Meeting. Inspection of vehicles, packages and bags and checking of bags, among other measures, may be employed to enhance the security of those attending the meeting. These procedures may require additional time. Please plan accordingly. You can register by calling (866) 771-8463 by Wednesday, May 14, 2008. If you are unable to attend the meeting in person, you may hear the audiocast live on the Internet at www.timewarner.com/annualmeetingmaterials.

We look forward to greeting those of you who are able to attend the Annual Meeting in Atlanta.

Sincerely,

Richard D. Parsons
Chairman of the Board

Jeffrey L. Bewkes
President and Chief Executive Officer

**YOUR VOTE IS IMPORTANT. PLEASE PROMPTLY SUBMIT YOUR PROXY
BY TELEPHONE, INTERNET OR MAIL.**

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Time Warner Inc.

One Time Warner Center

New York, NY 10019-8016

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting (the "Annual Meeting") of Stockholders of Time Warner Inc. (the "Company") will be held on Friday, May 16, 2008 at 10:00 am (local time). The meeting will take place at:

Omni Hotel at CNN Center

Grand Ballroom, M4 Level, North Tower

100 CNN Center

Atlanta, GA 30303

(see directions and parking instructions on back cover)

The purposes of the meeting are:

1. To elect 12 directors for a term of one year and until their successors are duly elected and qualified;
2. To consider and approve the Company's proposal to amend the Company's Restated Certificate of Incorporation to eliminate the remaining super-majority vote requirements;
3. To consider and approve the Amended and Restated Time Warner Inc. Annual Bonus Plan for Executive Officers to preserve the Company's tax deductions;
4. To ratify the appointment of the firm of Ernst & Young LLP as independent auditors of the Company for 2008;
5. To consider and vote on the stockholder proposal described in the attached Proxy Statement, if properly presented at the Annual Meeting; and
6. To transact such other business as may properly come before the Annual Meeting.

The close of business on March 21, 2008 is the record date for determining stockholders entitled to vote at the Annual Meeting. Only holders of the Company's common stock as of the record date are entitled to vote on some or all of the matters listed in this Notice of Annual Meeting.

Whether or not you plan to attend the Annual Meeting in person, please sign and date the enclosed proxy and return it promptly in the enclosed pre-addressed reply envelope or submit your proxy by telephone or the Internet. Any stockholder of record who is present at the meeting may vote in person instead of by proxy, thereby canceling any previous proxy. You may not appoint more than three persons to act as

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your proxy at the meeting.

Please note that, if you plan to attend the Annual Meeting in person, you will need to register in advance to be admitted. You may register in advance by telephone at (866) 771-8463. The Annual Meeting will start promptly at 10:00 am. To avoid disruption, admission may be limited once the meeting begins.

TIME WARNER INC.

PAUL F. WASHINGTON

Secretary

March 31, 2008

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TIME WARNER INC.

One Time Warner Center

New York, NY 10019-8016

PROXY STATEMENT

This Proxy Statement is being furnished in connection with the solicitation of proxies by the Board of Directors of Time Warner Inc., a Delaware corporation ("Time Warner" or the "Company"), for use at the Annual Meeting of the Company's stockholders (the "Annual Meeting") to be held on Friday, May 16, 2008, at the Omni Hotel at CNN Center in Atlanta, Georgia, commencing at 10:00 am, local time, and at any adjournment or postponement, for the purpose of considering and acting upon the matters set forth in the accompanying Notice of Annual Meeting of Stockholders. Stockholders attending the Annual Meeting in person should follow the directions provided on the back cover of the Proxy Statement.

This Proxy Statement and accompanying forms of proxy and voting instructions are first being mailed on or about April 2, 2008 to stockholders entitled to vote at the Annual Meeting. For information about stockholders' eligibility to vote at the Annual Meeting, shares outstanding on the record date and the ways to submit and revoke a proxy, please see "Voting at the Annual Meeting," below.

Annual Report

A copy of the Company's Annual Report to Stockholders for the year 2007 has been sent simultaneously with this Proxy Statement or has been previously provided to all stockholders entitled to vote at the Annual Meeting.

Recommendations of the Board of Directors

The Board of Directors recommends a vote **FOR** the election of the nominees for election as directors; **FOR** the approval of the Company's proposal to amend the Company's Restated Certificate of Incorporation to eliminate the remaining super-majority vote requirements; **FOR** the approval of the Amended and Restated Time Warner Inc. Annual Bonus Plan for Executive Officers; **FOR** the ratification of the appointment of Ernst & Young LLP as independent auditors of the Company for 2008; and **AGAINST** the stockholder proposal described in this Proxy Statement.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on Friday, May 16, 2008: This Proxy Statement and the Company's 2007 Annual Report to Stockholders are available electronically at www.timewarner.com/annualmeetingmaterials.

CORPORATE GOVERNANCE

Time Warner is committed to maintaining strong corporate governance practices that allocate rights and responsibilities among the Company's stockholders, the Board of Directors (the "Board" or the "Board of Directors") and management in a manner that benefits the long-term interests of the Company's stockholders. Accordingly, the Company's corporate governance practices are designed not merely to satisfy regulatory

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requirements, but to provide for effective oversight and management of the Company.

During 2007 and early 2008, the Board took a number of steps to enhance further the Company's corporate governance. These

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changes were, to a large extent, the result of the Board's regular process of reviewing its corporate governance practices in light of proposed and adopted laws and regulations, the practices at other leading companies, the recommendations of various corporate governance authorities, and the expectations of the Company's stockholders. As part of this process, the Board considered specific suggestions.

Recent changes include the following:

Super-Majority Vote Requirements in Company's Restated Certificate of Incorporation and By-laws. At the 2007 Annual Meeting of Stockholders, stockholders approved the Company's proposal to amend the Company's Restated Certificate of Incorporation to eliminate the 80% super-majority vote requirements for stockholder-initiated amendments to the Company's By-laws. The May 2007 amendment to the Company's Restated Certificate of Incorporation, however, did not eliminate all of the super-majority vote requirements in the Company's Restated Certificate of Incorporation. During 2007, the Board gave further consideration to this matter and, as a result, the Company has included a proposal in this Proxy Statement to further amend the Company's Restated Certificate of Incorporation to eliminate the remaining super-majority provisions (see Company Proposals Proposal Two: Proposal to Amend the Company's Restated Certificate of Incorporation to Eliminate the Remaining Super-Majority Vote Requirements below).

Special Meetings of Stockholders. In December 2007, the Board adopted amendments to the Company's By-laws providing that holders of at least 25% of the combined voting power of the Company's outstanding capital stock may request a special meeting of stockholders.

Voting Standard for Election of Directors. In February 2008, the Board adopted amendments to the Company's By-laws to change the voting standard for uncontested elections of directors. Under the By-laws, as amended, uncontested elections are now subject to a majority vote, where both new and incumbent nominees must receive more for votes than against votes in order to be elected to the Board. In addition to these changes, as noted in the Compensation Compensation Discussion and Analysis section below, the Compensation and Human Development Committee has adopted policies on performance-based compensation and equity dilution. The Company has also continued to engage in an active dialogue with stockholders and others on a variety of governance matters.

Information on the Company's corporate governance is available to the public under both Corporate Governance at www.timewarner.com/governance and Investor Relations at www.timewarner.com/investors on the Company's website. The information on the website includes: the Company's By-laws, its Corporate Governance Policy (which includes the Board's categorical standards for determining director independence), the charters of the Board's three standing committees, the Company's codes of conduct, the Company's related person transactions policy, and information regarding the process by which stockholders may communicate with members of the Board of Directors. These documents are also available in print by writing to the Company's Corporate Secretary at the following address: Office of the Corporate Secretary, Time Warner Inc., One Time Warner Center, New York, NY 10019-8016.

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

Board Size

The Board of Directors has adopted a policy that its size should generally be in the range of 12 to 16 members. In establishing its

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size, the Board considers a number of factors, including (i) resignations and retirements from the current Board, (ii) the availability of candidates, and (iii) balancing the desire of having a small enough Board to facilitate deliberations with, at the same time, having a large enough Board to have the diversity of backgrounds, professional experience and skills so that the Board and its committees can effectively perform their responsibilities in overseeing Time Warner's businesses. Currently, the number of directors is 13.

Criteria for Membership on the Board

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

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

Personal Qualities. Each director must possess certain personal qualities, including financial literacy and a demonstrated reputation for integrity, judgment, business acumen, and high personal and professional ethics. In addition, each director must be at least 21 years of age at the commencement of service as a director and less than 72 years of age at the time of nomination.

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

Other Commitments. Each director must satisfy the requirements of antitrust laws that limit service as an officer or director by a significant competitor of the Company. In addition, in order to ensure that directors have sufficient time to devote to their responsibilities, the Board determined that directors should generally serve on no more than five other public company boards. Directors are also required to offer their resignation upon a significant change in their primary professional responsibilities, and the Nominating and Corporate Governance Committee will make a recommendation to the Board as to whether to accept the offer of resignation.

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

Additional Criteria for New Directors. As part of its annual assessment of the Board's composition in light of the Company's current and expected business needs, the Nominating and Governance Committee has identified additional criteria for new members of the Board. The following attributes may evolve over time depending on changes in the Board and the Company's business needs and environment, and may be changed before the proxy statement for the 2009 Annual Meeting of Stockholders is furnished to stockholders.

Professional Experience. New candidates for the Board should have significant

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experience in one or more of the following areas: chief executive officer or a senior executive of a major public corporation (or comparable position in government or the non-profit sector), including, but not limited to, those with experience in finance and/or technology.

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

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

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

Independence. In addition to the foregoing criteria, the Board of Directors and Nominating and Governance Committee have established a policy that a majority of the directors, and any newly nominated non-employee director, must satisfy the requirements to be an independent member of the Board. In addition, the Board has established the goal that a substantial majority of the Board should be independent. The Board has determined that 11 of the 13 current directors (or 85% of the Board), and 10 of the 12 nominees for director are independent in accordance with the Company's criteria. The following current directors were determined by the Board to be independent: James L. Barksdale, Stephen F. Bollenbach, Frank J. Caufield, Robert C. Clark, Mathias Döpfner, Jessica P. Einhorn, Reuben Mark, Michael Miles, Kenneth J. Novack, Francis T. Vincent, Jr. and Deborah C. Wright. Each of the foregoing directors is a nominee for director, except for Mr. Vincent, who will not stand for re-election at the Annual Meeting. The Board previously determined that Edward J. Zander, a former director who served during 2007 but did not stand for re-election at the Company's 2007 Annual Meeting, was independent during his service as a director for part of 2007.

The Board applies the following New York Stock Exchange (NYSE) criteria in making its independence determinations (for the purposes of the independence determinations under NYSE rules and the Board's categorical standards for director independence, references to the Company mean Time Warner Inc. and its consolidated subsidiaries):

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

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

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

Auditor Affiliation. The director must not be a current partner or employee of the Company's internal or external auditors and the director's immediate family member

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

Interlocking Directorships. During the past three years, the director or immediate family member cannot have been employed as an executive officer by another entity for which one of Time Warner's current executive officers served at the same time on the compensation committee.

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

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

- Ø **Charitable Contributions.** Discretionary charitable contributions by the Company to established non-profit entities with which a director or a member of the director's family is affiliated shall generally be deemed not to create a material relationship, unless they occurred within the last three years and (i) were inconsistent with the Company's philanthropic practices; or (ii) were provided to an organization where the director or spouse is an executive officer or director and the Company's contributions for the most recently completed fiscal year represent more than (a) the greater of \$100,000 or 10% of that organization's annual gross revenues for organizations with gross revenues up to \$10 million per year or (b) the greater of \$1 million or 2% of that organization's annual gross revenues for organizations with gross revenues of more than \$10 million per year; or (iii) the aggregate amount of the Company's contributions to the organizations where a director or spouse is an executive officer or director is more than the greater of \$1 million or 2% of all such organizations' annual gross revenues.
- Ø **Employment and Benefits.** The employment by the Company of a member of a director's family shall generally be deemed not to create a material relationship, unless such employment (i) is of the type set forth above under Employment or Other Compensation or (ii) involves employment at a salary of more than \$100,000 per year of a director's current spouse, domestic partner, or child. Further, vested and non-forfeitable equity-based benefits and retirement benefits provided to directors or their family members under qualified plans as a result of prior employment shall generally be deemed not to create a material relationship.
- Ø **Other Transactions.** Transactions between the Company and another entity with which a director or a member of a director's family is affiliated

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shall generally be deemed not to create a material relationship unless (i) they are of the type set forth above under Business Transactions ; (ii) they occurred within the last three years and were inconsistent with other transactions in which the Company has engaged with third parties; (iii) they occurred within the last three years and the director is an executive officer, employee or substantial owner of the other entity and such transactions represent more than 5% of the Company's annual consolidated gross revenues for the prior fiscal year or 2% of the other entity's gross revenues for the prior fiscal year; or (iv) they occurred within the last three years and the director's immediate family member serves as an executive officer of the other entity and such transactions represented more than 5% of the Company's annual consolidated gross revenues or 2% of the other entity's gross revenues for the prior fiscal year.

- Ø *Interlocking Directorships.* Service by an employee of the Company as a director of an entity where a director, or a director's family member, serves as an executive officer shall generally be deemed not to create a material relationship unless the Company employee (i) is an executive officer of the Company; (ii) reports directly to the Board; or (iii) has annual compensation that is approved by the Board's Compensation and Human Development Committee. In addition, service by an employee of the Company as a director of an entity where one of the Company's directors or a member of the director's family serves as a non-employee director shall generally be deemed not to create a material relationship.
- Ø *Educational and Other Affiliations.* Attendance by an employee of the Company at an educational institution affiliated with one of the Company's directors or a member of the director's family, or membership by an employee of the Company in a professional association, social, fraternal or religious organization, club or institution affiliated with a Company director or a member of his or her family, shall generally be deemed not to create a material relationship.
- Ø *Security Ownership.* The ownership by an employee of the Company of the securities of an entity where one of the Company's directors or a member of the director's family serves as a director or an employee shall generally be deemed not to create a material relationship, unless (i) the Company employee (a) is an executive officer of the Company or reports directly to the Board or a Committee of the Company or has annual compensation approved by the Compensation and Human Development Committee and (b) beneficially owns more than 5% of any class of the other entity's voting securities; and (ii) the Company director or a member of a director's family is a director or executive officer of the other entity.

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

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The following are types of transactions, relationships or arrangements that the Board of Directors considered in determining the independence of those directors identified above as being independent:

Business Transactions: Transactions in the ordinary course of business between the Company and an entity of which the Company's director is an executive officer, employee or substantial owner, or an immediate family member is an executive officer. Within the three most recent completed fiscal years, the Company has engaged in transactions in the ordinary course of business with the following companies and/or their subsidiaries: Hilton Hotels Corporation (for which Mr. Bollenbach previously served as Co-Chairman and Chief Executive Officer), Axel Springer AG (for which Mr. Döpfner serves as Chairman and Chief Executive Officer), Colgate-Palmolive Company (for which Mr. Mark serves as Chairman and previously served as Chief Executive Officer), Staples, Inc. (for which an immediate family member of Mr. Miles serves as an executive officer), Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, PC (where Mr. Novack is employed as Senior Counsel), Carver Federal Savings Bank (for which Ms. Wright serves as President and Chief Executive Officer) and Motorola, Inc. (for which Mr. Zander served as Chief Executive Officer and serves as Chairman).

Other Business Transactions: Transactions in the ordinary course of business between the Company and an entity of which the Company's director serves or served as a non-employee director in 2007. Although these types of transactions would generally not prevent a determination that a director is independent, information regarding such transactions is provided to the Board of Directors for consideration. Within the three most recent completed fiscal years, the Company has engaged in transactions in the ordinary course of business with the following companies and/or their subsidiaries for which the following directors served as non-employee director or trustee during all or part of 2007: FedEx Corporation, Sun Microsystems, Inc. and Revolution Health Group LLC (Mr. Barksdale); KB Home, Harrah's Entertainment, Inc. and Macy's, Inc. (Mr. Bollenbach); Omnicom Group, Inc. and TIAA (Mr. Clark); ProSiebenSat.1 Media AG and dpa Deutsche Presse Agentur GmbH (Mr. Döpfner); Cabela's Incorporated (Mr. Mark); AMR Corporation, Citadel Broadcasting Corporation and Dell Inc. (Mr. Miles); Kraft Foods Inc. (Ms. Wright); and Netezza Corporation, Boston University and Rensselaer Polytechnic Institute (Mr. Zander).

Charitable Contributions: Discretionary charitable contributions to organizations for which a Company's director or a director's spouse serves as an executive officer or director. Within the three most recent completed fiscal years, the Company has made discretionary charitable contributions that are consistent with the Company's philanthropic practices to organizations affiliated with 8 of the Company's 11 current non-employee directors. These contributions were below the thresholds contained in the Company's Corporate Governance Policy.

Other Relationships:

Within the three most recent completed fiscal years, (i) Mr. Caufield and Ms. Einhorn have served, and continue to serve, on the global advisory board of J.E. Robert Companies; (ii) a President and Chief Executive Officer of one of the Company's subsidiaries has served, and continues to serve, as a trustee of TIAA, where Mr. Clark also serves as a trustee; and (iii) Ms. Einhorn and Mr. Bewkes have served as directors on

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the board of the Council on Foreign Relations.

Mr. Vincent leases office space in Stamford, Connecticut from Time Warner Cable Inc. See Additional Information below. The Nominating and Governance Committee and the Board of Directors reviewed the transactions, relationships or arrangements described above and, based on the Company's categorical standards and the NYSE rules governing director independence, determined that the transactions, relationships or arrangements did not affect the applicable director's independence.

Director Nomination Process

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

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

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

Identifying New Candidates. In light of such assessments, the Committee may seek to identify new candidates for the Board who possess the specific qualifications established by the Committee and satisfy the other requirements for Board service. In identifying new director candidates, the Committee seeks advice and names of candidates from Committee members, other members of the Board, members of management, and other public and private sources. The Committee may also, but need not, retain a search firm in order to assist it in these efforts. In 2007, the Committee retained an outside search firm to assist the Committee in identifying potential candidates for the Board and performing due diligence with respect to potential candidates.

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

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

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

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

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

Director Elections. The Company's By-laws, as amended in February 2008, provide that, in any uncontested election of directors, each person receiving a majority of the votes cast will be deemed elected. Accordingly, any new director nominee in an uncontested election who receives more against votes than for votes will not be elected to the Board. If any incumbent director receives more against votes than for votes, he or she must submit an offer to resign from the Board no later than two weeks after the certification by the Company of the voting results. The Board will then consider the resignation offer and may either accept the offer or reject the resignation offer and seek to address the underlying cause(s) of the against votes. The Board is required to make its determination within 90 days following the certification of the stockholder vote and make a public announcement of its decision, including a statement regarding the reasons for its decision if the Board rejects the resignation offer. This procedure also provides that the Chairman of the Nominating and Governance Committee has the authority to manage the Board's review of the resignation offer, except in the circumstance in which it is the Chairman of the Nominating and Governance Committee who has received the majority-withheld vote. In such a circumstance, the remaining independent directors who did not receive majority-withheld votes would select a director to manage the process. In any contested election of directors, the election will be subject to a plurality vote standard, where the persons receiving the highest numbers of the votes cast, up to the number of directors to be elected in such election, will be deemed elected. A contested election is one in which the number of persons nominated exceeds the number of directors to be elected as of the date that is ten days prior to the date that the Company first mails its notice of meeting for such meeting to the stockholders.

Board Responsibilities

The Board's primary responsibility is to seek to maximize long-term stockholder value. The Board selects senior management of the Company, monitors management's and the Company's performance, and provides advice and counsel to management. Among other things, at least annually, the Board reviews the Company's strategy and approves a business plan and budget for the Company. As part of the Board's review of the Company's strategy, the Board evaluates the Company's businesses and determines whether, in its view, stockholder value would be enhanced by expanding, divesting or otherwise restructuring the ownership of any of these businesses. The Board also reviews and approves transactions in accordance with guidelines that the Board may adopt from time to time. In fulfilling the Board's responsibilities, directors have full access to the Company's management, internal and external auditors, and outside advisors.

In 2007, the Board approved a number of significant actions, including (i) the election of a new Chief Executive Officer and Chief Financial Officer as part of an orderly transition process for both positions, (ii) divestitures to streamline and strengthen the Company's portfolio of businesses (such as the divestiture of

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the Atlanta Braves baseball franchise and the Parenting Group and most of the Time4Media magazines); and (iii) acquisitions to strengthen the Platform-A advertising network business of the Company's AOL division and thereby accelerate AOL's transition from a subscription-based Internet access business to a primarily advertising-supported business. In addition to its regular reviews of the Company's strategy and business plan, the Board also focused on the Company's strategy for international growth, as well as its public policy and corporate social responsibility activities.

Board Meetings and Executive Sessions

The Board of Directors not only holds regular quarterly meetings, but also holds at least four special-purpose meetings each year to review the Company's strategy, to approve its annual business plan and annual budget, and to act on the Company's annual proxy statement and to approve financial filings with the Securities and Exchange Commission (the "SEC"). The Board of Directors also communicates informally with management on a regular basis.

Non-employee directors, all of whom are independent, meet by themselves, without management or employee directors present, at every regularly scheduled Board meeting. Any director may request additional executive sessions.

These executive sessions are led by the Chair of the committee that has primary responsibility for the matter being discussed (*e.g.*, the Audit and Finance Committee Chair would lead a discussion of audit-related matters). When it is not apparent which committee has specific responsibility for the subject matter, the Lead Independent Director leads the discussion. By a majority vote, the Board, non-employee directors, or independent directors may retain their own counsel or other advisors.

Lead Independent Director

Since May 19, 2006, Mr. Caufield has served as Lead Independent Director. The Lead Independent Director presides at executive sessions of the Board (see "Board Meetings and Executive Sessions" above) and serves as the liaison between the Chairman and the other Directors (unless the matter under consideration is within the jurisdiction of one of the Board's committees). In addition, the Lead Independent Director's responsibilities include: advising the Chairman of the Board with respect to the schedule, agenda and information for Board meetings (including possessing the ability to include specific items on those agendas); advising the Chairman of the Board with respect to consultants who may report directly to the Board; and being available, as appropriate, for communication with the Company's stockholders.

Committees of the Board

The Board has three standing committees: the Audit and Finance Committee, the Compensation and Human Development Committee and the Nominating and Governance Committee.

Each committee is composed entirely of independent directors. The Chair of each committee is elected by the Board and rotated periodically. Each committee also holds regular executive sessions at which management is not present. Each committee is also authorized to retain its own outside counsel and other advisors as it desires.

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

Audit and Finance Committee. The Audit and Finance Committee assists the Board of Directors in fulfilling its responsibilities in connection with the Company's (i) independent auditors, (ii) internal audit function, (iii) ethics and compliance program and risk management

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policies and processes, (iv) responses to any regulatory actions involving financial, accounting and internal control matters, (v) earnings releases and guidance, financial statements and systems of disclosure controls and procedures and internal control over financial reporting, and (vi) capital structure and financial capacity and strategy.

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

Compensation and Human Development Committee. The Compensation and Human Development Committee is responsible for (i) approving compensation and employment agreements for, and reviewing benefits provided to, the Company's senior executives, (ii) overseeing the Company's disclosure regarding executive compensation and, together with the Nominating and Development Committee, making recommendations to the Board regarding the Company's responses to stockholder proposals related to compensation matters for inclusion in the Company's annual proxy statement, (iii) reviewing the Company's overall compensation structure and benefit plans, (iv) reviewing the Company's response to regulatory developments affecting compensation, (v) reviewing officer appointments, and (vi) overseeing the Company's human development programs, including recruitment, retention, development, diversity and internal communication programs. Except as otherwise prohibited by law, the Company's Restated Certificate of Incorporation or By-laws, the Committee may delegate its responsibilities to subcommittees or individuals.

The Compensation and Human Development Committee's primary processes for establishing and overseeing executive compensation are described in the Compensation Compensation Discussion and Analysis section below.

Compensation Committee Interlocks and Insider Participation. Consistent with the Company's categorical standards for director independence and the charter of the Compensation and Human Development Committee, none of the Compensation and Human Development Committee members (i) has ever been an officer or employee of the Company or (ii) is or was a participant in a related person transaction in 2007. None of the Company's executive officers serves, or in 2007 served, as a member of the board of directors or compensation committee of any entity that has one or more of its executive officers serving as a member of the Company's Board of Directors or the Compensation and Human Development Committee.

Board Self-Evaluation

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

Director Orientation and Education

Each individual, upon joining the Board of Directors, is provided with an orientation regarding the role and responsibilities of the Board and the Company's operations. As part of this orientation, new directors meet with members of the Company's senior management. The Company is also committed to the ongoing education of its directors. From time to time, the Company's executives and the heads of its

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business groups make presentations to the Board regarding their respective areas. Moreover, the Company reimburses directors for reasonable expenses relating to ongoing director education.

Non-Employee Director Compensation and Stock Ownership

The Board of Directors is responsible for establishing compensation for the Company's non-employee directors. At least every two years, the Nominating and Governance Committee reviews, with assistance from an outside consultant, the compensation for non-employee directors, including reviewing compensation provided to non-employee directors at other companies, and makes a recommendation to the Board for its approval. It is the Company's policy that the majority of non-employee directors' compensation should be equity-based. (For details on the compensation currently provided to non-employee directors, please see Compensation Director Compensation.)

It is also the Board's policy that non-employee directors are encouraged to own the Company's stock and each is expected to own at least 5,000 shares of the Company's stock within three years of joining the Board. Additionally, in January 2003, the Board of Directors adopted a policy requiring non-employee directors to retain for a period of at least one year shares of the Company's common stock representing at least 75% of the estimated after-tax gain realized upon the exercise of stock options, after paying the exercise price, or the vesting of restricted stock. (For purposes of this calculation, the tax rate is deemed to be 50%.)

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

Codes of Conduct

In order to help assure the highest levels of business ethics at the Company, the Board of Directors has adopted the following three codes of conduct, which are posted on the Company's website at www.timewarner.com/governance.

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

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

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disciplinary action (including termination of employment).

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

Policy and Procedures Governing Related Person Transactions

In February 2007, the Board adopted the Time Warner Inc. Policy and Procedures Governing Related Person Transactions. This is a written policy and set of procedures for the review and approval or ratification of transactions involving related persons, which consist of directors, director nominees, executive officers, persons or entities known to the Company to be the beneficial owner of more than five percent (5%) of any outstanding class of the voting securities of the Company, or immediate family members or certain affiliated entities of any of the foregoing persons. Under authority delegated by the Board, the Nominating and Governance Committee (or its Chair, under certain circumstances) is responsible for applying the policy with the assistance of the General Counsel or his designee (if any). Transactions covered by the policy consist of any financial transaction, arrangement or relationship or series of similar transactions, arrangements or relationships, in which (i) the aggregate amount involved will or may be expected to exceed \$100,000 in any calendar year; (ii) the Company is, will or may be expected to be a participant; and (iii) any related person has or will have a direct material interest or an indirect material interest.

In addition to the requirements described above for transactions covered by the policy, the policy includes a list of categories of transactions identified by the Board as having no significant potential for an actual or apparent conflict of interest or improper benefit to a related person, and thus are not subject to review by the Nominating and Governance Committee. These excluded transactions consist of the following types of transactions between the Company or any of its consolidated subsidiaries and a related person or another entity with which a related person is affiliated:

Ordinary Course Transactions with Other Entities. Transactions between the Company and another entity with which a related person is affiliated, if the transactions occur in the ordinary course of business and are consistent with other transactions in which the Company has engaged with third parties, unless (a) the related person serves as an executive officer, employee, or beneficial owner of an equity interest of 10% or more in the other entity and (b) the transactions, in the aggregate, represent more than 5% of the Company's consolidated gross revenues for the prior fiscal year or 2% of the other entity's gross revenues for the prior fiscal year;

Charitable Contributions. Discretionary charitable contributions by the Company to an established non-profit entity with which a related person is affiliated, if the contributions are consistent with the Company's philanthropic practices, unless (a) the related person is an executive officer or director of the non-profit entity and (b) the Company's contributions represent (or are expected to represent), for the most recent fiscal year, more than: (i) the greater of \$100,000 or 10% of the individual non-profit entity's annual gross revenues (for entities with gross revenues up to \$10 million per year), or (ii) the greater of \$1 million or 2% of the individual non-profit entity's annual gross revenues (for entities with gross revenues of more than \$10 million per year), or (iii) the greater of \$1 million or 2% of the annual gross revenues in the aggregate of all of the related person's affiliated non-profit entities that

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have received charitable contributions by the Company during the current calendar year;

Transactions with Significant Stockholders. Transactions between the Company and a corporation, firm or other entity known to the Company to be the beneficial owner of more than 5% of any outstanding class of the Company's voting securities (a Significant Stockholder), if the transactions occur in the ordinary course of business and are consistent with other transactions in which the Company has engaged with third parties, unless the transactions, in the aggregate, represent more than 5% of the Company's consolidated gross revenues for the prior fiscal year or 2% of the Significant Stockholder's gross revenues for the prior fiscal year;

Non-employee Position with Other Affiliated Entities. Transactions where the related person is an individual and the related person's interest in the transaction is based solely on his or her position as (a) a non-employee director of the other entity or (b) subject to the requirements relating to the Company's charitable contributions as described above, a non-employee director or trustee, or unpaid volunteer at a non-profit organization;

Executive Compensation. Any compensation paid to an executive officer of the Company if (a) the compensation is required to be reported in the Company's annual report on Form 10-K or proxy statement under the compensation disclosure requirements of the SEC or (b)(i) the executive officer is not an immediate family member otherwise covered by the policy and the compensation would be reported in the Company's annual report on Form 10-K or proxy statement if the executive officer was a named executive officer (as defined under SEC rules) and (ii) the Compensation and Human Development Committee approved (or recommended that the Board approve) such compensation;

Director Compensation. Any compensation paid to a director of the Company if the compensation is required to be reported in the Company's annual report on Form 10-K or proxy statement under the SEC's compensation disclosure requirements;

Transactions Where All Stockholders Receive Proportional Benefits. Transactions where the related person's interest arises solely from the ownership of the Company's common stock and all holders of the common stock received the same benefit on a *pro rata* basis (e.g., dividends);

Transactions Involving Competitive Bids, Regulated Transactions and Certain Banking-Related Services. Transactions involving a related person where the rates or charges involved are determined by competitive bids; transactions with a related person involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority; or transactions with a related person involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services; and

Other. Other categories of transactions that may be identified by the Nominating and Governance Committee from time to time as having no significant potential for an actual, or the appearance of a, conflict of interest or improper benefit to a related person. The General Counsel or his designee will assess whether any proposed transaction involving a related person is a related person transaction covered by the policy. If so, the transaction will be presented to the Nominating and Governance Committee for review and consideration at its next meeting or, in those

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instances in which the General Counsel or his designee determines that it is not practicable or desirable for the Company to wait until the next Committee meeting, to the Chair of the Nominating and Governance Committee. If the General Counsel or his designee potentially may be involved in a related person transaction, the applicable person is required to inform the Chief Executive Officer and the Chair of the Nominating and Governance Committee. Related person transactions (other than the excluded transactions described above) will be reviewed and be subject to approval by the Nominating and Governance Committee. If possible, the approval will be obtained before the Company commences the transaction or enters into or amends any contract relating to the transaction. If advance Committee approval of a related person transaction is not feasible or not identified prior to commencement of a transaction, then the transaction will be considered and, if the Nominating and Governance Committee determines it to be appropriate, ratified at the Committee's next regularly scheduled meeting.

In determining whether to approve or ratify a related person transaction covered by the policy, the Nominating and Governance Committee may take into account such factors it deems appropriate, which may include:

the extent of the related person's interest in the transaction;

whether the transaction would interfere with the objectivity and independence of any related person's judgment or conduct in fulfilling his or her duties and responsibilities to the Company;

whether the transaction is fair to the Company and on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances;

whether the transaction is in the interest of the Company and its stockholders; and

whether the transaction is consistent with any conflicts of interest policies set forth in the Company's Standards of Business Conduct and other policies.

A member of the Nominating and Governance Committee who potentially is a related person in connection with a particular proposed related person transaction will not participate in any discussion or approval of the transaction, other than discussions for the purpose of providing material information concerning the transaction to the Committee. The Time Warner Inc. Policy and Procedures Governing Related Person Transactions is posted on the Company's website at www.timewarner.com/governance. During 2007, there were no transactions that were covered by this policy. See Additional Information below for a description of transactions between the Company and certain related persons during 2007 that were not covered by this policy.

Ethical Sourcing Guidelines

The Time Warner Ethical Sourcing Guidelines adopted in 2007 set forth the standards in areas such as employment, health, safety and the environment that the Company expects its vendors to follow. For example, the Guidelines provide that the Company expects that its vendors will not discriminate in employment practices, employ persons under a certain age, use forced or involuntary labor, or use coercion or harassment against employees. The failure to follow the Guidelines may impact a vendor's ability to continue to do business with the Company. The Guidelines are posted on the Company's website at www.timewarner.com/citizenship.

Communication with the Directors

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

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DIRECTORS

Term

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

Director Independence and Qualifications

As set forth in the Company's Corporate Governance Policy, in selecting its slate of nominees for election to the Board, the Nominating and Governance Committee and the Board have evaluated, among other things, each nominee's independence, satisfaction of regulatory requirements, financial literacy, personal and professional accomplishments and experience in light of the needs of the Company and, with respect to incumbent directors, past performance on the Board. See Corporate Governance Criteria for Membership on the Board. Each of the nominees is currently a director of the Company. The By-laws require a majority of the Board to be independent, but the Board's objective is that a substantial majority of its members be independent. The Board of Directors has determined that 10 of the 12 director nominees (83%) have no material relationship with the Company either directly or indirectly and are independent within the meaning of the listing requirements of the NYSE and the Company's more rigorous independence standards (such directors, the Independent Directors, and all other directors, the Affiliated Directors). In addition, the Board has determined that each director nominee is financially literate and possesses the high level of skill, experience, reputation and commitment that is mandated by the Board. The biographical information below identifies the Independent Directors and Affiliated Directors. See Corporate Governance Criteria for Membership on the Board for information regarding the types of transactions, relationships or arrangements that the Board considered in determining the independence of the director nominees who are identified below as being independent.

Set forth below are the principal occupation and certain other information, as of March 31, 2008, for the 12 nominees, each of whom currently serves as a director. To the extent that any of the director nominees previously served as a director of either AOL LLC (formerly named America Online, Inc.) (AOL) or the company then known as Time Warner Inc. (Historic TW) prior to their merger (the AOL-Historic TW Merger) on January 11, 2001 (the Merger Date), this prior service is described in the information set forth below.

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Nominees for Election at the Annual Meeting

Name and Year First Became a	Principal Occupation
Director of the Company	During the Past Five Years
James L. Barksdale	Chairman and President of Barksdale Management Corporation , a private investment management company. He is also a partner and co-founder of The Barksdale Group April 1999 to present.
2001	<p>Prior Professional Experience: Previously, Mr. Barksdale served in the following positions:</p> <p>President and CEO, Netscape Communications Corp. 1995 to 1999 (when it was acquired by AOL).</p> <p>Chief Executive Officer, AT&T Wireless Services (formerly McCaw Cellular Communications) 1993 to 1994.</p> <p>Executive Vice President and Chief Operating Officer, FedEx Corporation 1983 to 1992.</p> <p>Chief Information Officer, FedEx Corporation 1979 to 1983.</p> <p>Chief Information Officer and other management positions, Cook Industries 1972 to 1979.</p> <p>Company Directorship: Mr. Barksdale is an Independent Director. He was a Director of AOL from March 1999 until the AOL-Historic TW Merger in January 2001, and has been a Director of the Company since that date.</p> <p>Other Directorships: Mr. Barksdale serves as a director of FedEx Corporation and Sun Microsystems, Inc. He also serves as a special advisor to Kleiner Perkins Caufield & Byers, a venture capital firm.</p>

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Name and Year First Became a	Principal Occupation
Director of the Company	During the Past Five Years
Jeffrey L. Bewkes	President and Chief Executive Officer of the Company January 2008 to present.
2007	

Prior Professional Experience: Previously, Mr. Bewkes served in the following positions:

President and Chief Operating Officer of the Company January 2006 through December 2007.

Chairman, Entertainment & Networks Group, of the Company July 2002 to December 2005.

Chairman and Chief Executive Officer of the Home Box Office division of the Company May 1995 to July 2002.

President and Chief Operating Officer of the Home Box Office division of the Company September 1991 to May 1995.

Company Directorship: Mr. Bewkes is an **Affiliated Director**. He has been a Director of the Company since January 2007.

Other Directorships: Mr. Bewkes is a member of the board or other governing body of several non-profit organizations.

Stephen F. Bollenbach	65 Former Co-Chairman and Chief Executive Officer of Hilton Hotels Corporation
2001	

Prior Professional Experience: Previously, Mr. Bollenbach served in the following positions:

Co-Chairman and Chief Executive Officer of Hilton Hotels Corporation May 2004 to October 2007.

President and Chief Executive Officer, Hilton Hotels Corporation 1996 to 2004.

Senior Executive Vice President and Chief Financial Officer, The Walt Disney Company 1995 to 1996.

President and Chief Executive Officer, Host Marriott Corporation 1993 to 1995.

Chief Financial Officer, Marriott Corp. 1992 to 1993.

Company Directorship: Mr. Bollenbach is an **Independent Director**. He was a Director of Historic TW from 1997 until the AOL-Historic TW Merger in January 2001, and has been a Director of the Company since that date.

Other Directorships: Mr. Bollenbach serves as a director of American International Group, Inc., Harrah's Entertainment, Inc., KB Home and Macy's, Inc.

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Name and Year First Became a	Principal Occupation
Director of the Company	During the Past Five Years
Frank J. Caufield	Co-Founder and Partner Emeritus of Kleiner Perkins Caufield & Byers (KPCB) 1978 to present. KPCB is one of the largest venture capital firms in the U.S.
2001	

Prior Professional Experience: Previously, Mr. Caufield served as General Partner and Manager, Oak Grove Ventures, a venture capital partnership in Menlo Park, California 1973 to 1978.

Company Directorship: Mr. Caufield is an **Independent Director**. He was a Director of AOL from 1991 until the AOL-Historic TW Merger in January 2001, and has been a Director of the Company since that date.

Other Directorships: Mr. Caufield serves as a director of JER Investors Trust Inc., a member of the global advisory board of J.E. Robert Companies and a member of the advisory board of Darwin Ventures.

Robert C. Clark	64 Distinguished Service Professor at Harvard University July 2003 to present. His research and teaching interests are centered on corporate governance.
2004	

Prior Professional Experience: Previously, Mr. Clark served in the following positions:

Dean and Royall Professor of Law, Harvard Law School 1989 to 2003.

Professor, Harvard Law School 1978 to 2003. Concentrated on corporate law; author of *Corporate Law*.

Professor, Yale Law School 1974 to 1978.

Associate, Ropes & Gray 1972 to 1974. Practice involved commercial and corporate law.

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Company Directorship: Mr. Clark is an **Independent Director**. He has been a Director of the Company since January 2004.

Other Directorships: Mr. Clark serves as a director of Omnicom Group, Inc. He is also a trustee of TIAA, a large pension fund serving the higher education community.

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Name and Year First Became a	Principal Occupation
Director of the Company	During the Past Five Years
Mathias Döpfner	Chairman and Chief Executive Officer of Axel Springer AG , a large newspaper and magazine publishing company in Germany January 2002 to present. Also serves as Head of the Newspapers Division of Axel Springer AG November 2000 to present.
2006	

Prior Professional Experience: Previously, Mr. Döpfner served in the following positions:

Member of the Executive Board of the Electronic Media Division of Axel Springer AG July 2000 to November 2000.

Editor-in-Chief of *Die Welt* 1998 to 2000.

Editor-in-Chief of *Hamburger Morgenpost* 1996 to 1998.

Editor-in-Chief of *Wochenpost* 1994 to 1996.

Company Directorship: Mr. Döpfner is an **Independent Director**. He has been a Director of the Company since July 2006.

Other Directorships: Mr. Döpfner serves as a member of the supervisory boards of directors of ProSiebenSat.1 Media AG, dpa Deutsche Presse Agentur GmbH and Leipziger Verlags-und Druckereigesellschaft mbH & Co. KG. Mr. Döpfner also serves as a Managing Director of Brillant 310 GmbH.

Jessica P. Einhorn	60 Dean of the Paul H. Nitze School of Advanced International Studies (SAIS) at The Johns Hopkins University June 2002 to present.
2005	

Prior Professional Experience: Previously, Ms. Einhorn served in the following positions:

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Consultant, Clark & Weinstock, a strategic communications and public affairs consulting firm 2000 to 2002.

Visiting Fellow, International Monetary Fund 1998 to 1999.

Executive positions at The World Bank, an international economic development organization 1978 to 1979 and 1981 to 1999, including Managing Director for Finance and Resource Mobilization 1996 to 1998.

Company Directorship: Ms. Einhorn is an **Independent Director**. She has been a Director of the Company since May 2005.

Other Directorships: Ms. Einhorn serves as chair of the global advisory board of J.E. Robert Companies. She is also a director of the Peter G. Peterson Institute for International Economics, the Center for Global Development, and the National Bureau of Economic Research.

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Name and Year First Became a	Principal Occupation
Director of the Company	During the Past Five Years
Reuben Mark	Chairman of Colgate-Palmolive Company , a major consumer products company July 2007 to present.

2001

Prior Professional Experience: Previously, Mr. Mark served in the following positions:

Chairman and Chief Executive Officer of Colgate-Palmolive Company 1986 to July 2007.

Chief Executive Officer, Colgate-Palmolive Company 1984 to 1986.

Executive positions at Colgate-Palmolive, including President and Chief Operating Officer; Group Vice President in charge of U.S. operations; Vice President for the Far East; President of Colgate-Canada; and President of Colgate's Venezuelan subsidiary 1963 to 1984.

Company Directorship: Mr. Mark is an **Independent Director**. He was a Director of Historic TW from 1993 until the AOL-Historic TW Merger in January 2001, and has been a Director of the Company since that date.

Other Directorships: Mr. Mark serves as a director of Cabela's Incorporated and Colgate-Palmolive Company.

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Name and Year First Became a	Principal Occupation
Director of the Company	During the Past Five Years
Michael A. Miles	Special Limited Partner, Forstmann Little & Company , a private equity firm February 1995 to present.
2001	

Prior Professional Experience: Previously, Mr. Miles served in the following positions:

Chairman of the Board and Chief Executive Officer of Philip Morris Companies Inc. (now named Altria Group, Inc.) 1991 to 1994.

Vice Chairman and a member of the Board of Directors of Philip Morris Companies Inc. and Chairman and Chief Executive Officer of Kraft Foods Inc. 1989 to 1991. Previously served as Kraft Foods President and Chief Executive Officer, and President and Chief Operating Officer 1982 to 1991.

Executive positions at Heublein, Inc., including Senior Vice President of Foods and Chairman of Kentucky Fried Chicken Corporation (KFC) Worldwide; Senior Vice President of Marketing for its Kentucky Fried Chicken subsidiary; Vice President and General Manager of Heublein's Grocery Products Group; Group Vice President of Heublein's international operations 1971 to 1982.

Executive positions at Leo Burnett Co., a Chicago-based advertising agency 1961 to 1971.

Company Directorship: Mr. Miles is an **Independent Director**. He was a Director of Historic TW from 1995 until the AOL-Historic TW Merger in January 2001, and has been a Director of the Company since that date.

Other Directorships: Mr. Miles serves as a director of AMR Corporation, Citadel Broadcasting Corporation and Dell Inc.

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Name and Year First Became a	Principal Occupation
Director of the Company	During the Past Five Years
Kenneth J. Novack	Senior Counsel, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, PC, a Boston-based law firm January 2004 to present.
2001	

Prior Professional Experience: Previously, Mr. Novack served in the following positions:

Vice Chairman of the Company from the AOL-Historic TW Merger in January 2001 to December 2003.

Vice Chairman, AOL May 1998 to the AOL-Historic TW Merger in January 2001.

Of Counsel, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, PC 1998 to 2001.

Attorney, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, PC 1966 to 1998, and served on its executive committee from 1970 until his retirement in 1998.

Company Directorship: Mr. Novack is an **Independent Director**. He was a Director of AOL from January 2000 until the AOL-Historic TW Merger in January 2001, and has been a Director of the Company since that date.

Other Directorships: Mr. Novack serves in the following capacities for the following privately held companies: a director of Appleton Partners, Inc., BBN Technologies, Inc., EveryZing, Inc., Paratek Pharmaceuticals, Inc., Prematics, Inc. and Leerink Swann & Company, and an advisory director for Gordon Brothers Group.

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Name and Year First Became a	Principal Occupation
Director of the Company	During the Past Five Years
Richard D. Parsons	Chairman of the Board of the Company January 2008 to present.

2001

Prior Professional Experience: Previously, Mr. Parsons served in the following positions:

Chairman and Chief Executive Officer of the Company May 2003 through December 2007.

Chief Executive Officer of the Company May 2002 to May 2003.

Co-Chief Operating Officer of the Company Merger Date to May 2002.

President, Historic TW February 1995 to the Merger Date.

Chairman and Chief Executive Officer, The Dime Savings Bank of New York, FSB January 1991 to February 1995.

Company Directorship: Mr. Parsons is an **Affiliated Director**. He was a director of Historic TW from 1991 until the AOL-Historic TW Merger in January 2001, and has been a Director of the Company since that date.

Other Directorships: Mr. Parsons serves as a director of Citigroup Inc. and Estee Lauder Companies, Inc.

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Name and Year First Became a	Principal Occupation
Director of the Company	During the Past Five Years
Deborah C. Wright	Chairman, President and Chief Executive Officer of Carver Bancorp, Inc. and Carver Federal Savings Bank February 2005 to present. Carver Bancorp, Inc. is the holding company for Carver Federal Savings Bank, a federally chartered savings bank.
2005	

Prior Professional Experience: Previously, Ms. Wright served in the following positions:

President and Chief Executive Officer of Carver Bancorp, Inc. and Carver Federal Savings Bank 1999 to 2005.

President and Chief Executive Officer of the Upper Manhattan Empowerment Zone Development Corporation, a redevelopment fund 1996 to 1999.

Commissioner of the Department of Housing Preservation and Development 1994 to 1996.

Member of the New York City Planning Commission 1992 to 1994, and the New York City Housing Authority Board 1990 to 1992.

Company Directorship: Ms. Wright is an **Independent Director**. She has been a Director of the Company since May 2005.

Other Directorships: Ms. Wright serves as a director of Carver Bancorp, Inc. and Kraft Foods Inc.

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Attendance

During 2007, the Board of Directors met 11 times. No incumbent director attended fewer than 75% of the total number of meetings of the Board of Directors and the committees of which he or she was a member. In addition, the directors are encouraged and expected to attend the annual meetings of the Company's stockholders. All of the directors nominated for election at the 2007 Annual Meeting of Stockholders attended the meeting.

Committee Membership

The Company's By-laws currently establish three principal standing committees of the Board. The Board of Directors and the members of each of the committees meet regularly in executive session without management. The current members of the Board's principal committees are as follows:

Compensation and Human Development Committee. The members of the Compensation and Human Development Committee are Messrs. Caufield, Döpfner, Miles (Chair) and Vincent and Ms. Wright, each of whom is an Independent Director who is also independent under the NYSE listing standards. The authority and responsibility of the Compensation and Human Development Committee, which met nine times during 2007, are described above (see Corporate Governance Committees of the Board) and set forth in detail in its charter, which is posted on the Company's website at www.timewarner.com/governance.

Nominating and Governance Committee. The members of the Nominating and Governance Committee are Messrs. Barksdale, Caufield and Clark (Chair) and Ms. Einhorn, each of whom is an Independent Director who is also independent under the NYSE listing standards. The authority and responsibility of the Nominating and Governance Committee, which met eight times during 2007, are described above (see Corporate Governance Committees of the Board) and set forth in detail in its charter, which is posted on the Company's website at www.timewarner.com/governance.

Audit and Finance Committee. The members of the Audit and Finance Committee are Messrs. Bollenbach (Chair), Clark, Mark and Vincent and Ms. Einhorn and Wright, each of whom is an Independent Director who is also independent under the NYSE listing standards. The Board has determined that each of the members of the Committee is financially literate in accordance with the NYSE listing standards. In addition, the Board has determined that each of Messrs. Bollenbach, Clark, Mark and Vincent and Ms. Wright is an audit committee financial expert as defined under rules promulgated by the SEC. The authority and responsibility of the Audit and Finance Committee, which met eight times during 2007, are described above (see Corporate Governance Committees of the Board) and set forth in detail in its charter, which is posted on the Company's website at www.timewarner.com/governance.

Table of Contents**SECURITY OWNERSHIP****Security Ownership of the Board of Directors and Executive Officers**

The following table sets forth information concerning the beneficial ownership of the Company's common stock, par value \$.01 per share (Common Stock), as of January 31, 2008 for each current director, each nominee for election as a director, each of the persons named in the Summary Compensation Table below and for all current directors and executive officers as a group.

Name of Beneficial Owner	Common Stock Beneficially Owned(1)			
	Number of Shares	Option Shares(2)	Restricted Stock Units(3)	Percent of Class
James L. Barksdale(4)	498,883	112,000	0	*
Jeffrey L. Bewkes(5)	556,513	5,557,525	75,000	*
Stephen F. Bollenbach	21,988	125,500	0	*
Paul T. Cappuccio(5)	77,494	3,069,675	20,000	*
Frank J. Caufield	545,771	352,000	0	*
Robert C. Clark	11,252	14,000	0	*
Mathias Döpfner	5,000	0	0	*
Jessica P. Einhorn	3,264	6,000	0	*
Patricia Fili-Krushel(5)	45,623	1,075,475	15,000	*
Reuben Mark(6)	1,060,040	125,500	0	*
Michael A. Miles	56,581	125,500	0	*
Kenneth J. Novack(7)	37,593	4,679,867	0	*
Wayne H. Pace(5)(8)	142,831	1,929,688	37,500	*
Richard D. Parsons(5)(9)	633,818	7,209,150	90,000	*
Francis T. Vincent, Jr.(10)	82,691	125,500	0	*
Deborah C. Wright	4,264	6,000	0	*
All current directors and executive officers (19 persons) as a group(2)-(10)	3,738,205	24,075,843	226,000	*%

* Represents beneficial ownership of less than one percent of the issued and outstanding Common Stock on January 31, 2008.

- (1) Beneficial ownership as reported in the above table has been determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934. Unless otherwise indicated, beneficial ownership represents both sole voting and sole investment power. This table does not include, unless otherwise indicated, any shares of Common Stock or other equity securities of the Company that may be held by pension and profit-sharing plans of other corporations or endowment funds of educational and charitable institutions for which various directors and officers serve as directors or trustees. The table includes the following equity securities of the Company beneficially owned by the named persons or group as of January 31, 2008: (i) shares of Common Stock and restricted stock (reported under the Number of Shares column), (ii) options to purchase Common Stock and (iii) restricted stock units that represent a contingent right to receive shares of Common Stock. The table does not reflect performance stock units (PSUs), none of which had vested or would vest on or within 60 days of January 31, 2008. In addition, under the Company's deferred compensation programs, described below, a participant can elect to have the value of the deferred amounts ultimately paid out determined based on an assumed investment in the Company's Common Stock. As described below, the participants do not have any right to vote or receive Common Stock in connection with these assumed investments, and are ultimately paid in cash, but the assumed investments of the deferred amounts do represent an economic interest in Common Stock. The following share equivalents, or phantom units, have been credited to the following individuals under the deferred compensation programs: Mr. Bewkes, 56,786 share equivalents; Mr. Bollenbach, 23,185 share equivalents; Mr. Mark, 19,502 share equivalents;

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Mr. Miles, 8,949 share equivalents; and Mr. Parsons, 158,563 share equivalents. These share equivalents are not included in the table above.

- (2) Reflects shares of Common Stock subject to options to purchase Common Stock issued by the Company that, on January 31, 2008, were unexercised but were exercisable on or within 60 days after that date. These shares are excluded from the Number of Shares column.
- (3) Reflects shares of Common Stock to be issued upon the vesting of restricted stock units on or within 60 days of January 31, 2008. These shares are excluded from the Number of Shares column.
- (4) Includes 1,200 shares of Common Stock held by a limited partnership of which Mr. Barksdale is the sole general partner and 6,450 shares of Common Stock held by a trust of which Mr. Barksdale is the sole trustee and beneficiary.
- (5) Includes (a) an aggregate of approximately 110,873 shares of Common Stock held by a trust under the Time Warner Savings Plan for the benefit of directors and executive officers of the Company (including 94,368 shares for Mr. Bewkes, 691 shares for Mr. Cappuccio, 756 shares for Ms. Fili-Krushel and 1,253 shares for Mr. Parsons), (b) an aggregate of approximately 342 shares of Common Stock held by a trust under the TWC Savings Plan held for the benefit of a current executive officer, (c) an aggregate of 20,230 shares of Common Stock beneficially owned by the spouses of certain executive officers and directors (including 200 shares held by the spouse of Mr. Parsons and 1,650 shares held by the spouse of Mr. Vincent) and (d) 276 shares held in an IRA account for the benefit of Ms. Fili-Krushel.
- (6) Mr. Mark has pledged 1,037,513 shares of Common Stock.
- (7) Includes 375 shares of Common Stock held by an irrevocable trust for the benefit of Mr. Novack's children, one of whom shares his household, and 525 shares of Common Stock held by the Novack Family Foundation of which Mr. Novack and his wife are two of nine trustees who share voting power with respect to the shares. Mr. Novack disclaims beneficial ownership of shares held by the trust and the Novack Family Foundation.
- (8) Includes 745 shares of Common Stock held by a trust under the Time Warner Savings Plan for the benefit of Mr. Pace. Mr. Pace retired from the position of Executive Vice President and Chief Financial Officer effective the end of December 31, 2007. Accordingly, shares of Common Stock beneficially owned by Mr. Pace are not included in the total number of shares of Common Stock held by all current directors and executive officers as a group.
- (9) Includes 200 shares of Common Stock held by Mr. Parsons' wife and 2,000 shares of Common Stock held by The Parsons Family Foundation, Inc. of which Mr. Parsons is one of five directors. Mr. Parsons disclaims beneficial ownership of shares held by his wife and The Parsons Family Foundation, Inc.
- (10) Includes 1,650 shares of Common Stock held by Mr. Vincent's wife. Mr. Vincent disclaims beneficial ownership of shares held by his wife.

Security Ownership of Certain Beneficial Owners

There were no persons or groups of persons known by the Company to own beneficially more than 5% of the outstanding shares of the Company's Common Stock as of January 31, 2008.

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AUDIT-RELATED MATTERS

Report of the Audit and Finance Committee

In accordance with its charter, the Audit and Finance Committee (the "Committee") assists the Board of Directors in fulfilling responsibilities in a number of areas. These responsibilities include, among others: (i) the appointment and oversight of the Company's independent auditors, as well as the evaluation of the independent auditors' qualifications, performance and independence; (ii) the appointment and oversight of the Company's Chief Audit Executive and the Company's internal audit function; (iii) oversight of the Company's ethics and compliance program; (iv) oversight of the Company's response to any regulatory actions involving financial, accounting and internal control matters; (v) oversight of the Company's risk management policies and processes; (vi) review of the Company's earnings press releases, financial statements, and systems of disclosure controls and procedures and internal control over financial reporting; and (vii) capital structure and financial capacity and strategy.

To assist it in fulfilling its oversight and other duties, the Committee may retain outside counsel and other advisors as it deems necessary to carry out its duties. In addition, the Committee regularly meets separately with the internal auditor, the independent auditors, management and in-house counsel.

Independent Auditors and Internal Audit Matters. The Committee has discussed with the Company's independent auditors their plan for the audit of the Company's annual consolidated financial statements and the independent auditors' evaluation of the effectiveness of the Company's internal control over financial reporting, as well as reviews of the Company's quarterly financial statements. During 2007, the Committee met regularly with the independent auditors, with and without management present, to discuss the results of their audits and reviews, as well as their evaluations of the Company's internal control over financial reporting and the overall quality of the Company's accounting principles. In addition, the Committee has received the written disclosures and the letter from the independent auditors required by the Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and discussed with the independent auditors the auditors' independence from the Company and its management. In determining that the auditors are independent, the Committee also considered whether the provision of any of the non-audit services described below under "Fees of Accountants" is compatible with maintaining their independence. The Committee has also appointed, subject to stockholder ratification, Ernst & Young LLP as the Company's independent auditors for 2008, and the Board concurred in its appointment.

The Committee has reviewed and approved the annual internal audit plan and has met regularly with the Chief Audit Executive, with and without management present, to review and discuss the internal audit reports, including reports relating to operational, financial and compliance matters.

Ethics and Compliance Matters. As reported previously, the Committee has exercised oversight of certain stockholder litigation (which is discussed in more detail in the Company's Annual Report on Form 10-K for the year ended December 31, 2007). By the end of 2007, all such stockholder actions were resolved.

The Committee has reviewed and discussed with the Chief Ethics and Compliance Officer and management the Company's ongoing efforts to sustain and enhance its ethics and compliance program to ensure that the program promotes an organizational culture that encourages ethical conduct and a commitment to compliance with the law. The Committee has periodically received

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reports from the Chief Ethics and Compliance Officer and management concerning the Company's ethics and compliance program, as well as reports on specific ethics and compliance matters. The Committee has previously reviewed and recommended that the Board of Directors approve the Company's Standards of Business Conduct, which forms the cornerstone of the Company's ethics and compliance program. The Committee has also overseen other initiatives in this area, including training programs and other efforts to increase awareness among employees of the Company's ethics and compliance program.

Financial Statements as of December 31, 2007. Management has the primary responsibility for the Company's financial statements and the reporting process, including the systems of internal and disclosure controls (including internal control over financial reporting). The independent auditors are responsible for performing an independent audit of the Company's consolidated financial statements and internal control over financial reporting and expressing opinions on (i) the conformity of the consolidated financial statements with U.S. generally accepted accounting principles and (ii) the effectiveness of the Company's internal control over financial reporting.

In this context, the Committee has met and held discussions with management and the independent auditors with respect to the Company's audited financial statements for the fiscal year ended December 31, 2007. Management represented to the Committee that the Company's consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles.

In connection with its review of the Company's year-end financial statements, the Committee has reviewed and discussed with management and the independent auditors the consolidated financial statements, management's assessment of the effectiveness of the Company's internal control over financial reporting and the independent auditors' evaluation of the effectiveness of the Company's internal control over financial reporting. The Committee also discussed with the independent auditors matters required to be discussed by Statement on Auditing Standards No. 61 (Communications with Audit Committees), as amended, including the quality and acceptability of the Company's accounting policies, financial reporting processes and controls.

In performing its functions, the Committee acts only in an oversight capacity and necessarily relies on the work and assurances of the Company's management and independent auditors, which, in their reports, express opinions on the conformity of the Company's annual financial statements with U.S. generally accepted accounting principles and the effectiveness of the Company's internal control over financial reporting. In reliance on the reviews and discussions referred to in this Report and in light of its role and responsibilities, the Committee recommended to the Board of Directors, and the Board approved, that the audited financial statements of the Company be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 for filing with the SEC.

Members of the Audit and Finance Committee

Stephen F. Bollenbach (Chair)

Robert C. Clark

Jessica P. Einhorn

Reuben Mark

Francis T. Vincent, Jr.

Deborah C. Wright

Policy Regarding Pre-Approval of Services Provided by the Independent Auditors

The Audit and Finance Committee has established a policy (the Pre-Approval Policy) requiring its pre-approval of all audit services and permissible non-audit services provided by the independent auditors, along with the associated fees for those services. The Pre-Approval Policy provides for the annual pre-approval of

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specific types of services pursuant to policies and procedures adopted by the Audit and Finance Committee, and gives detailed guidance to management as to the specific services that are eligible for such annual pre-approval. The Pre-Approval Policy requires the specific pre-approval of all other permitted services. For both types of pre-approval, the Audit and Finance Committee considers whether the provision of a non-audit service is consistent with the SEC's rules on auditor independence, including whether provision of the service (i) would create a mutual or conflicting interest between the independent auditors and the Company; (ii) would place the independent auditors in the position of auditing their own work; (iii) would result in the independent auditors acting in the role of management or as an employee of the Company; or (iv) would place the independent auditors in a position of acting as an advocate for the Company. Additionally, the Audit and Finance Committee considers whether the independent auditors are best positioned and qualified to provide the most effective and efficient service, based on factors such as the independent auditors' familiarity with the Company's business, personnel, systems or risk profile and whether provision of the service by the independent auditors would enhance the Company's ability to manage or control risk or improve audit quality or would otherwise be beneficial to the Company.

The Audit and Finance Committee has delegated to its Chair the authority to address certain requests for pre-approval of services between meetings of the Audit and Finance Committee, and the Chair must report his pre-approval decisions to the Audit and Finance Committee at its next regular meeting. The Pre-Approval Policy is designed to help ensure that there is no delegation by the Audit and Finance Committee of authority or responsibility for pre-approval decisions to management of the Company. The Audit and Finance Committee monitors compliance by management with the Pre-Approval Policy by requiring management, pursuant to the Pre-Approval Policy, to report to the Audit and Finance Committee on a regular basis regarding the pre-approved services rendered by the independent auditors. Management has also implemented internal procedures to ensure compliance with the Pre-Approval Policy.

Services Provided by the Independent Auditors

The Audit and Finance Committee is responsible for the appointment, compensation, retention and oversight of the work of the independent auditors. Accordingly, the Audit and Finance Committee has appointed Ernst & Young LLP (E&Y) to perform audit and other permissible non-audit services for the Company and its subsidiaries.

The aggregate fees billed by E&Y to the Company with respect to the years ended December 31, 2007 and 2006 are as follows:

Fees of Accountants

	2007	2006
Audit Fees(1)	\$ 26,092,000	\$ 26,300,000
Audit-Related Fees(2)	4,755,000	3,143,000
Tax Fees(3)	2,009,000	2,575,000
All Other Fees		
Total Fees for Services Provided	\$ 32,856,000	