

Ascent Capital Group, Inc.  
Form DEF 14A  
April 10, 2017  
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

Filed by a Party other than the Registrant

Check the appropriate box:

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

Ascent Capital Group, Inc.  
(Name of Registrant as Specified In Its Charter)

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

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ASCENT CAPITAL GROUP, INC.  
5251 DTC Parkway, Suite 1000  
Greenwood Village, Colorado 80111  
(303) 628-5600

Dear Stockholder: April 10, 2017

The 2017 annual meeting of stockholders of Ascent Capital Group, Inc. will be held at 10:00 a.m., Mountain Time, on May 24, 2017, at 5251 DTC Parkway, Second Floor Conference Room, Greenwood Village, Colorado 80111, Tel. No. (303) 628-5600.

At the annual meeting, you will be asked to consider and vote on (i) the re-election of two of our directors, (ii) the ratification of our auditors and (iii) the approval of the amendment and restatement of the Ascent Capital Group, Inc. 2015 Omnibus Incentive Plan. You will also be asked to consider and vote, on an advisory basis, on the approval of compensation paid to our “named executive officers,” and on the frequency at which future executive compensation votes will be held. Each of the matters to be considered at the annual meeting is described in greater detail in the accompanying proxy statement.

Your vote is important, regardless of the number of shares you own. Whether or not you plan to attend the annual meeting, please read the accompanying proxy statement and then vote via the Internet, telephone or using your smartphone as promptly as possible. Alternatively, request a paper proxy card to complete, sign and return by mail. This will save us additional expense in soliciting proxies and will ensure that your shares are represented at the meeting. It will not, however, prevent you from later revoking your proxy or changing your vote.

Thank you for your continued support and interest in our company.

Very truly yours,

William R. Fitzgerald  
Chairman, Chief Executive Officer and President

The Notice of Internet Availability of Proxy Materials is first being mailed on or about April 13, 2017, and the proxy materials relating to the annual meeting will first be made available on or about the same date.

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ASCENT CAPITAL GROUP, INC.  
5251 DTC Parkway, Suite 1000  
Greenwood Village, Colorado 80111  
(303) 628-5600

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
To Be Held on May 24, 2017

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NOTICE IS HEREBY GIVEN of the annual meeting of stockholders of Ascent Capital Group, Inc. to be held at 10:00 a.m., Mountain Time, on May 24, 2017, at 5251 DTC Parkway, Second Floor Conference Room, Greenwood Village, Colorado 80111, Tel. No. (303) 628-5600, to consider and vote on the following:

1. A proposal to re-elect each of William R. Fitzgerald and Michael J. Pohl to serve as a Class III member of our board of directors for a three year term (the director election proposal);
2. A proposal to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2017 (the auditor ratification proposal);
3. A proposal to approve the amendment and restatement of the Ascent Capital Group, Inc. 2015 Omnibus Incentive Plan (the incentive plan proposal);
4. A proposal to approve, on an advisory basis, the compensation paid to our named executive officers in this proxy statement under the heading "Executive Compensation" (the say-on-pay proposal); and
5. A proposal to approve, on an advisory basis, the frequency at which future executive compensation votes will be held (the say-on-frequency proposal).

We describe the proposals in more detail in the accompanying proxy statement. We encourage you to read the proxy statement in its entirety before voting. You may also be asked to consider and vote on any other business properly brought before the annual meeting.

Holders of record of our Series A common stock, par value \$.01 per share, and Series B common stock, par value \$.01 per share, outstanding as of 5:00 p.m., New York City time, on April 5, 2017, the record date for the annual meeting, will be entitled to notice of the annual meeting and to vote at the annual meeting or any adjournment thereof. Holders of Series A common stock and Series B common stock will vote together as a single class on each proposal. A list of stockholders entitled to vote at the annual meeting will be available at our offices for review by our stockholders, for any purpose germane to the annual meeting, for at least 10 days prior to the annual meeting.

The following stockholder approvals are required with respect to the matters described above:

The director election proposal requires the affirmative vote of a plurality of the votes cast for the director election proposal by the holders of shares of our common stock present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class. This means that Messrs. Fitzgerald and Pohl will be elected if they each receive more affirmative votes than any other persons.

The auditor ratification proposal, the incentive plan proposal and the say-on-pay proposal each require the affirmative vote of a majority of the voting power of the shares of our common stock present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class.

The say-on-frequency proposal provides for stockholders to vote for one of three potential frequencies (every one year, two years or three years) for future executive votes. Stockholders also have the option to abstain from such vote if they do not wish to express a preference. If one of such frequencies receives the affirmative vote of a majority of the votes cast on the say-on-frequency proposal by the holders of shares of our common stock present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class, the frequency receiving such majority vote will be the frequency selected for future compensation votes. If no frequency receives the requisite affirmative majority vote, then our board of directors will take into consideration the results of the vote and will select a frequency for future executive compensation votes.

Our board of directors has carefully considered and approved each of the director election proposal, the auditor ratification proposal, the incentive plan proposal and the say-on-pay proposal described above and recommends that

you vote FOR each of these proposals. Our board of directors also has approved the say-on-frequency proposal and recommends that you vote in favor of the 3 YEARS frequency option with respect to the say-on-frequency proposal.

YOUR VOTE IS IMPORTANT. We urge you to vote as soon as possible by telephone, Internet, smartphone or mail.

By order of the board of directors,

William E. Niles  
Executive Vice President, General Counsel and Secretary

Greenwood Village, Colorado  
April 10, 2017

WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE ANNUAL MEETING, PLEASE VOTE AS PROMPTLY AS POSSIBLE BY TELEPHONE, INTERNET OR SMARTPHONE. ALTERNATIVELY, REQUEST A PAPER PROXY CARD TO COMPLETE, SIGN AND RETURN BY MAIL.

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ANNEX A: Ascent Capital Group, Inc. 2015 Omnibus Incentive Plan  
(As Amended and Restated Effective May 24, 2017)

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ASCENT CAPITAL GROUP, INC.  
a Delaware corporation

5251 DTC Parkway, Suite 1000

Greenwood Village, Colorado 80111

(303) 628-5600

PROXY STATEMENT

For Annual Meeting of Stockholders

We are furnishing this proxy statement in connection with our board of directors' (our Board) solicitation of proxies for use at our 2017 annual meeting of stockholders (our annual meeting) to be held at 10:00 a.m., Mountain Time, at 5251 DTC Parkway, Second Floor Conference Room, Greenwood Village, Colorado 80111, Tel. No. (303) 628-5600, on May 24, 2017, or at any adjournment or postponement of the annual meeting. At the annual meeting, we will ask you to consider and vote on the proposals described in the accompanying Notice of Annual Meeting of Stockholders. The proposals are described in more detail in this proxy statement. We are soliciting proxies from holders of our Series A common stock, par value \$0.01 per share, and Series B common stock, par value \$0.01 per share.

ANNUAL MEETING; PROXIES

Notice and Access of Proxy Materials

We have elected, in accordance with the Securities and Exchange Commission's (SEC) "Notice and Access" rule, to deliver a Notice of Internet Availability of Proxy Materials (the Notice) to our stockholders and to post our proxy statement and our annual report to our stockholders (collectively, the proxy materials) electronically. The Notice is first being mailed to our stockholders on or about April 13, 2017. The proxy materials are first being made available to our stockholders on or about the same date.

The Notice instructs you how to access and review the proxy materials and how to submit your proxy via the Internet or by telephone or smartphone. The Notice also instructs you how to request and receive a paper copy of the proxy materials, including a proxy card or voting instruction form, at no charge. We will not mail a paper copy of the proxy materials to you unless specifically requested to do so.

Electronic Delivery

Registered stockholders may elect to receive future notices and proxy materials by e-mail. To sign up for electronic delivery, go to [www.computershare.com/investor](http://www.computershare.com/investor). You may also sign up for electronic delivery when you vote by Internet at [www.envisionreports.com/ASCMA](http://www.envisionreports.com/ASCMA), by following the prompts. Once you sign up, you will not receive a printed copy of the notices and proxy materials, unless you request them. You may suspend electronic delivery of the notices and proxy materials at any time by contacting our transfer agent, Computershare, at 800-730-4001 (outside the United States 781-575-2879). Stockholders who hold shares through a bank, brokerage firm or other nominee may request electronic access by contacting their nominee.

Time, Place and Date

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The annual meeting of the stockholders is to be held at 10:00 a.m., Mountain Time, on May 24, 2017, at 5251 DTC Parkway, Second Floor Conference Room, Greenwood Village, Colorado 80111, Tel. No. (303) 628-5600.

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### Purpose

At the annual meeting, you will be asked to consider and vote on each of the following:

- the director election proposal, to re-elect two of our directors, William R. Fitzgerald and Michael J. Pohl, to each serve as a Class III member of our Board for a three year term;
- the auditor ratification proposal, to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2017;
- the incentive plan proposal, to approve the amendment and restatement of the Ascent Capital Group, Inc. 2015 Omnibus Incentive Plan;
- the say-on-pay proposal, to approve, on an advisory basis, the compensation of our named executive officers as described in this proxy statement under the heading “Executive Compensation”; and
- the say-on-frequency proposal, to approve, on an advisory basis, the frequency at which future say-on-pay votes will be held.

You may also be asked to consider and vote on such other business as may properly come before the annual meeting. However, we are not currently aware of any such additional business.

### Quorum

In order to carry on the business of the annual meeting, at least a majority of the aggregate voting power represented by the outstanding shares of our Series A common stock and Series B common stock, as of the record date, must be present at the annual meeting, either in person or by proxy. For purposes of determining a quorum, your shares will be included as represented at the meeting even if you indicate on your proxy that you abstain from voting. If a broker, who is a record holder of shares, indicates on a form of proxy that the broker does not have discretionary authority to vote those shares on either or both of the proposals, or if those shares are voted in circumstances in which proxy authority is defective or has been withheld, those shares (which we refer to as broker non-votes) nevertheless will be treated as present for purposes of determining the presence of a quorum.

### Who May Vote; Record Date

Holders of our Series A common stock and Series B common stock, as recorded in our stock register as of 5:00 p.m., New York City time, on April 5, 2017 (which is the record date for the annual meeting), may vote at the annual meeting or at any adjournment or postponement thereof.

### Votes Required

The following stockholder approvals are required with respect to the proposals described above:

The director election proposal requires the affirmative vote of a plurality of the votes cast for the director election proposal by the holders of shares of our common stock present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class. This means that Messrs. Fitzgerald and Pohl will be elected if they each receive more affirmative votes than any other persons.

The auditor ratification proposal, the incentive plan proposal and the say-on-pay proposal each require the affirmative vote of a majority of the voting power of the shares of our common stock present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class.

The say-on-frequency proposal provides for stockholders to vote for one of three potential frequencies (every one year, two years or three years) for future executive compensation votes. Stockholders also have the option to abstain from such vote if they do not wish to express a preference. If one of such frequencies receives the affirmative vote of a majority of the votes cast on the say-on-frequency proposal by the holders of shares of our common stock that are

present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class, the frequency receiving such majority vote will be the frequency selected for future executive compensation votes. If no frequency receives the requisite majority, our Board will carefully consider the outcome of the vote and decide the frequency at which future advisory votes on executive compensation votes will be held.

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### Votes You Have

At the annual meeting, holders of our Series A common stock will have one vote per share for each share of Series A common stock that our records show they owned on the record date, and holders of our Series B common stock will have ten votes per share for each share of Series B common stock that our records show they owned on the record date. Holders of all series of our common stock will vote together as a single class.

### Shares Outstanding

As of the record date, there were 11,967,636 shares of our Series A common stock and 381,528 shares of our Series B common stock outstanding.

### Number of Holders

As of the record date, there were approximately 700 and 45 record holders of our Series A common stock and our Series B common stock, respectively. Such amounts do not include the number of stockholders whose shares are held of record by banks, brokers or other nominees, but include each such institution as one holder.

### Voting Procedures for Record Holders

Holders of record of our common stock as of the record date may vote in person at the annual meeting. Alternatively, they may give a proxy by completing, signing, dating and returning the proxy card, or by voting by telephone, smartphone or over the Internet. Unless subsequently revoked, shares of our common stock represented by a proxy submitted as described below and received at or before the annual meeting will be voted in accordance with the instructions on the proxy.

**YOUR VOTE IS IMPORTANT.** It is recommended that you vote by proxy even if you plan to attend the annual meeting. You may change your vote at the annual meeting. Specific voting instructions are set forth in this proxy statement and on both the Notice and proxy card.

If a proxy is properly executed and submitted by a record holder without indicating any voting instructions, the shares represented by the proxy will be voted FOR the election of each director nominee, FOR the approval of each of the auditor ratification proposal, the incentive plan proposal and the approval of the say-on-pay proposal and will be voted in favor of the 3 YEARS frequency option with respect to the say-on-frequency proposal.

If you submit a proxy card on which you indicate that you abstain from voting, it will have no effect on the director election proposal or the say-on-frequency proposal but will have the same effect as a vote AGAINST each of the other proposals.

If you fail to respond with a vote, your shares will not be counted as present and entitled to vote for purposes of determining a quorum, and your failure to vote will have no effect on determining whether either of the proposals are approved (assuming a quorum is present).

### Voting Procedures for Shares Held in Street Name

General. If you hold your shares in the name of a broker, bank or other nominee, you should follow the instructions provided by your broker, bank or other nominee when voting your shares of our common stock or when granting or revoking a proxy. The rules and regulations of the New York Stock Exchange and The Nasdaq Stock Market prohibit brokers, banks and other nominees from voting shares on behalf of their clients with respect to numerous matters, including, in our case, all the proposals described in this proxy statement other than the auditors ratification proposal. Accordingly, to ensure your shares held in street name are voted on such matter, we encourage you to provide specific voting instructions to your broker, bank or other nominee promptly.

Effect of Broker Non-Votes. Broker non-votes are counted as shares of our common stock present and entitled to vote for purposes of determining a quorum but will have no effect on any of the proposals. You should follow the directions your broker, bank or other nominee provides to you regarding how to vote your shares of common stock or how to change your vote or revoke your proxy.



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### Revoking a Proxy

Before the start of the annual meeting, you may change your vote, by voting in person at the annual meeting or by delivering a signed proxy revocation or a new signed proxy with a later date to Ascent Capital Group, Inc., c/o Computershare Trust Company, N.A., P.O. Box 30202, College Station, Texas 77842-9909. Any proxy revocation or new proxy must be received before the start of the annual meeting. In addition, you may change your vote through the Internet or by telephone or smartphone (if you originally voted by the same method) not later than 11:59 p.m., New York City time, on May 23, 2017.

Your attendance at the annual meeting will not, by itself, revoke a prior vote or proxy from you. Please be sure to request a ballot at the annual meeting if you have not voted or wish to change your vote.

If your shares are held in an account by a broker, bank or other nominee, you should contact your nominee to change your vote or revoke your proxy.

### Solicitation of Proxies

We are soliciting proxies by means of these proxy materials on behalf of our board of directors. In addition to this mailing, our employees may solicit proxies personally or by telephone. We will pay the cost of soliciting these proxies. We will also reimburse brokers and other nominees for their expenses in sending the Notice and, if requested, paper proxy materials to you and getting your voting instructions.

### Recommendation of Our Board of Directors

Our Board has carefully considered and approved each of the director election proposal, the auditor ratification proposal, the incentive plan proposal and the say-on-pay proposal described above and recommends that you vote FOR each of these proposals. Our board of directors also has approved the say-on-frequency proposal and recommends that you vote in favor of the 3 YEARS frequency option with respect to the say-on-frequency proposal.

### Other Matters to Be Voted on at the Annual Meeting

Our Board is not currently aware of any business to be acted on at the annual meeting other than that which is described in the Notice of Annual Meeting of Stockholders and this proxy statement. If, however, other matters are properly brought to a vote at the annual meeting, the persons designated as proxies will have discretion to vote or to act on these matters according to their best judgment, unless you indicate otherwise in your proxy. In the event there is a proposal to adjourn or postpone the annual meeting, the persons designated as proxies will have discretion to vote on that proposal.

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## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

## Security Ownership of Certain Beneficial Owners

The following table sets forth information concerning shares of our common stock beneficially owned by each person or entity (excluding any of our directors and executive officers) known by us to own more than five percent of the outstanding shares of any series of our common stock. All of such information is based on publicly available filings.

The security ownership information is given as of March 21, 2017, and, in the case of percentage ownership information, is based upon 11,967,305 shares of our Series A common stock and 381,859 shares of our Series B common stock, in each case, outstanding on February 28, 2017. The percentage voting power is presented on an aggregate basis for all series of common stock.

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership	Percent of Class	Voting Power
John C. Malone c/o Liberty Media Corporation 12300 Liberty Boulevard Englewood, CO 80112	Series A	306,192	(1)(2)(3)(4) 2.56 %	17.69 %
	Series B	248,693	(1)(2)(4)(5) 65.13 %	
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	Series A	721,563	(6) 6.03 %	4.57 %
Dimensional Fund Advisors LP Building One 6300 Bee Cave Road Austin, TX 78746	Series A	838,838	(7) 7.01 %	5.31 %
GAMCO Investors, Inc. One Corporate Center Rye, NY 10580	Series A	1,194,880	(8) 9.98 %	7.57 %
JPMorgan Chase & Co. 270 Park Avenue New York, NY 10017	Series A	694,265	(9) 5.80 %	4.40 %
Okumus Fund Management Ltd. 767 Third Avenue, 35th Floor New York, NY 10017	Series A	1,237,459	(10) 10.34 %	7.84 %
Renaissance Technologies Holdings Corporation 800 Third Avenue New York, NY 10022	Series A	893,400	(11) 7.47 %	5.66 %
Brigade Capital Management, LP 399 Park Avenue, 16th Floor New York, NY 10022	Series A	683,679	(12) 5.71 %	4.33 %

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Based on Amendment No. 5 to Schedule 13D filed by John C. Malone (the Malone 13D/A), Mr. Malone has sole (1) voting power and sole dispositive power over 306,192 shares of our Series A common stock and 239,515 shares of our Series B common stock.

Based on the Malone 13D/A, includes (i) 26,833 shares of our Series A common stock and 2,046 shares of our (2) Series B common stock held by Mr. Malone's wife, Mrs. Leslie Malone, as to which shares Mr. Malone has disclaimed

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beneficial ownership and (ii) 113,345 shares of our Series A common stock and 145,225 shares of our Series B common stock held by Columbus Holdings, LLC, which is owned by Mr. Malone and his wife.

(3) Based on the Malone 13D/A, includes 16 and 55,317 shares of our Series A common stock held by two trusts with respect to which Mr. Malone is the sole trustee and, with his wife, retains a unitrust interest in the trusts.

(4) Does not include beneficial ownership of shares of our Series A common stock issuable upon exercise of conversion rights relating to shares of our Series B common stock held by Mr. Malone.

(5) Based on the Malone 13D/A, includes 9,178 shares of our Series B common stock held by two trusts managed by an independent trustee, of which the beneficiaries are Mr. Malone's adult children. Mr. Malone has no pecuniary interest in the trusts, but he retains the right to substitute the assets held by the trusts. Mr. Malone disclaims beneficial ownership of such shares.

(6) Based upon Amendment No. 7 to Schedule 13G filed on January 19, 2017 by BlackRock, Inc., which states that BlackRock, Inc., a parent holding company, has sole voting power over 690,965 shares and sole dispositive power over 721,563 shares. All shares covered by the Schedule 13G are held by subsidiaries of BlackRock, Inc.

(7) Based upon the Schedule 13G filed on February 9, 2017 by Dimensional Fund Advisors LP, which states that Dimensional Fund Advisors LP has sole voting power over 798,902 shares and sole dispositive power over 838,838 shares.

(8) Based upon Amendment No. 21 to Schedule 13D filed on December 1, 2016 by Gabelli Funds, LLC, GAMCO Asset Management Inc., Teton Advisors, Inc., GGCP, Inc., GAMCO Investors, Inc., Associated Capital Group, Inc. and Mario J. Gabelli (whom we collectively refer to as the Gabelli Reporting Persons). In addition to shares of our Series A common stock held directly by Mr. Gabelli, Mr. Gabelli is deemed to have beneficial ownership of those shares of our common stock held by the other Gabelli Reporting Persons. The Schedule 13D states that (i) Mr. Gabelli has sole voting power and sole dispositive power over 456 shares, (ii) Gabelli Funds, LLC has sole voting power and sole dispositive power over 175,000 shares, (iii) GAMCO Asset Management Inc. has sole voting power over 612,918 shares and sole dispositive power over 769,345 shares, (iv) Teton Advisors, Inc. has sole voting power and sole dispositive power over 250,079 shares, and (v) none of GGCP, Inc., Associated Capital Group, Inc. or GAMCO Investors, Inc. has sole or shared voting power or sole or shared dispositive power over any shares.

(9) Based upon the Schedule 13G filed on January 26, 2017 by JPMorgan Chase & Co.; JPMorgan Chase Bank, National Association; J.P. Morgan Investment Management Inc. and; J.P. Morgan Securities LLC, which states that JPMorgan Chase & Co. has sole voting power over 628,000 shares and sole dispositive power over 677,265 shares. All shares covered by the Schedule 13G are held by subsidiaries of JPMorgan Chase & Co.

(10) Based upon Amendment No. 2 to Schedule 13D filed on March 15, 2016 and a Form 4 filed on November 28, 2016, in each case by Okumus Fund Management Ltd., Okumus Opportunistic Value Fund, Ltd. and Ahmet H. Okumus (collectively, Okumus) stating that Okumus has shared voting power over 1,237,459 shares and shared dispositive power over 1,237,459 shares.

(11) Based upon the Schedule 13G filed on February 14, 2017 by Renaissance Technologies Holdings Corporation and Renaissance Technologies LLC, which states that Renaissance Technologies Holdings Corporation, a parent holding company, has sole voting power and sole dispositive power 893,400 shares of our Series A common stock. All shares covered by the Schedule 13G are held by Renaissance Technologies LLC, a subsidiary of Renaissance Technologies Holdings Corporation.

Based upon the Schedule 13G filed on March 31, 2017 by Brigade Capital Management, LP (Brigade LP); Brigade Capital Management GP, LLC (Brigade GP); Brigade Leveraged Capital Structures Fund Ltd. (Brigade (12)Fund); and Donald E. Morgan, III, which states that Brigade LP, Brigade GP and Mr. Morgan have shared voting power and shared dispositive power over 683,679 shares and that Brigade Fund has shared voting power and shared dispositive power over 630,611 shares.

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## Security Ownership of Management

The following table sets forth information with respect to the ownership by each of our directors, each of our named executive officers (as defined below) and by all of our directors and executive officers as a group, of shares of our Series A common stock and Series B common stock. The security ownership information is given as of February 28, 2017, and, in the case of percentage ownership information, is based upon 11,967,305 shares of Series A common stock and 381,859 shares of Series B common stock, in each case, outstanding on February 28, 2017. Such outstanding share amounts do not include shares of our common stock that may be issued upon the exercise of stock options, including stock options disclosed in the table below. The percentage voting power is presented in the table below on an aggregate basis for all series of common stock.

Shares of restricted stock that have been granted pursuant to our equity incentive plans are included in the outstanding share numbers provided throughout this proxy statement. Shares of common stock issuable upon vesting of restricted stock units or exercise or conversion of options, warrants and convertible securities that, as of February 28, 2017, were exercisable or convertible on such date or within 60 days thereafter, are deemed to be outstanding and to be beneficially owned by the person holding the restricted stock units, options, warrants or convertible securities for the purpose of computing the percentage ownership of that person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. For purposes of the following presentation, any beneficial ownership of shares of our Series B common stock, though convertible on a one-for-one basis into shares of our Series A common stock, is reported as beneficial ownership of our Series B common stock only, and not as beneficial ownership of our Series A common stock. So far as is known to us, the persons indicated below have sole voting power with respect to the shares indicated as owned by them, except as otherwise stated in the notes to the table.

Name of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership	Percent of Class	Voting Power
William R. Fitzgerald Chairman of the Board, Chief Executive Officer and President	Series A	737,146 (1)(2)	5.86 %	11.49 %
	Series B	114,755 (3)	30.05 %	
Jeffery R. Gardner Executive Vice President	Series A	85,759 (1)(4)	*	*
	Series B	—	—	
Philip J. Holthouse Director	Series A	41,319 (1)(2)(5)	*	*
	Series B	—	—	
Michael R. Meyers Senior Vice President and Chief Financial Officer	Series A	73,887 (2)(4)(6)	*	*
	Series B	—	—	
William E. Niles Executive Vice President, General Counsel and Secretary	Series A	66,800 (2)	*	*
	Series B	—	—	
Michael J. Pohl Director	Series A	28,617 (1)(2)	*	*
	Series B	—	—	
Charles Y. Tanabe	Series A	18,103 (1)	*	*

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Director	Series B	—	—	
Carl E. Vogel	Series A	19,434	(1)	* *
Director	Series B	—	—	
All directors and executive officers as a group (8 persons)	Series A	1,071,065	(1)(2)(4)(5)(6)	8.42 % 13.41 %
	Series B	114,755	(3)	30.05 %

\* Less than one percent

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(1) Includes, as applicable, the following restricted shares of our Series A common stock which remain subject to vesting as of February 28, 2017:

Name	Restricted Shares
William R. Fitzgerald	66,166
Jeffery R. Gardner	68,918
Philip J. Holthouse	8,939
Michael J. Pohl	8,765
Charles Y. Tanabe	7,906
Carl E. Vogel	8,765

(2) Includes, as applicable, beneficial ownership of the following shares of our Series A common stock that may be acquired upon exercise of stock options that are exercisable within 60 days of February 28, 2017:

Name	Option Shares
William R. Fitzgerald	620,479
Philip J. Holthouse	11,030
Michael R. Meyers	45,000
William E. Niles	66,800
Michael J. Pohl	8,030

(3) Includes 16,919 shares of our Series B common stock owned by the William R. Fitzgerald Irrevocable 2012 Trust.

(4) Includes 3,750 shares of our Series A common stock and 4,841 shares of our Series A common stock which were issued in connection with partial vesting of Mr. Meyers and Mr. Gardner's PRSUs on March 31, 2017.

(5) Includes 19,639 shares of our Series A common stock owned by Mr. Holthouse jointly with his wife and over which he has shared voting and investment power.

(6) Includes 115 shares of our Series A common stock owned by Mr. Meyers jointly with his wife.

Changes in Control

We know of no arrangements, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in control of our company.



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PROPOSAL 1 - THE DIRECTOR ELECTION PROPOSAL

Board of Directors

Our company is governed by a board of directors. Pursuant to our bylaws, the size of our Board shall be not less than three nor more than nine members, with the exact number of directors fixed from time to time by resolution adopted by the affirmative vote of at least 75% of the directors then in office. The number of directors constituting our whole Board is currently fixed at six.

Our Board currently consists of six directors, divided among three classes. Our current Class III directors, whose terms will expire at the annual meeting, are William R. Fitzgerald and Michael J. Pohl. Each of Messrs. Fitzgerald and Pohl are nominated for election to our board to continue to serve as a Class III director, and we have been informed that each of Messrs. Fitzgerald and Pohl is willing to continue to serve as a director of our company. The term of the Class III directors who are elected at the annual meeting will expire at the annual meeting of our stockholders in the year 2020. Our Class I directors, whose term will expire at the annual meeting of our stockholders in the year 2018, are Charles Y. Tanabe and Carl E. Vogel. Our Class II directors, whose term will expire at the annual meeting of our stockholders in the year 2019, are Jeffery R. Gardner and Philip J. Holthouse.

If either of Messrs. Fitzgerald or Pohl should decline re-election or should he become unable to serve as a director of our company for any reason before re-election, votes will be cast for a substitute nominee, if any, designated by our Board, or, if none is so designated prior to the election, votes will be cast according to the judgment of the person or persons voting the proxy.

The following lists the nominee for election as a director at the annual meeting and the four other directors of our company, and includes, as to each person, how long such person has been a director of our company, such person's professional background, other public company directorships and other factors considered in the determination that such person possesses the requisite qualifications and skills to serve as a member of our Board. All positions referenced in the table below with our company include, where applicable, positions with our predecessors. The number of shares of our common stock beneficially owned by each director, as of February 15, 2017, is set forth in this proxy statement under the caption "Security Ownership of Certain Beneficial Owners and Management-Security Ownership of Management."

Nominees for Election as Director

William R. Fitzgerald

Professional Background: A director of our company since September 2008. Mr. Fitzgerald has served as Chairman of our Board and our Chief Executive Officer since August 2008. Mr. Fitzgerald has also served as a director of our principal operating subsidiary, Monitronics International, Inc. (MONI), since December 2010 and served as Chairman of Ascent Media Group, LLC (AMG) from July 2000 until we sold AMG at the end of 2010. Mr. Fitzgerald also served as a Senior Vice President of Liberty Interactive Corporation (together with its predecessors, Liberty Interactive) from July 2000 to September 2011 and as a Senior Vice President of the former Liberty Media Corporation (currently known as Starz Acquisition LLC) (Old LMC) from its split-off from Liberty Interactive in September 2011 to December 2012. Prior to joining Liberty Interactive, Mr. Fitzgerald served as Executive Vice President and Chief Operating Officer, Operations Administration for AT&T Broadband (formerly known as Tele-Communications, Inc. (TCI)), a cable company, from 1998 to 2000 and was Executive Vice President, Corporate Development and Chief Operating Officer of TCI Communications, Inc., a wholly-owned subsidiary of TCI, from 1996 to 1998.

Other Public Company Directorships: Mr. Fitzgerald has served as a director of Piper Jaffray Companies since March 2014 and serves as a member of its compensation committee and audit committee. Mr. Fitzgerald served as a director of Expedia, Inc. from March 2006 to December 2012, during which time he also served as a member of the compensation committee. Mr. Fitzgerald also served as a director of TripAdvisor, Inc. from December 2011 to February 2013. In addition, Mr. Fitzgerald served as a director of On Command Corporation from 2001 to 2005 and Cablevision Systems Corporation from 1999 to 2000.

Age: 59

Board Qualification: Mr. Fitzgerald brings to our Board over 30 years of experience in the media and telecommunications industries, as well as subscription-based businesses. He has an in-depth understanding of our business and the history of our organization coupled with significant executive and leadership experience.

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Michael J. Pohl

**Professional Background:** A director of our company since September 2008. Mr. Pohl serves as an advisor to companies in the technology, media and telecommunications industries. Mr. Pohl has served on the board of directors of BlackArrow, Inc. since January 2012 and was appointed as Chairman of its board of directors in June 2012. The company was sold in December 2015 and Mr. Pohl now serves as Board observer at Cadent the new combined company of BlackArrow and Cross MediaWorks. Mr. Pohl has served on the board of Think Analytics since March 2013 and on the board of Imagine Communications Corp. from March 2013 to December 2015, having previously served on the board of its predecessor, Harris Broadcast. Mr. Pohl was the Chief Executive Officer of Jinni, Inc., a privately-held Internet company from Mach 2009 to January 2011. From December 2007 to April 2008, Mr. Pohl served as the Interim Vice President/General Manager of the On Demand Systems Division of ARRIS Group, Inc. (ARRIS), a communications technology company specializing in the design and engineering of broadband networks. Mr. Pohl was President of Global Strategies at CCOR Incorporated (C-COR) from December 2005 to November 2007, when C-COR was acquired by ARRIS, and served as the President and Chief Executive Officer of nCUBE Corporation, an interactive video server company, from December 1999 to December 2005.

**Other Public Company Directorships:** Mr. Pohl served on the board of directors and compensation committee of BigBand Networks, Inc. from May 2009 through the sale of the company to ARRIS in November 2011, during which time he served on the audit committee of its board of directors beginning in June 2009 and served as Chairman of its board of directors beginning in February 2010.

**Age:** 65

**Board Qualification:** Mr. Pohl brings to our Board valuable technological insight and over 25 years of extensive experience with technology companies. His management experience and financial expertise is complemented by his knowledge of applied sciences.

Directors Whose Term Expires in 2018

Charles Y. Tanabe

**Professional Background:** A director of our company since November 2014. Mr. Tanabe served as an Executive Vice President and the General Counsel of Old LMC from May 2007 to December 2012. Mr. Tanabe also served as an Executive Vice President of Liberty Interactive from January 2007 to December 2012 and as the General Counsel from January 1999 to December 2012. He also served as a Senior Vice President of Liberty Interactive from January 1999 to December 2006 and as the Secretary from April 2001 to December 2007.

**Other Public Company Directorships:** Mr. Tanabe served as a director of Starz from January 2013 to December 2016. Mr. Tanabe also served as a director of Sirius XM Radio Inc. from January 2013 to May 2013

**Age:** 65

**Board Qualification:** Mr. Tanabe brings to our Board significant operational and legal experience based on his senior positions with Old LMC and Liberty Interactive. He provides our Board with executive leadership perspective on the legal operations and management of large public companies and risk management policies.

Carl E. Vogel

**Professional Background:** A director of our company since December 2009. Mr. Vogel is also a Senior Advisor to DISH Network Corporation (DISH), a publicly-traded company providing pay-TV services, and served as President of DISH from September 2006 until February 2008 and Vice Chairman of DISH from June 2005 until March 2009. Mr. Vogel is president and sole stockholder of Bulldog Capital, Inc., a private investment firm (Bulldog). Since October 2014, Mr. Vogel has been a Senior Advisor to KKR & Co., LP. Through Bulldog, from November 2011 to October 2014, Mr. Vogel was a Senior Advisor of The Gores Group, a Los Angeles based private equity firm. From October 2007 until March 2009, Mr. Vogel served as a Senior Advisor to EchoStar Corporation (EchoStar), a publicly-traded company in the digital set-top box and satellite services businesses. From 2001 until 2005, Mr. Vogel served as the President and CEO of Charter Communications Inc. (Charter), a publicly-traded company providing cable television and broadband services. Prior to joining Charter, Mr. Vogel worked as an executive officer in various

capacities for companies affiliated with the predecessors of Liberty

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Interactive and Old LMC. Mr. Vogel held various executive positions with DISH from 1994 until 1997, including serving as the President from 1995 until 1997.

Other Public Company Directorships: Mr. Vogel has served on the board of directors AMC Networks Inc. (AMC Networks) since June of 2013 and serves as chairman of the audit committee of AMC Networks and as a member of its compensation committee. Mr. Vogel has served on the board of directors of DISH since May 2005 and on the board of directors and audit committee of Universal Electronics Inc., a publicly-traded company providing wireless control technology for the connected home, since October 2009. In addition, Mr. Vogel has served on the board of directors of Sirius XM Holdings Inc. (including its predecessor), a publicly-traded satellite radio system operator and broadcaster, since April 2011, and has served on its compensation committee and nominating and corporate governance committee since 2012 and has served as chairman of its compensation committee since April 2013. Since 2006, Mr. Vogel has also served on the board of directors of Shaw Communications, Inc., a publicly-traded diversified communications company providing broadband cable and direct-to-home satellite services in Canada, where he currently is a member of the corporate governance and nominating committee. Mr. Vogel was a director of NextWave Wireless Inc. from November 2009 to January 2013 (where he served as the chair of the audit committee from March 2010 to January 2013). From October 2007 until March 2009, Mr. Vogel served as the Vice Chairman of the board of directors of EchoStar. From October 2001 to January 2005, Mr. Vogel served on the board of directors of Charter.

Age: 59

Board Qualification: Mr. Vogel brings to our Board extensive executive leadership experience and board experience, including experience with subscription-based businesses, along with professional accounting and financial expertise.

Directors Whose Term Expires in 2019

Jeffery R. Gardner

Professional Background: A director of our company since November 2016. Mr. Gardner has served as Executive Vice President of our company and as President and Chief Executive Officer of MONI since September 2015. Mr. Gardner is also the Principal of Gardner Capital Management, which he founded in February 2015. He was a Senior Advisor to the President and Chief Executive Officer of Windstream Holdings, Inc. (Holdings) and Windstream Corporation (together with Holdings, Windstream) from December 2014 through February 2015. Prior to that, Mr. Gardner had served as President and Chief Executive Officer of Windstream since December 2005. He was also a director of Windstream from 2006 through February 2015. He previously served as Executive Vice President and Chief Financial Officer of Alltel Corporation where he oversaw its financial operations and spent his early career at 360 Communications, holding various executive positions in that company.

Other Public Company Directorships: Since January 2015, Mr. Gardner has been a member of the boards of directors CalAmp Corporation and the Qorvo Corporation, where he is also Chairman of the audit committee and a member of the governance and nominating committee. From 2012 to 2013, he served as Chairman of the United States Telecom Association.

Age: 57

Board Qualification: Mr. Gardner brings to our Board extensive executive leadership experience and board experience, including experience with subscription-based businesses.

Philip J. Holthouse

Professional Background: A director of our company since September 2008. Mr. Holthouse has been a partner with Holthouse Carlin & Van Trigt LLP since 1991, where he provides tax planning and tax consulting services for privately held businesses and high net-worth individuals primarily in the real estate, entertainment and service industries. Mr. Holthouse is a certified public accountant.

Other Public Company Directorships: Mr. Holthouse served on the board of directors and audit committee of Napster, Inc. from January 2004 to October 2008.

Age: 58



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- Board Qualification: Mr. Holthouse brings to our Board experience as a public company director and an audit committee member. His tax and accounting training enables him to provide our Board with sophisticated financial insight and to fulfill his function as audit committee chairman.

Vote and Recommendation

The director election requires the affirmative vote of a plurality of the votes cast for the director election proposal by the holders of shares of our common stock present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class. This means that Messrs. Fitzgerald and Pohl will be elected if they each receive more affirmative votes than any other persons.

Our Board unanimously recommends a vote FOR the election of the nominees to our Board.

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PROPOSAL 2 - THE AUDITOR RATIFICATION PROPOSAL

We are asking our stockholders to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2017.

Even if the selection of KPMG LLP is ratified, the audit committee of our Board, in its discretion, may direct the appointment of a different independent accounting firm at any time during the year if our audit committee determines that such a change would be in the best interests of our company and our stockholders. In the event our stockholders fail to ratify the selection of KPMG LLP, our audit committee will consider it as a direction to select other auditors for the year ending December 31, 2017.

A representative of KPMG LLP is expected to be present at the annual meeting, will have the opportunity to make a statement if he or she so desires and is expected to be available to respond to appropriate questions.

Audit Fees and All Other Fees

The following table presents fees for professional audit services rendered by KPMG LLP for the audit of our consolidated financial statements for 2016 and 2015:

	2016	2015
Audit fees	\$1,383,600	\$1,111,000
Audit related fees (1)	115,000	186,000
Audit and audit related fees	\$1,498,600	\$1,297,000
Tax fees (2)	45,000	19,000
Total fees	\$1,543,600	\$1,316,000

(1) Audit related fees consist primarily of due diligence assistance.

(2) Tax related services consist primarily of tax compliance and advice.

Our audit committee has considered whether the provision of services by KPMG LLP to our company other than auditing is compatible with KPMG LLP maintaining its independence and believes that the provision of such other services is compatible with KPMG LLP maintaining its independence.

Policy on Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditor

Our audit committee adopted a policy, dated November 6, 2008, regarding the pre-approval of all audit and permissible non-audit services provided by our independent auditor. Pursuant to this policy, our audit committee has approved the engagement of our independent auditor to provide the following services (all of which are collectively referred to as pre-approved services):

- audit services as specified in the policy, including (i) financial audits of our company and our subsidiaries, (ii) services associated with our periodic reports, registration statements and other documents filed or issued in connection with a securities offering (including comfort letters and consents), (iii) attestations of our management's reports on internal controls and (iv) consultations with management as to accounting or disclosure treatment of transactions;

- audit-related services as specified in the policy, including (i) due diligence services, (ii) financial audits of employee benefit plans, (iii) consultations with management as to accounting or disclosure treatment of transactions not otherwise considered audit services, (iv) attestation services not required by statute or regulation, (v) certain audits incremental to the audit of our consolidated financial statements, (vi) closing balance sheet audits related to



dispositions and (vii) general assistance with implementation of SEC rules or listing standards; and

- tax services as specified in the policy, including federal, state, local and international tax planning, compliance and review services, and tax due diligence.

Notwithstanding the foregoing general pre-approval, any individual project involving the provision of pre-approved services that is likely to result in fees in excess of \$100,000 requires the specific prior approval of our audit committee. Any engagement of our independent auditors for services other than the pre-approved services requires the specific approval of our

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audit committee. Our audit committee has delegated the authority for the foregoing approvals to the chairman of the audit committee, subject to his subsequent disclosure to the entire audit committee of the granting of any such approval. Philip J. Holthouse currently serves as the chairman of our audit committee.

Our pre-approval policy prohibits the engagement of our independent auditor to provide any services that are subject to the prohibition imposed by Section 201 of the Sarbanes-Oxley Act.

All services provided by our independent auditor during 2016 were approved in accordance with the terms of the policy.

Vote and Recommendation

Approval of the auditor ratification proposal requires the affirmative vote of a majority of the voting power of the shares of our common stock present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class.

Our Board unanimously recommends a vote FOR the auditor ratification proposal.

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**PROPOSAL 3 - THE INCENTIVE PLAN PROPOSAL**

The Ascent Capital Group, Inc. 2015 Omnibus Incentive Plan (the incentive plan) was originally adopted by our Board, effective February 25, 2015, and was approved by our stockholders at the 2015 annual meeting of stockholders held on May 29, 2015. Subject to the approval of our stockholders, our Board approved the amendment and restatement of the incentive plan (the Plan Amendment) to: (i) increase the number of shares authorized for issuance under the incentive plan by 300,000 shares, which is the first time an increase has been approved by our board and stockholders since 2008, (ii) extend the expiration date until May 24, 2027 and (iii) require the underlying award to vest prior to the payment of dividends or dividend equivalents.

The incentive plan was also approved by our stockholders for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code) at the 2015 annual meeting of stockholders. If the Plan Amendment is not approved by stockholders, the incentive plan as in effect before the most recent restatement will remain in effect, and we will continue to utilize Section 162(m) of the Code, which permits us to grant performance-based awards to our covered executives, until the earlier of (i) February 25, 2020 (the end of the current plan term) and (ii) with respect to awards settled in shares of our common stock, the date on which there are no longer any shares available for grant under the incentive plan as in effect before the most recent restatement.

The following is a description of the material provisions of the incentive plan, as amended by the Plan Amendment. The summary that follows is not intended to be complete, and we refer you to the copy of the amended incentive plan set forth as Annex A to this proxy statement for a complete statement of its terms and provisions.

**Key Features of the Incentive Plan**

• **No Repricing of Options or SARs.** Unless approved by our stockholders, substitutions and repricing of stock options and stock appreciation rights (SARs) are prohibited unless approved by our stockholders.

• **No Reload Feature.** The incentive plan does not permit grants of options or SARs that automatically “reload” when outstanding awards are exercised, expired or forfeited.

• **No Discounted Options or SARs.** Stock options and SARs may not be granted with an exercise price below fair market value, which generally means the closing price of our common stock as reported on the Nasdaq Global Select Market on the date of grant.

• **Dividend Equivalents and Dividends.** Only an award of restricted stock units may include dividend equivalents. Any dividends or dividend equivalents will be paid only if the underlying shares vest pursuant to the terms of the award.

• **With respect to a performance-based award, dividend equivalents may only be paid to the extent the underlying award is actually paid.**

• **Minimum Vesting.** Other than vesting due to death, disability or upon the occurrence of certain approved transactions, a board change or a control purchase (all as defined in the incentive plan), all awards will have a minimum vesting period of one year from the date of its grant; provided, however that awards with respect to up to five percent (5%) of the shares of common stock authorized for grant pursuant to the incentive plan may have a vesting period of less than one year.

• **Limited Terms for Options and SARs.** The term for stock options and SARs granted under the incentive plan is limited to ten years.

• **Clawback Policy.** All awards granted under the incentive plan will be subject to any clawback policy we have or adopt.

• **No Transferability.** Awards generally may not be transferred, except by a domestic relations order or after the holder’s death by beneficiary designation, unless otherwise provided for in an award agreement.

• **No “Evergreen” Provision.** Shares authorized for issuance under the incentive plan will not be automatically replenished. Any additional shares to be issued over and above the amount for which we are seeking authorization must be approved by our stockholders.

• **No Tax Gross-Ups.** Holders do not receive tax gross-ups under the incentive plan.

• **Award Limitations.** In any calendar year, no person may be granted awards relating to more than 500,000 shares of our common stock or cash award in excess of \$3,000,000 and no nonemployee director may be granted awards having

a value in excess of \$500,000 on the date of grant.

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### The Incentive Plan

Our Board determined to adopt the Plan Amendment to increase the number of shares available for grant under the incentive plan by 300,000 shares. When the incentive plan was originally approved by our Board and our stockholders in 2015, there were a substantial number of shares that remained available for grant under our 2008 Non-Employee Director Incentive Plan and a minimal number of shares available for grant under our prior incentive plan, the 2008 Incentive Plan (together with the 2008 Non-Employee Director Incentive Plan, the 2008 Plans). As a result, the Board determined to combine the available number of shares under the 2008 Plans and use such aggregate number of shares of 599,862 (as detailed below) as the maximum available for grant under the incentive plan. Accordingly, this is the first time we are seeking stockholder approval of an increase in the number of shares of available for grant under one of our equity plans since 2008.

The incentive plan is structured as an omnibus plan under which awards may be made to our company's officers, employees, independent contractors and nonemployee directors. A summary of certain terms of the incentive plan is set forth below.

The incentive plan is administered by the compensation committee of our Board with regard to all awards granted under the incentive plan (other than awards granted to the nonemployee directors), and the compensation committee has full power and authority to determine the terms and conditions of such awards. The incentive plan is administered by the full Board with regard to all awards granted under the incentive plan to nonemployee directors, and the full Board has full power and authority to determine the terms and conditions of such awards. The incentive plan is designed to provide additional remuneration to eligible employees, nonemployee directors and independent contractors for services to our company and to encourage their investment in our capital stock, thereby increasing their proprietary interest in our business, encouraging them to remain in the employ or service of our company or its subsidiaries, and increasing their personal interest in the continued success and progress of our company and its subsidiaries. The incentive plan is also intended to (1) attract persons of exceptional ability to become officers and employees of our company and its subsidiaries, and (2) induce nonemployee directors and independent contractors to provide services to our company and its subsidiaries. Employees (including officers and directors) of, and nonemployee directors and independent contractors providing services to, our company or any of our subsidiaries will be eligible to participate and may be granted awards under the incentive plan. Awards may be made to any such employee, nonemployee director or independent contractor who holds or has held awards under the incentive plan or under any other plan of our company or any of our affiliates. The number of individuals who will receive awards under the incentive plan will vary from year to year and will depend on various factors, such as the number of promotions and our hiring needs during the year, and whether employees, nonemployee directors or independent contractors of our subsidiaries are granted awards. Therefore, we cannot predict the number of future award recipients. Non-qualified stock options, SARs, restricted shares, restricted stock units, cash awards, performance awards or any combination of the foregoing (as used in this description of the incentive plan, collectively, awards) may be granted under the incentive plan. The maximum number of shares of our common stock with respect to which awards may be granted under the incentive plan, as proposed by the Plan Amendment, is an aggregate of 899,862 shares (plus any shares of our common stock subject to currently outstanding awards that become available again under the 2008 Plans), subject to anti-dilution and other adjustment provisions of the incentive plan. With limited exceptions, no employee or independent contractor will be granted in any calendar year awards under the incentive plan covering more than 500,000 shares of our common stock, subject to anti-dilution and other adjustment provisions of the incentive plan. In addition, no employee or independent contractor may receive payment for cash awards during any calendar year aggregating in excess of \$3,000,000. No nonemployee director may receive awards during any calendar year valued in excess of \$500,000 on the date of grant.

Shares of our common stock issuable pursuant to awards made under the incentive plan will be made available from either authorized but unissued shares of our common stock or shares of our common stock that we have issued but reacquired, including shares purchased in the open market. Shares of our common stock that are subject to (i) any award granted under the incentive plan or the 2008 Plans that expires, terminates or is cancelled or annulled for any reason without having been exercised, (ii) any award of any SARs granted under the incentive plan the terms of which provide for settlement in cash, and (iii) any award of restricted shares or restricted stock units granted under the

incentive plan or the 2008 Plans that shall be forfeited prior to becoming vested, will once again be available for issuance under the incentive plan. Shares of our common stock that are (i) not issued or delivered as a result of the net settlement of an outstanding option or SAR, (ii) used to pay the purchase price or withholding taxes relating to an outstanding award, or (iii) repurchased in the open market with the proceeds of an option purchase price will not be again made available for issuance under the incentive plan.

Subject to the provisions of the incentive plan, the compensation committee will be authorized to establish, amend and rescind such rules and regulations as it deems necessary or advisable for the proper administration of the incentive plan and to take such other action in connection with or in relation to the incentive plan as it deems necessary or advisable.

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Unless otherwise determined by the compensation committee and expressly provided for in an agreement, awards are not transferrable except pursuant to a qualified domestic relations order or after the holder's death by beneficiary designation. Other than vesting due to death, disability or upon the occurrence of certain approved transactions, a board change or a control purchase (all as defined in the incentive plan), all awards will have a minimum vesting period of one year from the date of its grant; provided, however that awards with respect to up to five percent (5%) of the shares of common stock authorized for grant pursuant to the incentive plan may have a vesting period of less than one year.

**Stock Options.** Non-qualified stock options awarded under the incentive plan will entitle the holder to purchase a specified number of shares of a series of our common stock at a specified exercise price subject to the terms and conditions of the applicable option grant. The exercise price of an option awarded under the incentive plan may be no less than the fair market value of the shares of the applicable series of our common stock as of the day the option is granted. The term of an option may not exceed ten years. The compensation committee will determine, and each individual award agreement will provide, (1) the series and number of shares of our common stock subject to the option, (2) the per share exercise price, (3) whether that price is payable in cash, by check, by promissory note, in whole shares of any series of our common stock, by the withholding of shares of our common stock issuable upon exercise of the option, by cashless exercise, or any combination of the foregoing, (4) other terms and conditions of exercise, (5) restrictions on transfer of the option and (6) other provisions not inconsistent with the incentive plan. Dividend equivalents will not be paid with respect to any stock options.

**Stock Appreciation Rights.** A SAR awarded under the incentive plan entitles the recipient to receive a payment in stock or cash equal to the excess of the fair market value (on the day the SAR is exercised) of a share of the applicable series of our common stock with respect to which the SAR was granted over the base price specified in the grant. A SAR may be granted to an option holder with respect to all or a portion of the shares of our common stock subject to a related stock option (a tandem SAR) or granted separately to an eligible employee, nonemployee director or independent contractor (a free standing SAR). Tandem SARs are exercisable only at the time and to the extent that the related stock option is exercisable. Upon the exercise or termination of the related stock option, the related tandem SAR will be automatically cancelled to the extent of the number of shares of our common stock with respect to which the related stock option was so exercised or terminated. The base price of a tandem SAR is equal to the exercise price of the related stock option. Free standing SARs are exercisable at the time and upon the terms and conditions provided in the relevant award agreement. The term of a free standing SAR may not exceed ten years. The base price of a free standing SAR may be no less than the fair market value of a share of the applicable series of our common stock as of the day the SAR is granted. Dividend equivalents will not be paid with respect to any SARs.

**Restricted Shares and Restricted Stock Units.** Restricted shares are shares of our common stock that become vested and may be transferred upon completion of the restriction period. The compensation committee will determine, and each individual award agreement will provide, (1) the price, if any, to be paid by the recipient of the restricted shares, (2) whether the holder of the restricted shares may be paid a cash amount any time after the shares become vested, (3) the vesting date or vesting dates (or basis of determining the same) for the award and (4) other terms and conditions of the award. The holder of an award of restricted shares, as the registered owner of such shares, may vote the shares. Dividends or distributions paid with respect to restricted shares will be retained by us during the restriction period (retained distributions).

A restricted stock unit is a unit evidencing the right to receive, in specified circumstances, one share of the specified series of our common stock, or its cash equivalent, subject to a restriction period or forfeiture conditions. The compensation committee will be authorized to award restricted stock units based upon the fair market value of shares of any series of our common stock under the incentive plan. The compensation committee will determine, and each individual award agreement will provide, the terms, conditions, restrictions, vesting requirements and payment rules for awards of restricted stock units, including whether the holder will be entitled to dividend equivalent payments with respect to the restricted stock units. Any dividend equivalents payable in connection with such restricted stock units will accrue and will not, in any event, vest or be payable until the underlying restricted stock units vest. Restricted stock units will be issued at the beginning of the restriction period and holders will not be entitled to shares of our common stock covered by restricted stock unit awards until such shares are issued to the holder at the end of the

restriction period. Awards of restricted stock units or the common stock covered thereunder may not be transferred, assigned or encumbered prior to the date on which such shares are issued or as provided in the relevant award agreement.

Upon the applicable vesting date, all or the applicable portion of restricted shares or restricted stock units will vest, any retained distributions or dividend equivalents with respect to the restricted shares or restricted stock units will vest to the extent that the awards related thereto have vested, and any cash amount to be received by the holder with respect to the restricted shares or restricted stock units will become payable, all in accordance with the terms of the individual award agreement. The compensation committee may permit a holder to elect to defer delivery of any restricted shares or restricted stock units that become vested and any related cash payments, retained distributions or dividend equivalents, provided that such deferral elections are made in accordance with Section 409A of the Code.



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Cash Awards. The compensation committee will also be authorized to provide for the grant of cash awards under the incentive plan. A cash award is a bonus paid in cash that may be based upon the attainment of one or more performance goals over a performance period established by the compensation committee. The terms, conditions and limitations applicable to any cash awards will be determined by the compensation committee.

Performance Awards. At the discretion of the compensation committee any of the above-described awards may be designated as a performance award. All cash awards shall be designated as performance awards. Performance awards are contingent upon performance measures applicable to a particular period, as established by the compensation committee and set forth in individual agreements, based upon any one or more of the following business criteria:

- increased revenue;
- net income measures (including income after capital costs and income before or after taxes);
- stock price measures (including growth measures and total stockholder return);
- price per share of our common stock;
- market share;
- earnings per share (actual or targeted growth);
- earnings before interest, taxes, depreciation and amortization (EBITDA);
- operating income before depreciation and amortization (OIBDA);
- recurring monthly revenue;
- net recurring monthly revenue;
- economic value added (or an equivalent metric);
- market value added;
- debt to equity ratio;
- cash flow measures (including cash flow return on capital, cash flow return on tangible capital, net cash flow and net cash flow before financing activities);
- return measures (including return on equity, return on average assets, return on capital, risk-adjusted return on capital, return on investors' capital and return on average equity);
- creation costs;
- operating measures (including operating income, funds from operations, cash from operations, after-tax operating income, sales volumes, production volumes and production efficiency);
- expense measures (including overhead cost and general and administrative expense);
- margins;
- stockholder value;
- total stockholder return;
- proceeds from dispositions;
- total market value; and
- corporate values measures (including ethics compliance, environmental and safety).

Performance measures may apply to the award recipient, to one or more business units, divisions, subsidiaries or affiliates of our company or an applicable sector of our company, or to our company as a whole. Goals may also be based on performance relative to a peer group of companies. If the compensation committee intends for the performance award to be granted and administered in a manner that preserves the deductibility of the compensation resulting from such award in accordance with Section 162(m) of the Code, the applicable performance goals must be established (1) no later than 90 days after the commencement of the period of service to which the performance goals relate and (2) prior to the completion of 25% of such period of service. The compensation committee will have no discretion to modify or waive such performance goals to increase the amount of compensation payable that would otherwise be due upon attainment of the goal, unless the applicable award is not intended to qualify as qualified performance-based compensation under Section 162(m) of the Code and the relevant agreement provides for such discretion. Section 162(m) of the Code generally disallows deductions for compensation in excess of \$1 million for our Chief Executive Officer and our three other most highly compensated executive officers (other than the Chief

Financial Officer) unless the awards meet the requirements for being performance-based.

Awards Generally. Awards under the incentive plan may be granted either individually, in tandem or in combination with each other. Where applicable, the securities underlying, or relating to, awards granted under the incentive plan may be shares of our Series A common stock and our Series B common stock, as provided in the relevant grant. On April 3, 2017, the closing price of our Series A common stock was \$13.78, and the average of the bid and ask prices of our Series B common stock as reported on the OTC Markets was \$16.00 on March 17, 2017, the last day on which a sale of our Series B common stock occurred. Under certain conditions, including the occurrence of certain approved transactions, a board change or a control purchase (all as defined in the incentive plan), the compensation committee may, in its sole discretion provide for the following: (i) options and SARs will become immediately exercisable, and (ii) the restrictions on restricted shares and

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restricted stock units will lapse, unless individual agreements state otherwise. At the time an award is granted, the compensation committee will determine, and the relevant agreement will provide for, any vesting or early termination, upon a holder's termination of employment with our company, of any unvested options, SARs, restricted stock units or restricted shares and the period during which any vested options and SARs must be exercised. Unless otherwise provided in the relevant agreement, (1) no option or SAR may be exercised after its scheduled expiration date (however, if the term of an option or SAR expires when trading in our common stock is prohibited by law or our company's insider trading policy, then the term of such option or SAR shall expire on the 30th day after the expiration of such prohibition), (2) if the holder's service terminates by reason of death or disability (as defined in the incentive plan), his or her options or SARs shall remain exercisable for a period of at least one year following such termination (but not later than the scheduled expiration date) and (3) any termination of the holder's service for "cause" (as defined in the incentive plan) will result in the immediate termination of all options and SARs and the forfeiture of all rights to any restricted shares, restricted stock units, retained distributions, dividend equivalents and related cash amounts held by such terminated holder. If a holder's service terminates due to death or disability, options and SARs will become immediately exercisable, and the restrictions on restricted shares and restricted stock units will lapse and become fully vested, unless individual agreements state otherwise.

**Adjustments.** The number and kind of shares of our common stock that may be awarded or otherwise made subject to awards under the incentive plan, the number and kind of shares of our common stock covered by outstanding awards and the purchase or exercise price and any relevant appreciation base with respect to any of the foregoing will be subject to appropriate adjustment as the compensation committee deems equitable, in its sole discretion, in the event (1) we subdivide the outstanding shares of any series of our common stock into a greater number of shares of such series of common stock, (2) we combine the outstanding shares of any series of our common stock into a smaller number of shares of such series of common stock or (3) there is a stock dividend, extraordinary cash dividend, reclassification, recapitalization, reorganization, stock redemption, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase any series of our common stock, or any other similar corporate event (including mergers or consolidations, other than approved transactions (as defined in the incentive plan) for which other provisions are made pursuant to the incentive plan). In addition, in the event of a merger, consolidation, acquisition of property or stock, separation, reorganization or liquidation, the compensation committee has the discretion to (i) provide, prior to the transaction, for the acceleration of vesting and exercisability, or lapse of restrictions, with respect to the awards, or in the case of a cash merger, termination of unexercised awards, or (ii) cancel such awards and deliver cash to holders based on the fair market value of such awards as determined by the compensation committee, in a manner that is in compliance with the requirements of Section 409A of the Code.

**Prohibition on Repricing of Awards.** Except for any adjustment as described above, the compensation committee will not, without first obtaining approval by the majority of stockholders of our company, (1) decrease the purchase price of an option or SAR after the date of grant, (2) accept for surrender any outstanding option or SAR previously granted as consideration for the grant of a new award, or (3) grant any option or SAR that contains a "reload" feature, under which additional options, SARRS or other awards are granted automatically to the holder upon the exercise of the original option or SAR.

**Amendment and Termination.** Pursuant to the Plan Amendment, the incentive plan will terminate on May 24, 2027 unless earlier terminated by the compensation committee. The compensation committee may suspend, discontinue, modify or amend the incentive plan at any time prior to its termination, except that outstanding awards may not be amended to reduce the purchase or base price of outstanding options or SARs. However, before an amendment may be made that would adversely affect a participant who has already been granted an award, the participant's consent must be obtained, unless the change is necessary to comply with Section 409A of the Code.

## U.S. Federal Income Tax Consequences of Awards Granted under the Incentive Plan Consequences to Participants

The following is a summary of the U.S. federal income tax consequences that generally will arise with respect to awards granted under the incentive plan and with respect to the sale of any shares of our common stock acquired under the incentive plan. This general summary does not purport to be complete, does not describe any state, local or

non-U.S. tax consequences, and does not address issues related to the tax circumstances of any particular recipient of an award under the incentive plan.

Non-Qualified Stock Options; SARs. Holders will not realize taxable income upon the grant of a non-qualified stock option or a SAR. Upon the exercise of a non-qualified stock option or a SAR, the holder will recognize ordinary income (subject to withholding, if applicable) in an amount equal to the excess of (1) the fair market value on the date of exercise of the shares received over (2) the exercise price or base price (if any) he or she paid for the shares. The holder will generally have a

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tax basis in any shares of our common stock received pursuant to the exercise of a SAR, or pursuant to the cash exercise of a non-qualified stock option, that equals the fair market value of such shares on the date of exercise. The disposition of the shares of our common stock acquired upon exercise of a non-qualified stock option will ordinarily result in capital gain or loss. We are entitled to a deduction in an amount equal to the income recognized by the holder upon the exercise of a non-qualified stock option or SAR.

**Cash Awards; Restricted Stock Units; Restricted Shares.** A holder will recognize ordinary compensation income upon receipt of cash pursuant to a cash award or, if earlier, at the time such cash is otherwise made available for the holder to draw upon it, and we will have a corresponding deduction for federal income tax purposes, subject to certain limits on deductibility discussed below. A holder will not have taxable income upon the grant of a restricted stock unit but rather will generally recognize ordinary compensation income at the time the award is settled in an amount equal to the fair market value of the shares received, at which time we will have a corresponding deduction for federal income tax purposes, subject to certain limits on deductibility discussed below.

Generally, a holder will not recognize taxable income upon the grant of restricted shares, and we will not be entitled to any federal income tax deduction upon the grant of such award. The value of the restricted shares will generally be taxable to the holder as compensation income in the year or years in which the restrictions on the shares of common stock lapse. Such value will equal the fair market value of the shares on the date or dates the restrictions terminate. A holder, however, may elect pursuant to Section 83(b) of the Code to treat the fair market value of the shares subject to the restricted share award on the date of such grant as compensation income in the year of the grant of the restricted share award. The holder must make such an election pursuant to Section 83(b) of the Code within 30 days after the date of grant. If such an election is made and the holder later forfeits the restricted shares to us, the holder will not be allowed to deduct, at a later date, the amount such holder had earlier included as compensation income. In any case, we will receive a deduction for federal income tax purposes corresponding in amount to the amount of compensation included in the holder's income in the year in which that amount is so included, subject to certain limits on deductibility discussed below.

A holder who is an employee will be subject to withholding for federal, and generally for state and local, income taxes at the time the holder recognizes income under the rules described above with respect to the cash or the shares of our common stock received pursuant to awards. The tax basis of a holder in the shares of our common stock received will equal the amount recognized by the holder as compensation income under the rules described in the preceding paragraph, and the holder's holding period in such shares will commence on the date income is so recognized.

**Certain Tax Code Limitations on Deductibility.** In order for us to deduct the amounts described above, such amounts must constitute reasonable compensation for services rendered or to be rendered and must be ordinary and necessary business expenses. The ability to obtain a deduction for awards under the incentive plan could also be limited by Section 280G of the Code, which provides that certain excess parachute payments made in connection with a change in control of an employer are not deductible. The ability to obtain a deduction for amounts paid under the incentive plan could also be affected by Section 162(m) of the Code, which limits the deductibility, for U.S. federal income tax purposes, of compensation paid to our Chief Executive Officer and our three other most highly compensated executive officers (other than the Chief Financial Officer) to \$1 million during any taxable year. However, certain exceptions apply to this limitation in the case of qualified performance-based compensation. In certain cases, we may determine it is in our interests to not satisfy the requirements for the qualified performance-based exception.

**Code Section 409A.** Section 409A of the Code generally provides that any deferred compensation arrangement must satisfy specific requirements, both in operation and in form, regarding (1) the timing of payment, (2) the advance election of deferrals, and (3) restrictions on the acceleration of payment. Failure to comply with Section 409A of the Code may result in the early taxation (plus interest) to the participant of deferred compensation and the imposition of a 20% penalty on the participant on such deferred amounts included in the participant's income. We intend to structure awards under the incentive plan in a manner that is designed to be exempt from or comply with Section 409A of the Code.

## New Plan Benefits

Due to the nature of the incentive plan and the discretionary authority afforded the compensation committee in connection with the administration thereof, we cannot determine or predict the value, number or type of awards to be granted pursuant to the incentive plan.

Prior to the date of this proxy statement, we have granted restricted stock and performance-based restricted stock units under the incentive plan to certain of our employees and directors; however, none of these awards are conditioned upon

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receiving stockholder approval of the incentive plan, as proposed to be amended at the annual meeting. We also have not granted any stock option awards to our directors, executives or employees under the incentive plan.

Vote and Recommendation

Approval of the incentive plan proposal requires the affirmative vote of a majority of the voting power of the shares of our common stock present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class.

Our Board unanimously recommends a vote FOR the approval of the incentive plan proposal.

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**PROPOSAL 4 - SAY-ON-PAY PROPOSAL**

Stockholders are provided with the opportunity to cast an advisory vote on executive compensation as described below. Our company values the views of its stockholders and is committed to excellence in the design and effectiveness of our company's executive compensation program.

Our most recent advisory vote on the compensation of our named executive officers was held at our 2014 annual meeting of stockholders on May 22, 2014, at which stockholders representing 89.5% of our aggregate voting power present and entitled to vote on the say-on-pay proposal approved, on an advisory basis, our executive compensation as disclosed in our proxy statement for our 2014 annual meeting of stockholders. Also, at our 2011 annual meeting of stockholders, a majority of the votes cast by our stockholders on our first say-on-frequency proposal indicated their preference for holding an advisory vote on the compensation paid to our named executive officers every three years, and our Board adopted this as the frequency at which future advisory votes on executive compensation would be held. As described in more detail below under "Proposal 5-The Say-on-Frequency Proposal," we are submitting for stockholder consideration at the 2017 annual meeting of stockholders a resolution for a new advisory vote regarding the frequency at which future advisory votes on executive compensation should be held. Assuming the frequency of every three years is maintained, we currently expect that our next advisory vote on executive compensation will be held in 2020.

Accordingly, we are seeking stockholder approval of the compensation of our named executive officers as disclosed in this proxy statement in accordance with applicable SEC rules, which include the disclosures under "Compensation Discussion and Analysis," the compensation tables (including all related footnotes) and any additional narrative discussion of compensation included herein. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the policies and practices with respect to their compensation, each as described in this proxy statement. Stockholders are encouraged to read the "Compensation Discussion and Analysis" section of this proxy statement, which provides an overview of our company's executive compensation policies and procedures, how they operate and are designed to achieve our company's pay-for-performance objectives, and how they were applied for 2016.

In accordance with Section 14A of the Exchange Act and Rule 14a-21(a) promulgated thereunder, and as a matter of good corporate governance, our board of directors is asking stockholders to approve the following advisory resolution at the 2017 annual meeting of stockholders:

"RESOLVED, that the stockholders of Ascent Capital Group, Inc. hereby approve, on an advisory basis, the compensation paid to our company's named executive officers, as disclosed in this proxy statement pursuant to the rules of the SEC, including the Compensation Discussion and Analysis, compensation tables and any related narrative discussion."

**Advisory Vote**

Although this vote is advisory and non-binding on our Board and our company, our Board and the compensation committee, which is responsible for designing and administering our company's executive compensation program, value the opinions expressed by our stockholders in their vote on this proposal and will consider the outcome of the vote when making future compensation policies and decisions for named executive officers.

**Vote and Recommendation**

This advisory resolution, which we refer to as the say-on-pay proposal, will be considered approved if it receives the affirmative vote of a majority of the voting power of the shares of our common stock present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class. Our board of directors recommends a vote FOR the approval of the say-on-pay proposal.



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**PROPOSAL 5 - SAY-ON-FREQUENCY PROPOSAL**

In accordance with the requirements of Section 14A of the Exchange Act and Rule 14a-21(b), which require a say-on-frequency proposal to be submitted to stockholders every six years, we are again submitting for stockholder consideration a separate resolution for advisory vote as to whether a stockholder vote to approve the compensation paid to our named executive officers should occur every one, two or three years. At our 2011 annual meeting of stockholders, a majority of the votes cast by our stockholders on our first say-on-frequency proposal indicated their preference for holding an advisory vote on the compensation paid to our named executive officers every three years. After consideration, our Board has determined that an advisory vote on executive compensation that occurs every three years (triennially) continues to be the most appropriate policy for us. Our Board believes that a vote every three years would allow stockholders to focus on overall objectives rather than the details of individual decisions, would align with one of the goals of our company's compensation program which is to reward performance that promotes long-term stockholder value, and would allow stockholders to engage in more thoughtful analysis of our company's executive compensation program by providing more time between votes. As a result, our Board recommends that stockholders vote for "Three Years" with respect to the frequency with which stockholders are provided an advisory vote on the compensation paid to our named executive officer.

**Vote and Recommendation**

Stockholders will be able to specify one of four choices for this proposal on the proxy card: three years, two years, one year or abstain. Stockholders are not voting to approve or disapprove our Board's recommendation.

If one of the frequencies receives the affirmative vote of a majority of the votes cast on the say-on-frequency proposal by the holders of shares of our common stock that are present, in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class, the frequency receiving such majority vote will be the frequency selected by our board of directors for future executive compensation votes. If no frequency receives the requisite majority, our Board will carefully consider the outcome of the vote and decide the frequency at which future advisory votes on executive compensation votes will be held.

Our board of directors recommends that stockholders vote in favor of "3 YEARS" with respect to the frequency with which stockholders are provided an advisory vote on the compensation paid to our named executive officers.

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MANAGEMENT

Executive Officers

The following lists the executive officers of our company (other than William R. Fitzgerald, Chairman of our Board and Chief Executive Officer, and Jeffery R. Gardner, Executive Vice President of our company, whose backgrounds are described under “Proposal 1-The Director Election Proposal”), their ages and a description of their business experience, including positions held with our company.

Name      Positions

Michael R. Meyers      Mr. Meyers has served as Senior Vice President of our company since April 2011 and as Chief Financial Officer and Treasurer since August 2011. Mr. Meyers is the Chief Financial Officer of MONI, and has held various positions at MONI since July 1996. Before joining MONI, Mr. Meyers, a certified public accountant, had over 15 years of accounting, finance, and operations experience. He has worked with a variety of businesses, including Fortune 500, medium, and small companies, as well as working in public accounting.

Age: 60

William E. Niles      Mr. Niles has served as Executive Vice President, General Counsel and Secretary of our company since the spin-off of our company from Discovery Holding Company in September 2008, and also served as Executive Vice President and General Counsel of AMG from January 2002 until the sale of AMG in December 2010. From August 2006 through February 2008, Mr. Niles was a member of AMG’s executive committee. Prior to 2002, Mr. Niles was a senior executive handling legal and business affairs within AMG and its predecessor companies. Mr. Niles is also a director of our principal operating subsidiary, MONI, and also serves as its Executive Vice President and Secretary.

Age: 53

Our executive officers will serve in such capacities until the next annual meeting of our Board, or until their respective successors have been duly elected or appointed, or until their earlier death, resignation or removal from office. There is no family relationship between any of our executive officers or directors, by blood, marriage or adoption.

During the past ten years, none of our directors or executive officers has had any involvement in any legal proceedings that would be material to an evaluation of his ability or integrity.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than ten-percent stockholders are required by SEC regulations to furnish us with copies of all Section 16 forms they file.

Based solely on a review of the copies of the Forms 3, 4 and 5 and amendments to those forms furnished to us during our most recent fiscal year, or written representations that no Forms 5 were required, we believe that, during the year ended December 31, 2016, all Section 16(a) filing requirements applicable to our officers, directors and greater than ten-percent beneficial owners were met except as follows: one Form 3 was filed late by Rana Kashyap, a director of our board during 2016, one Form 4 was reporting two transactions was filed late by Okumus, and each of Messrs. Fitzgerald, Meyers, Niles and Pohl filed one Form 4 reporting one transaction on an untimely basis.

Code of Ethics

We have adopted a code of ethics that applies to all of our employees, directors and officers, which constitutes our “code of ethics” within the meaning of Section 406 of the Sarbanes-Oxley Act. Our code of ethics is available on our website at <http://ir.ascentcapitalgroupinc.com/corporate-governance.cfm>.

## Director Independence

It is our policy that a majority of the members of our Board be independent of our management. For a director to be deemed independent, our Board must affirmatively determine that the director has no disqualifying direct or indirect material relationship with our company. To assist our Board in determining which of our directors qualify as independent for purposes

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of The Nasdaq Stock Market rules as well as applicable rules and regulations adopted by the SEC, the nominating and corporate governance committee of our Board follows the Corporate Governance Rules of The Nasdaq Stock Market on the criteria for director independence.

Our Board has determined that each of Philip J. Holthouse, Michael J. Pohl, Charles Y. Tanabe and Carl E. Vogel qualifies as an independent director of our company. Our board of directors also determined that Brian Deevy, whose term as a director expired at our 2016 annual meeting of stockholders, and Rana Kashyap, who resigned from our board of directors in November 2016, also qualified as an independent director of our company during their service on our board.

## Board Composition

As described above under “Proposal 1-The Director Election Proposal”, our Board is comprised of directors with a broad range of backgrounds and skill sets, including media, telecommunications, technology, subscription-based business, finance, transactional and advisory work, auditing and tax. For more information on our Board’s position with respect to the importance of diverse viewpoints on our Board, see “-Committees of our Board of Directors-Nominating and Corporate Governance Committee” below.

## Board Leadership Structure

Our bylaws currently provide that the Chairman of our Board shall be the Chief Executive Officer of our company, unless our Board determines otherwise. William R. Fitzgerald currently serves as the Chairman of our Board and Chief Executive Officer (principal executive officer) and is responsible for identifying and implementing strategic initiatives as well as executive leadership. Our Board believes that Mr. Fitzgerald is best situated to serve as Chairman of our Board because he is the director most familiar with our company’s history and business and is also the person most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy.

In evaluating our current Board leadership structure, our Board noted that our company is a holding company and that substantially all of our operating activities are conducted through our principal operating subsidiary, MONI. Jeffery R. Gardner serves as the President and Chief Executive Officer of MONI, and is responsible for the day to day operations of MONI. Our Board believes that the allocation of responsibilities between Mr. Fitzgerald and Mr. Gardner represents an appropriate leadership structure because, among other reasons, it enables Mr. Fitzgerald to foster clear accountability and effective decision making at the board level and with regard to holding company activities, while Mr. Gardner focuses on the daily management of our operating company.

The key members of all committees of our Board are independent directors. Each member of the compensation committee, nominating and corporate governance committee and audit committee is independent. In addition, an independent director, Carl E. Vogel, is the chairman of the executive committee of our Board. Through these committees, we have established independent processes for the effective oversight of critical issues entrusted to independent directors, such as the integrity of our financial statements, CEO and senior management compensation, board evaluation and selection of directors. For more information on the function of the committees of our Board, see “-Committees of our Board of Directors” below.

For the above reasons, our Board does not believe that a separation of the Chairman of the Board and Chief Executive Officer positions will provide any meaningful additional oversight. Moreover, our Board believes its current leadership structure positions our company to achieve the optimal result for its stockholders. Because Mr. Fitzgerald bears primary responsibility for the strategic management and leadership of our company, our Board believes that Mr. Fitzgerald is best suited to chair board meetings and ensure that key business issues and stockholders’ interests are brought to the attention of our Board.

## Board Role in Risk Oversight

Our Board has an active role, as a whole and at the committee level, in overseeing the management of our company's risks. Our Board regularly reviews information regarding our credit, liquidity, strategic, operational, financial and reporting, succession and compensation, legal and compliance functions and status, as well as the risks associated with each. The compensation committee is responsible for overseeing the management of risks relating to our incentive compensation plans and arrangements. The audit committee oversees management of financial risks. The nominating and corporate governance committee manages risks associated with the independence of our Board and, together with the audit committee, potential conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, our entire Board is regularly informed through committee reports and management presentations about such risks.

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### Committees of our Board of Directors

#### Executive Committee

Our Board has established an executive committee consisting of Carl E. Vogel and William R. Fitzgerald, with Mr. Vogel serving as chairman. The principal purpose of the executive committee is to assist our Board in the performance of its duties and responsibilities between regularly scheduled meetings of our Board and at any time when our Board is not in session or otherwise unable to act, by exercising the power and authority of our Board to manage the business and affairs of our company with respect to (i) such matters as shall be delegated to the executive committee by resolution of our Board and (ii) any other lawful matters to the extent the executive committee, in its discretion, determines that it is necessary or advisable to attend to such matters prior to the next regularly scheduled meeting of our Board. As such, the executive committee generally has and may exercise all the powers and authority of our Board in the management of the business and affairs of our company, including without limitation the power and authority to authorize the issuance of shares of our capital stock. However, the executive committee has no power or authority in reference to the following matters:

- approving, adopting or recommending to the stockholders of our company any action or matter expressly required by the Delaware General Corporation Law to be submitted to stockholders for approval;
- adopting, amending or repealing any bylaws of our company;
- fixing the size of our Board or filling any vacancies on our Board or on any committee of our Board;
- or
- the matters or powers expressly conferred upon the audit committee, the compensation committee, and the nominating and corporate governance committee.

#### Compensation Committee

Our Board has also established a compensation committee consisting of Philip J. Holthouse and Michael J. Pohl, with Mr. Pohl serving as chairman. The compensation committee reviews and makes recommendations to our Board regarding all forms of compensation provided to our executive officers and directors. In addition, the compensation committee reviews and makes recommendations on bonus and stock compensation arrangements for all of our employees and has sole responsibility for the administration of our incentive plans.

The compensation committee reviews and approves corporate goals and objectives relevant to the compensation of our Chief Executive Officer and our other executive officers. The compensation committee also reviews and approves the compensation of our Chief Executive Officer and certain other officers of our company. For a description of our processes and policies for consideration and determination of executive and director compensation, including the role of our Chief Executive Officer and outside consultants in determining or recommending amounts and/or forms of compensation, see “Executive Compensation-Compensation Discussion and Analysis” below. The compensation committee has the authority to retain a compensation consultant to assist in the evaluation of executive compensation.

Our Board has adopted a written charter for the compensation committee, which is available on our website at <http://ir.ascentcapitalgroupinc.com/corporate-governance.cfm>.

#### Compensation Committee Report

The compensation committee has reviewed and discussed with the company’s management the “Compensation Discussion and Analysis” included under “Executive Compensation” below. Based on such review and discussions, the compensation committee recommended to our company’s Board that the “Compensation Discussion and Analysis” be included in this proxy statement.

Submitted by the Members of the Compensation Committee  
Philip J. Holthouse

Michael J. Pohl (chairman)

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### Compensation Committee Interlocks and Insider Participation

In 2016, the compensation committee of our Board consisted of Michael J. Pohl and Philip J. Holthouse during the entirety of the year, and Brian Deevy until the 2016 Annual Meeting of Stockholders. No member of the compensation committee during 2016 is, was or has been an officer or employee of our company or any of our subsidiaries, or has engaged in any related party transaction in which our company or any of our subsidiaries was a participant.

### Nominating and Corporate Governance Committee

Our Board has established a nominating and corporate governance committee, whose chairman is Charles Y. Tanabe and whose other members are Philip J. Holthouse, Michael J. Pohl, and Carl E. Vogel. See “-Director Independence” above.

The nominating and corporate governance committee:

- develops qualification criteria for selecting candidates to serve as directors of our company;
- identifies individuals qualified to become directors of our company and makes recommendations to our Board with respect thereto;
- reviews and approves “related person transactions” (as set forth in our corporate governance guidelines); and
- reviews, and makes recommendations with respect to changes to, our corporate governance guidelines.

The nominating and corporate governance committee will consider candidates for director recommended by any stockholder provided that such nominations are properly submitted. Eligible stockholders wishing to recommend a candidate for nomination as a director should send the recommendation in writing to the Nominating and Corporate Governance Committee, Ascent Capital Group, Inc., 5251 DTC Parkway, Suite 1000, Greenwood Village, Colorado 80111. Stockholder recommendations must be made in accordance with our bylaws, as discussed under “Stockholder Proposals” below, and must contain the following information:

- the proposing stockholder’s name and address and documentation indicating the number of shares of our common stock beneficially owned by such person and the holder or holders of record of those shares, together with a statement that the proposing stockholder is recommending a candidate for nomination as a director;
- the candidate’s name, age, business and residence addresses, principal occupation or employment, business experience, educational background and any other information relevant in light of the factors considered by the nominating and corporate governance committee in making a determination of a candidate’s qualifications, as described below;
- a statement detailing any relationship, arrangement or understanding that might affect the independence of the candidate as a member of our Board;
- any other information that would be required under SEC rules in a proxy statement soliciting proxies for the election of such candidate as a director;
- a representation as to whether the proposing stockholder intends to deliver any proxy materials or otherwise solicit proxies in support of the director nominee;
- a representation that the proposing stockholder intends to appear in person or by proxy at the annual stockholders meeting at which the person named in such notice is to stand for election; and
- a signed consent of the candidate to serve as a director, if nominated and elected.

In connection with its evaluation, the nominating and corporate governance committee may request additional information from the proposing stockholder and the candidate. The nominating and corporate governance committee has sole discretion to decide which individuals to recommend for nomination as directors.

To be nominated to serve as a director, a nominee need not meet any specific, minimum criteria; however, the nominating and corporate governance committee believes that nominees for director should possess the highest personal and professional ethics, integrity, values and judgment and should be committed to the long-term interests of our stockholders. When evaluating a potential director nominee, including one recommended by a stockholder, the



nominating and corporate governance committee will take into account a number of factors, including, but not limited to, the following:

- independence from management;
- his or her unique background, including education, professional experience and relevant skill sets;
- judgment, skill, integrity and reputation;
- industry experience;
- existing commitments to other businesses as a director, executive or owner;

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personal conflicts of interest, if any; and

the size and composition of our existing Board, including whether the potential director nominee would positively impact the composition of our Board by bringing a new perspective or viewpoint to our Board.

The nominating and corporate governance committee does not have a formal policy with respect to diversity; however, our Board and the nominating and corporate governance committee believe that it is essential that our Board members represent diverse viewpoints.

When seeking candidates for director, the nominating and corporate governance committee may solicit suggestions from incumbent directors, management, stockholders and others. After conducting an initial evaluation of a prospective nominee, the nominating and corporate governance committee will interview that candidate if it believes the candidate might be suitable to be a director. The nominating and corporate governance committee may also ask the candidate to meet with management. If the nominating and corporate governance committee believes a candidate would be a valuable addition to our Board, it may recommend to our full Board that candidate's nomination and election.

Prior to nominating an incumbent director for re-election at an annual meeting of stockholders, the nominating and corporate governance committee will consider the director's past attendance at, and participation in, meetings of our Board and its committees and the director's formal and informal contributions to the various activities conducted by our Board and our Board committees of which such individual is a member.

The nominating and corporate governance committee believes that each of Messrs. Fitzgerald and Pohl continues to be qualified to serve as a director of our company and supports their nomination for re-election. The nomination of each of Messrs. Fitzgerald and Pohl has been approved by our entire Board.

Our Board has adopted a written charter for the nominating and corporate governance committee and corporate governance guidelines, which are available on our website at <http://ir.ascentcapitalgroupinc.com/corporate-governance.cfm>.

### Audit Committee

Our Board has established an audit committee, whose chairman is Philip J. Holthouse and whose other members are Michael J. Pohl and Carl E. Vogel. See "-Director Independence" above.

The audit committee reviews and monitors the corporate financial reporting and the internal and external audits of our company. The committee's functions include, among other things:

- appointing or replacing our independent auditors;
- reviewing and approving in advance the scope and the fees of our annual audit and reviewing the results of our audits with our independent auditors;
- reviewing and approving in advance the scope and the fees of non-audit services of our independent auditors;
- reviewing compliance with and the adequacy of our existing major accounting and financial reporting policies;
- reviewing our management's procedures and policies relating to the adequacy of our internal accounting controls and compliance with applicable laws relating to accounting practices;
- reviewing compliance with applicable SEC and stock exchange rules regarding audit committees; and
- preparing a report for our annual proxy statement.

Our Board has adopted a written charter for the audit committee, which is available on our website at <http://ir.ascentcapitalgroupinc.com/corporate-governance.cfm>.

### Audit Committee Report

Each member of the audit committee is an independent director as determined by our Board, based on the listing standards of The Nasdaq Stock Market. Each member of the audit committee also satisfies the SEC's independence requirements for members of audit committees. Each of Mr. Holthouse and Mr. Vogel is an "audit committee financial expert" under applicable SEC rules and regulations.



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The audit committee reviews our financial reporting process on behalf of our Board. Management has primary responsibility for establishing and maintaining adequate internal controls, for preparing financial statements and for the public reporting process. Our independent auditor, KPMG LLP, is responsible for expressing opinions on the conformity of our audited consolidated financial statements with U.S. generally accepted accounting principles. Our independent auditor also expresses its opinion as to the effectiveness of our internal control over financial reporting. The audit committee has reviewed and discussed with management and KPMG LLP our most recent audited consolidated financial statements, as well as management's assessment of the effectiveness of our internal control over financial reporting and KPMG LLP's evaluation of the effectiveness of our internal control over financial reporting. The audit committee has also discussed with KPMG LLP the matters required to be discussed by the Public Company Accounting Oversight Board Auditing Standard No. 1301, Communications with Audit Committees, including that firm's judgment about the quality of our accounting principles, as applied in its financial reporting. KPMG LLP has provided the audit committee with the written disclosures and the letter required by the Public Company Accounting Oversight Board Ethics and Independence Rule 3526, as modified or supplemented, and the audit committee has discussed with KPMG LLP that firm's independence from the company and its subsidiaries. Based on the reviews, discussions and other considerations referred to above, the audit committee recommended to our Board that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2016 (the 2016 Form 10-K), which was filed on March 8, 2017 with the SEC.

Submitted by the Members of the Audit Committee

Philip J. Holthouse (chairman)

Michael J. Pohl

Carl E. Vogel

Other

Our Board, by resolution, may from time to time establish other committees of our Board, consisting of one or more of our directors. Any committee so established will have the powers delegated to it by resolution of our Board, subject to applicable law.

Board Meetings

During 2016, there were seven meetings of our full Board, two meetings of our compensation committee, four meetings of our audit committee, one meeting of our nominating and corporate governance committee and no meetings of our executive committee.

Director Attendance at Annual Meetings

Our Board encourages all members of our Board to attend each annual meeting of our stockholders, and one of our Board members attended our 2016 annual meeting of stockholders.

Stockholder Communication with Directors

Our stockholders may send communications to our Board or to an individual director, in each case, c/o Ascent Capital Group, Inc., 5251 DTC Parkway, Suite 1000, Greenwood Village, Colorado 80111. All such communications from stockholders will be forwarded to our directors on a timely basis.

Executive Sessions

In 2016, the independent directors of our company met at three executive sessions without management participation. Any interested party who has a concern regarding any matter which it wishes to have addressed by our independent directors, as a group, at an upcoming executive session may send its concern in writing addressed to Independent Directors of Ascent Capital Group, Inc., c/o Ascent Capital Group, Inc., 5251 DTC Parkway, Suite 1000, Greenwood Village, Colorado 80111. The current independent directors of our company are Philip J. Holthouse, Michael J. Pohl, Charles Y. Tanabe and Carl E. Vogel.

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Risk Assessment in Compensation Programs

Following the completion of a risk assessment of our compensation programs applicable to all employees, we have concluded that the design and operation of our compensation programs do not provide our employees with incentive to engage in business activities or other actions that would threaten the value of our company or the investment of our stockholders. We have also concluded that any risks associated with our compensation programs are not reasonably likely to have a material adverse effect on our company.

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### EXECUTIVE COMPENSATION

This section sets forth information relating to, and an analysis and discussion of, compensation paid by our company to:

• William R. Fitzgerald;

• Jeffery R. Gardner;

• Michael R. Meyers; and

• William E. Niles.

Mr. Fitzgerald is our principal executive officer; Mr. Meyers is our principal financial officer; and Messrs. Gardner and Niles are executive officers of our company. We refer to Messrs. Fitzgerald, Gardner, Meyers and Niles in this proxy statement collectively as our named executive officers.

### Compensation Discussion and Analysis

#### Overview

The compensation committee of our Board has responsibility for overseeing the compensation of our named executive officers and ensuring that their compensation packages are consistent with the company's compensation objectives. In furtherance of this purpose, our compensation committee considers and approves all components of the named executive officers' compensation packages, including periodic corporate goals and objectives upon which compensation decisions are made. The compensation committee also administers our equity incentive plans and has the authority to make and modify grants under, and to approve or disapprove participation in, such plans (in each case, other than with respect to awards granted to nonemployee directors).

#### Objectives

The compensation program for our named executive officers was designed to meet the following objectives that align with and support our strategic business goals:

- attracting and retaining executive managers with the industry knowledge, skills, experience and talent to help our company attain its strategic objectives and build long-term company value;
- emphasizing variable performance-based compensation components, which include equity-based compensation, by linking individual compensation with corporate operating metrics as well as individual professional achievements; and
- aligning the interests of management of our company with the interests of our stockholders.

#### Principles

The following principles are used to guide the design of our executive compensation program and to ensure that the program is consistent with the objectives described above:

**Competitive Positioning.** We believe that our executive compensation program must provide compensation to our named executive officers that is both reasonable in relation to, and competitive with, the compensation paid to similarly situated employees of companies in our similar industries and companies with which we compete for talent, taking into account many factors, including cost-of-living considerations. See “-Setting Executive Compensation” below.

**“Pay for Performance” Philosophy.** We believe our compensation program should align the interests of our named executive officers with the interests of our company and our stockholders by strengthening the link between pay and company and individual performance. Accordingly, our compensation committee believes variable compensation, including plan-based awards, should represent a significant portion of the total compensation mix for our named

executive officers.

At our 2014 annual stockholders meeting, our stockholders representing 89.5% of our aggregate voting power present and entitled to vote on our say-on-pay proposal approved, on an advisory basis, our executive compensation, as disclosed in our

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proxy statement for our 2014 annual meeting of stockholders. The compensation committee did not implement any material changes to our executive compensation program as a result of that vote.

Role of Chief Executive Officer in Compensation Decisions

As a general matter, our Chief Executive Officer provides recommendations to the compensation committee with respect to all elements of compensation proposed to be paid to the other named executive officers in conjunction with his evaluation of their performance. Mr. Fitzgerald participated in the compensation committee’s discussions with respect to the performance of Messrs. Gardner, Meyers and Niles, as well as the related performance-based restricted stock units awarded to Messrs. Gardner and Meyers in 2016. For additional information regarding our named executive officers’ compensation packages, see “-Equity Incentive Compensation” and “-Employment Agreements” below.

Setting Executive Compensation

Consistent with the principles outlined above, the compensation committee considers compensation data relating to other companies in reviewing and approving the compensation packages of our named executive officers. Historically, the compensation committee had focused on a select group of peer companies that operated in various markets within the technology, media, communications and entertainment industries. However, in connection with our company’s transition out of the media and entertainment business, the compensation committee hired Compensia, Inc., a compensation consultant (Compensia), in May 2011 to assist the compensation committee in identifying a new peer group of companies, gathering market data on competitive market practices with respect to cash and equity-based compensation and developing an updated compensation framework, including with respect to equity awards (such as award types, vesting parameters and individual allocations).

Along with Compensia, our compensation committee developed our peer group list taking into account our company’s focus on the alarm monitoring and security business (a technology business supported by subscription-based revenue), our range of financial performance metrics and our aggregate market capitalization. Compensia advised the compensation committee that our peer group of companies should be comprised of those in the technology space and those with a subscription/service-based business model, which together most closely correlate to our current business and operations. Accordingly, the companies in our peer group are set forth below:

Bally Technologies, Inc.	Fair Isaac Corporation
Cardtronics Inc.	Interval Leisure Group, Inc.
Consolidated Communications Holdings, Inc.	J2 Global, Inc.
CSG Systems International, Inc.	National Cinemedia, Inc.
Cumulus Media, Inc.	Netflix, Inc.
Digital Globe, Inc.	Nexstar Broadcasting Group, Inc.
	Scientific Games Corporation

The compensation committee did not apply specific benchmarking parameters that formed the basis for any of the named executive officers’ employment agreements. Rather, the compensation committee incorporated the competitive market data received from Compensia, including as to the compensation paid by the peer groups described above, into the compensation committee’s total mix of information (including its members’ general business and industry knowledge and experience and its evaluation of each named executive officer’s job performance) in establishing what the compensation committee believed to be reasonable and competitive variable elements of each named executive officer’s compensation package.

Elements of 2016 Executive Compensation

For 2016, the principal components of compensation for our named executive officers were:

- base salary;
- performance-based bonuses;
- equity incentive compensation; and
- limited perquisites and personal benefits.

A summary of each element of our compensation program is set forth below. We believe that each element complements the others and that together they serve to achieve our compensation objectives.

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## Base Salary

We provide competitive base salaries to attract and retain high-performing executive talent. We believe that a competitive base salary is an important component of compensation, as it provides a degree of financial stability for executives. The base salary level of each named executive officer is generally determined based on the responsibilities performed by such officer, his or her experience, overall effectiveness and demonstrated leadership ability, the performance expectations set for such officer, and competitive market factors. Messrs. Fitzgerald and Gardner did not receive a base salary increase with respect to 2016. Mr. Gardner received the base salary provided for in his employment agreement. In recognition of the favorable 2015 performance of each of Mr. Meyers and Mr. Niles of his respective duties as an officer of our company and taking into account cost-of-living adjustments, with respect to 2016, Mr. Meyers and Mr. Niles received a 3.7% and a 2.3% increase, respectively, in his base salary for 2016.

**Performance-Based Bonuses.** Our compensation committee adopted a performance-based bonus program for 2016 in which each of the named executive officers was eligible to participate. The program was intended to comply with Section 162(m) of the Code. In order for any named executive officer to be eligible to receive any bonus under the program, our company had to achieve consolidated revenue for the year ended December 31, 2016 of no less than 100% of our consolidated revenue for the year ended December 31, 2015 (as reported in our Annual Report on Form 10-K for the year ended December 31, 2015 (the 2015 Form 10-K)), subject to such adjustments (to the extent permissible under Section 162(m) of the Code) as the compensation committee may determine to be necessary or appropriate to provide year-over-year comparability (including, for example, in the event of any acquisitions, dispositions, changes in accounting policies or other extraordinary events). In addition, Mr. Gardner's employment agreement provides that 80% of his performance-based bonus was subject to achieving quantitative financial objectives, which were as follows for 2016: (i) Pre-SAC Adjusted EBITDA (which is Adjusted EBITDA as defined in our 2015 Form 10-K, excluding subscriber acquisition costs and the related revenue of LiveWatch Security, LLC (LiveWatch)), for 2016 of approximately \$370.63 million (weighted 22.5%), (ii) recurring monthly revenue created of approximately \$7.636 million for 2016 (weighted 22.5%), (iii) creation cost multiple at or below 35.69x for 2016 (weighted 32.5%) and (iv) attrition for 2016 (excluding 2G-related cancellations) at or below 13.3% (weighted 22.5%) (collectively, the Quantitative Objectives). The remaining 20% of Mr. Gardner's of performance-based bonus would be determined based on an evaluation of his performance against the key performance indicators (KPIs) below. Each named executive officer's target and maximum bonus amount for 2016 was determined by the committee taking into account each named executive officer's applicable employment agreement and was as follows: Mr. Fitzgerald \$1,222,500; Mr. Gardner: \$918,000; Mr. Meyers \$318,750; and Mr. Niles \$330,000. As the threshold performance metric was met and two of the Quantitative Objectives applicable to Mr. Gardner's award were met for 2016, the compensation committee then determined, in its sole discretion, the actual portion of each grantee's target (which was also his maximum) bonus amount that was payable under the program (which could have been zero) after taking into account each grantee's personal performance over the year based on a set of KPIs adopted for each named executive officer with respect to 2016. The KPIs considered for Messrs. Fitzgerald, Gardner, Meyers and Niles were as follows:

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Name	KPIs
	<ul style="list-style-type: none"> <li>• Support of our company and MONI's leadership teams in their efforts to achieve their financial, operating, management development and capital objectives, and focus on driving shareholder value</li> </ul>
William R. Fitzgerald	<ul style="list-style-type: none"> <li>• Support refinancing efforts at MONI</li> <li>• Leadership in investor relations messaging, strategy and execution</li> <li>• Pursuit of objectives and strategies consistent with improving the company's near-term and long-term financial performance, which serves to enhance shareholder value.</li> <li>• Assist Chairman of the Board with strategic initiatives</li> <li>• Lead review of investor relations initiatives, outreach and re-branding effort</li> </ul>
Jeffery R. Gardner	<ul style="list-style-type: none"> <li>• Work with our Chief Financial Officer to refinance MONI's debt prior to December 2016</li> <li>• Role out product road map for both MONI and LiveWatch</li> <li>• Devise a plan to reduce costs, such as field service expense, cellular cost, multiples in our dealer program</li> <li>• Manage dealer program and sub-dealer plan</li> <li>• Meet or exceed financial and operating performance objectives for MONI for 2016</li> <li>• Continued expertise in financial markets and financing alternatives for our company and MONI and ensure that our company maintains sufficient growth capital to support its long range plan</li> </ul>
Michael R. Meyers	<ul style="list-style-type: none"> <li>• Improvement upon the processes by which our company evaluates and tracks its financial performance and metrics</li> <li>• Continued compliance with SEC reporting</li> <li>• Pursuit of objectives and strategies consistent with improving the company's near-term and long-term financial performance, which serves to enhance shareholder value</li> <li>• Work with our company and MONI's leadership to improve investor relations presentation.</li> </ul>
William E. Niles	<ul style="list-style-type: none"> <li>• Provision of sound legal counsel to our Chief Executive Officer, the Board and its committees on all legal matters relating to our company</li> <li>• Management of our company's litigation portfolio, legal compliance with SEC reporting, enterprise level risk insurance policies and real estate portfolio</li> <li>•</li> </ul>

- Continued awareness of evolving legal issues relating to corporate governance and SEC compliance
- 
- Collaboration with our Chief Executive Officer on corporate strategy and the development of opportunities to enhance shareholder value
- 
- Participation in corporate development process through assisting with the identification, evaluation and execution of transactions

After evaluating each named executive officer’s performance over the year and taking into account the aggregate amount of each named executive officer’s other compensation outside of the program, the compensation committee determined the appropriate blend of compensation components for each named executive officer and exercised its discretionary authority to determine the amount payable to each named executive officer who participated in the program for 2016. The compensation committee also exercised its discretionary authority to pay the bonus amount payable to each such named executive officer in cash. The bonus for each named executive officer was paid as follows:

Name	Target/ Maximum Bonus	Percentage of Target/Maximum Bonus Payable	Total Discretionary Bonus	Cash Portion of Total Bonus
William R. Fitzgerald	\$ 1,222,500	34.76	%	\$ —\$ 425,000
Jeffery R. Gardner	\$918,000	43.57	%	\$ —\$ 400,000
Michael R. Meyers	\$318,750	54.90	%	\$ —\$ 175,000
William E. Niles	\$330,000	71.21	%	\$ —\$ 235,000

For more information on these awards, see “—Summary Compensation Table” and “—Grant of Plan-Based Awards” below. Equity Incentive Compensation. Consistent with our compensation philosophy, we seek to align the interests of our named executive officers with those of our stockholders by awarding equity-based incentive compensation, ensuring that our executives have a continuing stake in the long-term success of our company and our subsidiaries. Accordingly, the compensation committee believes that an executive’s overall mix of compensation should be weighted more heavily toward equity-based incentives.

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The Ascent Capital Group, Inc. 2015 Omnibus Incentive Plan (the incentive plan) provides, for the grant of a variety of incentive awards, including non-qualified stock options, SARs, restricted shares, restricted stock units, cash awards and performance awards and are administered by our compensation committee (other than with respect to awards made to our nonemployee directors under the incentive plan, which are administered by the full Board). Our executives have historically been granted stock options and awards of restricted stock in preference to other awards because of our company's belief that options and restricted shares better promote retention of key employees through the continuing, long-term nature of an equity investment. It is the policy of our compensation committee that stock options be awarded with an exercise price equal to fair market value on the date of grant, measured by reference to the closing sale price on the grant date.

In 2015, our compensation committee began granting awards of performance-based restricted stock units (performance RSUs or PRSUs) under the incentive plan that may be earned based on our achievement of key performance indicators selected by the committee. If the performance RSUs are not earned after the first performance period prescribed in the applicable award agreement, the applicable award agreement may provide that such unearned performance RSUs will be available to be earned in one or more subsequent years subject to the applicable performance criteria selected by the compensation committee. To the extent they are earned, the performance RSUs will be subject to a back-loaded time-vesting condition over a three-year period and may be settled in cash, shares of our Series A common stock or a combination of the foregoing. These awards are meant to encourage executives to remain with our company over the long-term and to better align their interests with those of our stockholders.

In February 2016, our compensation committee approved an award of 20,000 performance RSUs for Mr. Meyers, which was the maximum number of performance RSUs that could be earned. The entire award would be earned if MONI's revolving credit facility and term loan; which had been scheduled to mature in December 2017 and March 2018, respectively, when this award had been granted, were successfully refinanced. In November 2016, our compensation committee determined that this performance condition had been met based on MONI's refinancing of the revolving credit facility and term loan in September 2016. A tranche consisting of 20% of Mr. Meyers's performance RSUs vested on December 31, 2016, and the remainder was divided into 30% and 50% tranches vesting on a quarterly basis during the one-year periods beginning on January 1, 2017 and 2018, respectively. Mr. Meyers's performance RSU awards will be settled in shares of our Series A common stock.

In March 2016, our compensation committee approved two performance RSU awards: the 2016 Gardner PRSUs consisting of 70,422 performance RSUs with an grant date fair value of \$1 million, and the 2016-2018 Gardner PRSUs consisting of 35,211 performance RSUs with an aggregate grant date fair value of \$500,000, which in each case was the maximum number of performance RSUs that could be earned under the award. Mr. Gardner received these performance RSU awards pursuant to his employment agreement. See “-Employment Agreements.”

In order for Mr. Gardner to earn any of the 2016 Gardner PRSUs, our company had to achieve the Quantitative Objectives described in “-Performance-Based Bonuses.” In February 2017, our compensation committee determined that 55% of the 2016 Gardner PRSUs had been earned by Mr. Gardner, and the unearned portion was forfeited. The earned performance RSUs will vest in equal tranches on a quarterly basis on the last day of each calendar quarter of 2017 and 2018. Mr. Gardner's performance RSUs will be settled in shares of our Series A common stock on the applicable vesting dates.

In order for Mr. Gardner to earn all of the 2016-2018 Gardner PRSUs, our company had to achieve Adjusted EBITDA (as defined in the 2015 Form 10-K) of at least 95% of \$370.63 million, or \$346.94 million, during the three- year period that commenced on January 1, 2016 and will end on December 31, 2018.

Perquisites and Personal Benefits. For the year ended December 31, 2016, the limited perquisites and personal benefits provided to our named executive officers consisted generally of term life insurance premiums, 401(k) matching contributions and a reimbursement from our company relating to health insurance premiums paid by each such individual. We offer our named executive officers other benefits that are also available on the same basis to all of our salaried employees, such as medical and disability insurance premiums.

Clawback Policy. Effective as of April 7, 2017, the compensation committee adopted a clawback policy that allows us to recover or “clawback” performance-based cash and equity compensation from certain employees in the event of a

material restatement of our financial results. Under the policy, if the material restatement would result in any performance-based cash or equity compensation paid during the three years preceding the restatement to have been lower had it been calculated based on such restated results, we may recover the amounts in excess of what would have been paid under the restatement, from any executive who received such performance-based cash or equity compensation who is determined to have engaged in intentional or unlawful misconduct that materially contributed to the need for such restatement. The compensation committee has the sole authority to enforce this policy, and it is limited by applicable law.

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SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
William R. Fitzgerald Chairman, Chief Executive Officer and President	2016	825,379	—	—	—	425,000	18,898	(2)(3)(4)(5) 1,269,277
	2015	825,000	—	—	—	—	18,380	(2)(3)(4)(5)