TIME WARNER INC.
Form DEF 14A
April 24, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

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

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to § 240.14a-12

Time Warner Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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April 24, 2015

Dear Fellow Shareholder:

2014 was a milestone year for Time Warner.

We completed the strategic transition of the company from a traditional media conglomerate to a global media company focused on high-quality video content. It s a process that began several years ago and culminated with the separation of Time Inc. in 2014.

As a result, Time Warner is uniquely well positioned for today s media environment. We have the scale that comes with industry-leading positions in cable networks at Turner and Home Box Office and with the world s preeminent television and film studio at Warner Bros. And we have the focus that comes with a naturally aligned set of businesses. This combination allows us to move swiftly to take advantage of the growing worldwide consumer demand for high-quality video content, while leading the industry in developing new products and services that capitalize on technology and address consumers ever-evolving expectations.

Sustained Performance. Last year, we made great progress in executing our strategy to drive superior and sustained operating and financial performance. The core of our strategy is to use our industry-leading scale to produce high-quality, branded video content and distribute that content on traditional and emerging platforms worldwide, and to manage our businesses and capital resources with a high degree of discipline to provide for ongoing earnings growth and direct returns of capital to our shareholders.

As a result, we grew Adjusted EPS by 18% and Free Cash Flow by 12% in 2014. Our Total Shareholder Return (TSR) for the year was 30%, the highest among all our media peers and double the S&P 500 average. This represents a continuation of our strong performance, with Adjusted EPS growth of at least high teens for the sixth consecutive year and a TSR of 244% over the last five years. We demonstrated our commitment to providing direct returns to our shareholders, with $6.6 billion in share repurchases and dividends in 2014 and a cumulative $26 billion since 2008. In early 2015, we reinforced this commitment by raising our dividend by 10%, the sixth straight year of double-digit increases.

Plans for Future Growth. In addition to delivering strong performance in 2014, we adopted an aggressive plan for Time Warner as a video-focused company. At our investor event on October 15th following the spin-off of Time Inc. and the withdrawal of an unsolicited takeover offer by Twenty-First Century Fox our management team presented specific strategic, operating, and financial goals for the company through 2018, reflecting the long-range plan for 2014-2018 approved by the Board of Directors. While acknowledging the challenges facing the media industry, we also identified key upside opportunities including HBO NOW, a stand-alone HBO streaming service (which launched in April of this year), a global initiative by Turner and Warner Bros. to expand our kids businesses, and an ambitious plan to use DC Comics rich trove of characters and stories across Warner Bros. businesses, including consumer products and videogames.

Next Generation of Management. 2014 was also the first full year with a new senior management team in place at our three operating divisions John Martin at Turner, Richard Plepler at Home Box Office and Kevin Tsujihara at Warner Bros. and a new CFO at Time Warner Howard Averill. Reflecting the deep management strength we have at Time Warner, these executives bring decades of company and industry experience to their new positions. They also exemplify a renewed energy, drive, and natural ability to work together to create shareholder value.

Effective Governance. In the following proxy statement, you can read a great deal more about our Board, strong governance policies and practices, and compensation programs. Our governance policies and practices and compensation programs are based on a few key pillars, including:

- A thoughtful approach to governance, with the overriding goal of having effective structures, policies and practices that serve the best interests of our shareholders over the long-term.
- A strong, independent and informed board, whose members bring a diversity of perspectives, backgrounds, skills and tenure to help oversee a global media company, including experience in the media, technology, and consumer-facing industries, as well as success in building and managing large and successful global enterprises.

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- A robust shareholder engagement program, which allows for a constructive dialogue on variety of topics with our shareholders that helps to inform our Board s decisions.
- An approach to compensation that is designed to attract and retain a strong management team in a competitive environment, and that provides appropriate incentives to drive exceptional long-term performance.

On behalf of the entire Board of Directors, we want to express our appreciation for your investment in Time Warner. As the company executes the plans we ve shared with you, the Board of Directors and management will continue to look for additional opportunities to drive sustained and superior performance for you, our shareholders.

We look forward to seeing those of you who are planning to attend the Annual Meeting in person. If you are unable to attend the meeting in person, you may listen to the webcast of the Annual Meeting live at *www.timewarner.com/annualmeetingmaterials.*

Sincerely,

Jeffrey L. Bewkes	Stephen F. Bollenbach
Chairman of the Board	*Lead Independent Director*
and Chief Executive Officer	

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Annual Meeting Date: Friday, June 19, 2015

Time: 10:00 a.m. (local time)

Location: Georgia World Congress Center, Georgia Ballroom, Building C, Level 3,

235 Northside Drive, Atlanta, Georgia

(see directions on the last page of the Proxy Statement)

Record Date: Close of business on April 20, 2015

You are cordially invited to attend Time Warner Inc. s 2015 Annual Meeting of Shareholders (the Annual Meeting or the 2015 Annual Meeting).

Meeting Agenda:

1. Elect the 12 directors named in the Proxy Statement;

2. Ratify the appointment of Ernst & Young LLP as the Company s independent auditor for 2015;

3. Hold an annual advisory vote to approve named executive officer compensation;

4. Consider and vote on the shareholder proposals included in the Proxy Statement, if properly presented at the Annual Meeting; and

5. Transact such other business as may properly come before the Annual Meeting.

Who Can Vote at the Annual Meeting: Only holders of Time Warner s common stock as of the record date are entitled to vote on the proposals described above at the Annual Meeting or any adjournments or postponements of the meeting.

Voting: Whether or not you plan to attend the Annual Meeting in person, your vote is important. After reading the Proxy Statement, please promptly submit your proxy or voting instructions by Internet, telephone or mail by following the instructions in your Notice of Internet Availability of Proxy Materials, proxy card or voting instruction form. Any holder of record who is present at the Annual Meeting may vote in person, which will revoke any previously submitted proxy. If your shares are held through a bank or brokerage account and you want to vote in person at the Annual Meeting, you will need to contact your bank or broker to obtain a written legal proxy from the record holder of your shares.

Attending the Annual Meeting: If you are attending the Annual Meeting in person, you can register in advance by calling (855) 883-3141 by 5:00 p.m. EST, Monday, June 15, 2015. A map with directions to the Annual Meeting is provided on the last page of the Proxy Statement. You will be required to present government-issued photo identification (*e.g.*, driver s license or passport) to be admitted to the Annual Meeting. Inspection of packages and bags, among other measures, may be employed to enhance the security of those attending the Annual Meeting. These procedures may require additional time, so please plan accordingly. To avoid disruption, admission may be limited once the Annual Meeting begins. If you are unable to attend the meeting in person, you may listen to the webcast of the Annual Meeting live at *www.timewarner.com/annualmeetingmaterials.*

TIME WARNER INC.

Paul F. Washington

Corporate Secretary

April 24, 2015

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to Be Held on Friday, June 19, 2015:

This Proxy Statement and the Company s 2014 Annual Report to Shareholders are available electronically at *www.timewarner.com/annualmeetingmaterials*.

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2015 PROXY STATEMENT SUMMARY

This summary highlights information contained in this Proxy Statement. We encourage you to read the entire Proxy Statement carefully before voting.

Matters to Be Voted on at the Annual Meeting

Matter		Board Recommendation	Page Reference For More Information
Proposal 1: Election of Directors Election of 12 directors for a term of one year and until their successors are duly elected and qualified:		**FOR each nominee**	Pages 4 to 15
James L. Barksdale	Jessica P. Einhorn		
William P. Barr	Carlos M. Gutierrez		
Jeffrey L. Bewkes	Fred Hassan		
Stephen F. Bollenbach	Kenneth J. Novack		
Robert C. Clark	Paul D. Wachter		
Mathias Döpfner	Deborah C. Wright		
Proposal 2: Ratification of the appointment of Ernst & Young LLP as independent auditor for 2015		**FOR**	Page 16
Proposal 3: Advisory vote to approve named executive officer compensation		**FOR**	Page 17
Proposal 4: Shareholder proposal on right to act by written consent		**AGAINST**	Pages 18 to 20
Proposal 5: Shareholder proposal on tobacco depictions in films		**AGAINST**	Pages 21 to 23
Proposal 6: Shareholder proposal regarding greenhouse gas emission targets		**AGAINST**	Pages 24 to 26

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Business and Governance

Focused Business Model	With the spin-off of Time Inc. in June 2014 (the Time Separation), Time Warner Inc. (Time Warner or the Company) completed multi-year transition under the leadership of Jeff Bewkes to a global media company focused on high-quality video content with an unmatched collection of television and film businesses ¡ Biggest cable network group (Turner Broadcasting System, Inc. (Turner) and Home Box Office, Inc. (Home Box Office)) ¡ Largest television and feature film studio in the world (Warner Bros. Entertainment Inc. (Warner Bros.)) Also completed transition in senior leadership, with new CEOs assuming responsibility at Turner, Home Box Office and Warner Bros. and a new CFO at Time Warner these executives bring deep industry experience to their new roles, and their appointments reflect the Company s strong succession processes
Clear Operating Strategy	Use leading scale and brands to create the best content Use technology to enhance consumer experience, drive usage and improve Company economics Expand internationally with a focus on faster-growing territories Focus on operating and capital efficiency
Sustained Strong Financial Performance	Increased Adjusted EPS 18% to \$4.15, the 6th consecutive year of at least high teens growth Posted Adjusted Operating Income of \$5.8 billion in 2014 and grew Adjusted Operating Income at a 6% compound annual growth rate (CAGR) over the

past five years

Grew Free Cash Flow 12% to $3.5 billion

Delivered shareholder returns of 30.0%, 162.5% and 244.3% over the one, three and five-year periods, respectively, in each case at or near the top of the Company s entertainment and media peer group

Compensation Program Closely Aligned with Performance

Compensation program supported strong financial and operating performance by the Company in 2014

- Substantial emphasis on variable performance-based compensation (93% for CEO)
- Mix of performance measures tied to underlying business and stock performance, with focus on long-term sustainable growth
- Challenging financial and strategic goals set at the beginning of each performance period
- Compensation decisions informed by shareholder perspectives

- Shareholders representing 89.5% of the votes cast at the Company s 2014 Annual Meeting of Shareholders (the 2014 Annual Meeting) voted in favor of the compensation of the named executive officers (NEOs) included in the Company s 2014 Proxy Statement

  Taking into account shareholder feedback received in recent years and the results of the 2014 advisory vote on NEO compensation, the Compensation and Human Development Committee (the Compensation Committee) determined to maintain the overall executive compensation structure for 2015

Strong Governance Practices

The Board of Directors (the Board or the Board of Directors) leadership structure and composition provide effective independent oversight

Leading governance policies and practices guide the Board in carrying out its duties and responsibilities. Key examples of Time Warner s long-standing commitment to strong governance practices and policies include:

- A substantial majority of directors must be **independent**
- **Board qualifications** ensure that directors have a variety of complementary skills, professional experience, and backgrounds and bring **diverse viewpoints and perspectives** to the Board
- A **mix of tenures** for non-employee directors with an expectation that average tenure will generally not exceed 10 years
- A **Lead Independent Director** with significant authority and responsibilities
- **Annual elections** of directors with a **majority-vote standard** in uncontested elections
- **No supermajority voting provisions** in the Company s Charter or By-Laws
- **Stock ownership requirements** for executive officers and directors
- **Prohibitions on hedging and pledging** Company common stock by executive officers and directors
- **Codes of conduct** for executive officers and directors
- Shareholders having the **right to request special meetings** (15% threshold)

	Long-standing practice of engaging with shareholders throughout the year on a range of compensation, governance and environmental and other corporate responsibility matters

One Time Warner Center

New York, NY 10019-8016

PROXY STATEMENT

This Proxy Statement is being furnished to holders of Time Warner common stock, par value $0.01 per share (Common Stock), as of the record date (April 20, 2015) in connection with the solicitation of proxies by the Board of Directors of Time Warner Inc., a Delaware corporation, for use at the Annual Meeting of Time Warner s shareholders (the Annual Meeting) to be held on Friday, June 19, 2015, at the Georgia World Congress Center, Georgia Ballroom, Building C, Level 3 in Atlanta, Georgia, commencing at 10:00 a.m., local time, and at any adjournment or postponement of the meeting, for the purpose of considering and acting on the matters set forth in the accompanying notice and in this Proxy Statement.

COMPANY PROPOSALS

Proposal 1: Election of Directors

Director Nominees

12 Director Nominees. The Board nominated for election at the Annual Meeting the 12 nominees named below on the recommendation of the Nominating and Governance Committee of the Board (the Nominating Committee). Each of the nominees currently serves as a director of the Company and was elected by the shareholders at the 2014 Annual Meeting. If any nominee is unable or unwilling to serve as a director at the time of the 2015 Annual Meeting, the persons named in the proxy card (who are appointed by shareholders as their proxies) intend to vote, in their discretion, for such other persons, if any, as may be designated by the Board. As of the date of this Proxy Statement, the Board has no reason to believe that any of the nominees will be unable or unwilling to serve as a director if elected. The persons named in the proxy card as shareholders proxies intend to vote such proxy for the election of each of the nominees, unless a shareholder indicates on the proxy that the vote should be against any or all of the nominees.

Election for a One-Year Term. The nominees will be elected to serve for a one-year term until (i) the next annual meeting of shareholders and until their successors have been duly elected and qualified or (ii) their earlier death, resignation or retirement.

Majority Voting Standard for Election of Nominees. Because the election of the directors at the 2015 Annual Meeting is uncontested, a majority of the votes duly cast by the holders of Common Stock with respect to each director is required for the election of that director.

Director Resignation By-Law Provision. If an incumbent director nominee in an uncontested election receives more against votes than for votes, the director must submit an offer to resign from the Board. The Board will then consider the resignation offer and may either accept the resignation offer or reject the resignation offer and seek to address the underlying cause(s) of the against votes. The Board is required to make its determination within 90 days following the certification of the shareholder vote and make a public announcement of its decision, including a statement regarding the reasons for its decision if the Board rejects the resignation offer.

Director Nomination Process

There are a number of different ways an individual can be nominated for election to the Board.

Nominations Developed by the Nominating Committee. The Nominating Committee follows the steps described below to identify and propose an individual for election to the Board:

In addition to evaluating the composition of the Board as part of an annual self-evaluation process, the Nominating Committee conducts periodic assessments of the overall composition of the Board in light of the Company s current and expected future business needs and structure and, based on such assessments, may establish specific qualifications that it will seek in Board candidates. The Nominating Committee reports on the results of these assessments to the Board.

The Nominating Committee seeks advice and the names of potential director candidates from members of the Board, management, major shareholders, and other public and private sources. The Nominating Committee sometimes retains a search firm to assist it in these efforts. The Nominating Committee reviews the qualifications of incumbent candidates for re-nomination to the Board annually.

The Nominating Committee recommends a slate of director candidates, which may include both incumbent and new director nominees, to submit for shareholder approval at the annual meeting of shareholders. The Nominating Committee may also recommend that the Board elect new members of the Board who will serve until the next annual meeting of shareholders.

Shareholder Recommendations Submitted to the Nominating Committee. Shareholders may submit names of director candidates to the Nominating Committee for its consideration by following the process described below under Other Procedural Matters Procedures for Submitting Director Recommendations and Nominations.

Shareholder Nominations Submitted to Shareholders. Shareholders may submit nominations directly to the Company s shareholders by following the process set forth in the Company s By-laws. This process is described below under Other Procedural Matters Procedures for Submitting Director Recommendations and Nominations.

Criteria for Board Membership

The Nominating Committee and the Board take into consideration many factors in reviewing candidates and apply the same criteria to all candidates. The Board believes that the Company is best served by a board of directors consisting of individuals who not only share certain characteristics such as a high level of integrity, professional accomplishment and business judgment, but also bring a variety of complementary skills, professional experience, backgrounds and diverse viewpoints and perspectives to the Board.

Board Statement regarding Tenure and Mandatory Retirement Age. The Corporate Governance Policy provides that non-employee directors will not be eligible for nomination for a term during which they will reach age 75.

Reflecting a commitment to Board refreshment, this Policy also states that the Board believes the Board and the Company are well-served by having non-employee directors with a mix of tenures and expects that the average tenure of non-employee directors will generally not exceed 10 years.

Criteria for All Director Candidates	Additional Criteria for New Director Candidates
Personal Qualities. Each director must possess a demonstrated reputation for integrity, judgment, acumen and high professional and personal ethics.	***Professional Experience***. New director candidates should have significant high-level leadership experience at a public corporation or other firm, in government or at a non-profit institution. The performance of the director candidate while at such public corporation or other firm, in government or at a non-profit institution is an important factor the Nominating Committee considers when evaluating a candidate.
Experience. Each director should be financially literate and have significant experience at the policy-making level in business, government or the non-profit sector. **In evaluating director candidates, the Board also considers the categories of business experience discussed below in light of the Company s current and expected business needs.**	***Diversity***. The Corporate Governance Policy requires the Nominating Committee and the Board to consider the Board s overall composition when considering director candidates, including whether the Board has an appropriate combination of professional experience, skills, knowledge and variety of viewpoints and backgrounds in light of the Company s current and expected future business needs. In addition, as set forth in the Policy Statement Regarding Director Nominations, the Nominating Committee believes that it is desirable for new candidates to contribute to the variety of viewpoints on the Board, which may be enhanced by a mix of different professional and personal backgrounds and experiences.
Independence. A majority of the Board, and, unless otherwise determined by the Board, any newly nominated non-employee candidate for the Board, must satisfy the criteria to be considered an independent director under the Company s By-laws and Corporate Governance Policy and the applicable New York Stock Exchange (the NYSE) listing standards.	
Commitment. Each director must have the time and ability to make a constructive contribution to the Board, as well as a clear commitment to fulfilling the director s fiduciary duties and serving the interests of the Company s shareholders. In addition, to help ensure that directors have sufficient time to devote to their responsibilities as a director, the Board has determined that directors should generally serve on no more than five other public company boards. Directors are required to offer their resignation upon a significant change in their primary	***Committee Eligibility***. The Nominating Committee believes it is desirable for new candidates to satisfy the requirements for serving on the Board s committees, as set forth in the charters for those committees and applicable regulations.

professional responsibilities, and, in such case, the Nominating Committee will make a recommendation to the Board as to whether to accept the offer of resignation.

Age. Under the Company s By-laws and Corporate Governance Policy, each director must be at least 21 years of age at the commencement of service as a director and is not eligible for nomination for a term during which they will reach age 75.

Antitrust Requirements. Each director must satisfy the requirements of antitrust laws, which limit service as an officer or director of the Company s significant competitors.

Director Experience. The Nominating Committee believes it is useful for candidates for the Board to have experience as a director of a major public corporation.

Business Experience Considered for All Director Candidates	*Director Nominee Experience*
Leadership and Senior Management. Experience serving as a founder, chief executive officer or a senior executive of a major corporation or firm (or a comparable position in government or the non-profit sector). Directors who have served in significant leadership positions over an extended period, especially chief executive officer positions are important, as they bring experience with developing, implementing and overseeing the execution of business plans and strategies. Directors with this experience also generally possess strong leadership qualities and the ability to identify and develop those qualities in others.	All of the nominees for director have leadership or senior management experience, including eight nominees who are either current or former chief executive officers of public or private companies.
Media, Communications or Technology Businesses. Knowledge of and experience in media, communications and/or technology businesses. As a leading media and entertainment company, relevant industry experience is important in understanding the Company s business, strategy and long-range plans. In addition, directors who have relevant industry experience can offer advice and insights regarding new technologies and business models, which is particularly important with the significant changes that are occurring in the media and entertainment industry.	The vast majority of the nominees for director have highly relevant industry experience. The nominees include a former President and Chief Executive Officer of Netscape Communications Corp., a former Executive Vice President and General Counsel of Verizon Communications Inc., a former Senior Executive Vice President and Chief Financial Officer of The Walt Disney Company, a current director of Omnicom Group, Inc., a former Vice Chairman of the Company and America Online, Inc., the current Chairman and Chief Executive Officer of Axel Springer SE, and a former member of the board of managers of Beats Electronics, LLC and Beats Music, LLC.
Finance, Investments or Banking. Knowledge of and experience in finance, investments and/or banking. Experience in this area is important because it assists the Company s directors in understanding and evaluating the Company s capital structure, financing and investment activities and financial statements. It is also important because it assists them in understanding and overseeing the Company s financial reporting and internal controls.	All of the nominees who serve on the Audit Committee qualify as financially literate under the NYSE listing standards and four of them qualify as audit committee financial experts under the SEC s rules. The nominees also include the Chairman and President of Barksdale Management Corporation, a private investment management company, a director of BlackRock, Inc., a Partner and Managing Director at Warburg Pincus LLC, the Founder and Chief Executive Officer of Main Street

	Advisors, Inc., a private company that provides investment and financial advisory services to high net worth individuals, and the Non-Executive Chairman of Carver Bancorp, Inc.
Consumer-Focused Businesses. Knowledge of and experience in businesses with products or services that directly serve consumers. As a Company focused on capitalizing on the growing global demand for high-quality video content, directors with expertise in consumer-focused businesses can provide insights regarding the marketing and distribution of the Company s content to consumers around the world.	The vast majority of the nominees for director have experience as either a senior executive officer or member of the board of a consumer-focused business.

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Legal, Regulatory and Government Relations. Legal (including corporate governance), regulatory and/or government relations experience. Directors who have served in the government or have significant legal or regulatory experience can provide insight into working constructively with governments around the world and addressing significant public policy matters, such as piracy.	The nominees for director include a former Attorney General of United States and a former U.S. Secretary of Commerce. The nominees also include the former Dean and Royall Professor of Law at Harvard Law School and a former partner of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, PC.
International Operations or Global Economic Policy. Knowledge of and experience in managing or investing in companies with international operations or experience with policies regarding global economic development and cooperation. Time Warner s success depends, in part, on its ability to continue to grow its international operations. Directors with international experience can provide useful business and cultural perspectives regarding the Company s international operations.	The nominees for director include the current Chairman and Chief Executive Officer of Axel Springer SE, an integrated multimedia company based in Germany, a former executive at The World Bank and former visiting fellow at the International Monetary Fund, a former Chairman and Chief Executive Officer of Schering Plough Corporation, a former Co-Chairman and Chief Executive Officer of Hilton Hotels Corporation and the Chair of the Albright Stonebridge Group, a global strategy firm, who also has nearly 30 years of international business experience from his prior roles with Kellogg Company.

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Background of Director Nominees

Set forth below is information regarding each of the 12 nominees, including their ages as of April 23, 2015 and key skills and professional qualifications. The Board and the Nominating Committee believe that the depth and breadth of qualifications, skills and experiences of the nominees, all of whom are current directors of the Company, have contributed to an effective and well-functioning Board and that, individually and as a whole, the nominees possess the necessary qualifications to provide effective oversight of and advice to the Company s management and businesses.

The Board of Directors recommends a vote FOR the election of the 12 director nominees.

James L. Barksdale **Age 72** **Director since 2001**

Chairman and President of Barksdale Management Corporation, a private investment management company April 1999 to present.

Prior Professional Experience: Mr. Barksdale served as President and Chief Executive Officer of Netscape Communications Corp. from 1995 to 1999 (when it was acquired by America Online, Inc.); Chief Operating Officer and then Chief Executive Officer of McCaw Cellular Communications (now AT&T Wireless Services) from 1992 to 1994; Chief Information Officer and then Executive Vice President and Chief Operating Officer of FedEx Corporation from 1979 to 1992; and Chief Information Officer and in other management positions at Cook Industries from 1972 to 1979.

Public Company Directorships: Mr. Barksdale serves as a director of FedEx Corporation. Mr. Barksdale also served as a director of a predecessor company of Time Warner from March 1999 to January 2001.

Key Skills and Qualifications: Mr. Barksdale brings more than 25 years of entrepreneurial leadership and senior management experience as a former senior executive (including Chief Executive Officer) of several major companies with international operations. Mr. Barksdale s experience includes leadership roles at consumer-focused, technology-based companies, such as Netscape Communications Corp., McCaw Cellular Communications (now AT&T Wireless Services) and FedEx Corporation. Mr. Barksdale is also a former director of Sun Microsystems, Inc. (now Oracle Corporation). Mr. Barksdale also brings financial experience to the Board, including through his role at Barksdale Management Corporation. Mr. Barksdale also has significant experience with mergers and acquisitions, both in executive roles at corporations such as Netscape Communications Corporation and as Chairman and President of Barksdale Management Corporation.

William P. Barr **Age 64** **Director since 2009**

Former Attorney General of the United States.

Prior Professional Experience: Mr. Barr served as Of Counsel of Kirkland & Ellis LLP from January 2009 to July 2009; Executive Vice President and General Counsel of Verizon Communications Inc. from June 2000 to December 2008; Executive Vice President and General Counsel of GTE Corporation from 1994 to June 2000; a partner of Shaw, Pittman, Potts & Trowbridge (now Pillsbury Winthrop Shaw Pittman LLP) from 1993 to 1994; the 77th Attorney General of the United States from 1991 to 1993; Deputy Attorney General of the United States from 1990 to 1991; Assistant Attorney General for the Office of Legal Counsel from 1989 to 1990; and a partner of Shaw, Pittman, Potts & Trowbridge from 1984 to 1989.

Public Company Directorships: Mr. Barr serves as a director of Dominion Resources, Inc. and Selected Funds.

Key Skills and Qualifications: Mr. Barr, who is Chair of the Company s Compensation Committee, brings leadership experience in government as a former Attorney General of the United States and head of the U.S. Department of Justice. He also has more than 14 years of leadership and senior management experience in major corporations in the media and telecommunications industries, as the former Executive Vice President and General Counsel of Verizon Communications Inc. and its predecessor, GTE Corporation. As a former Attorney General of the United States, General Counsel and partner of a major law firm, Mr. Barr has a strong background in a wide range of legal, regulatory and government relations matters, including overseeing the negotiation of and obtaining regulatory approvals for significant mergers and acquisitions, such as the Bell Atlantic Corporation and GTE Corporation merger that formed Verizon Communications Inc. and Verizon Communications Inc. s subsequent acquisitions of MCI Communications Corporation and Alltel Corporation. In addition, due to his service as General Counsel of Verizon Communications Inc. and GTE Corporation, Mr. Barr has knowledge of and experience in consumer-focused businesses with international operations. As a director of Selected Funds, where he is currently a director or trustee of three separate investment companies in the fund complex, Mr. Barr has knowledge of and experience in finance and investments.

Jeffrey L. Bewkes **Age 62** **Director since 2007**

Chairman of the Board and Chief Executive Officer of the Company January 2009 to present.

Prior Professional Experience: Mr. Bewkes served as President and Chief Executive Officer of the Company from January 2008 through December 2008; President and Chief Operating Officer of the Company from January 2006 through December 2007; Chairman, Entertainment & Networks Group, of the Company from July 2002 through December 2005; Chairman and Chief Executive Officer of the Home Box Office division of the Company from 1995 to July 2002; and President and Chief Operating Officer of the Home Box Office division of the Company from 1991 to 1995.

Public Company Directorships: Mr. Bewkes served as a director of Time Inc. for many years, resigning on June 6, 2014 in connection with the Time Separation. Time Inc. became a public company on May 9, 2014.

Other Directorships: Mr. Bewkes is a Trustee of the Yale Corporation of Yale University. He is a member of the board of the Partnership for New York City and the advisory boards of the Creative Coalition and the George Washington University Law School.

Key Skills and Qualifications: Mr. Bewkes has more than 30 years of experience at the Company and its subsidiaries, including 24 years of leadership and senior management experience serving as the Chief Executive Officer or in other senior executive positions at the Company and Home Box Office. His unique in-depth knowledge of the Company s history and businesses, including his deep understanding of the Company s operations and strategy and the media and entertainment industry, provide him a strong foundation for leading the Board, as Chairman, and facilitating effective communication between management and the Board.

Stephen F. Bollenbach **Age 72** **Director since 2001**

Former Co-Chairman and Chief Executive Officer of Hilton Hotels Corporation.

Prior Professional Experience: Mr. Bollenbach served as Co-Chairman and Chief Executive Officer of Hilton Hotels Corporation from May 2004 to October 2007; President and Chief Executive Officer of Hilton Hotels Corporation from 1996 to 2004; Senior Executive Vice President and Chief Financial Officer of The Walt Disney Company from 1995 to 1996; President and Chief Executive Officer of Host Marriott Corporation from 1993 to 1995; and Chief Financial Officer of Marriott Corp. from 1992 to 1993.

Public Company Directorships: Mr. Bollenbach serves as a director of KB Home, Macy s, Inc., Moelis & Company and Mondelēz International, Inc. Mr. Bollenbach also served as a director of a predecessor company of Time Warner from 1997 to January 2001.

Key Skills and Qualifications: Mr. Bollenbach, who serves as the Company s Lead Independent Director, has more than 15 years of leadership and senior management experience as a former Chief Executive Officer or senior executive of several major companies. In particular, he has experience in the media and entertainment industry, international operations, and consumer-facing businesses through his experience at companies including The Walt Disney Company and Hilton Hotels Corporation. Further, Mr. Bollenbach has extensive knowledge of and experience in finance and investments as a former Chief Financial Officer of several major companies, including The Walt Disney Company. Mr. Bollenbach also has extensive experience with corporate transactions; for example, while he was the Chief Executive Officer, Hilton Hotels Corporation acquired Promus Hotel Corporation (which owned the DoubleTree, Hampton Inn, Embassy Suites and Homewood Suites brands) in 1999 and Hilton Group plc for $5.7 billion in 2006, which reunited Hilton Hotels in the U.S. and internationally, and made Hilton the fifth largest hotel operator. Mr. Bollenbach also oversaw the sale of Hilton Hotels Corporation to The Blackstone Group L.P. in 2007.

Robert C. Clark **Age 71** **Director since 2004**

Distinguished Service Professor at Harvard University July 2003 to present.

Prior Professional Experience: Mr. Clark served as the Dean and Royall Professor of Law at Harvard Law School from 1989 to 2003; a professor at Harvard Law School from 1978 to 2003; a professor at Yale Law School from 1974 to 1978; and an associate at Ropes & Gray from 1972 to 1974.

Public Company Directorships: Mr. Clark serves as a director of Omnicom Group, Inc.

Other Directorships: Mr. Clark is a trustee of Teachers Insurance and Annuity Association, a life insurance company focused on serving the retirement needs of the higher education community.

Key Skills and Qualifications: Mr. Clark has 14 years of leadership experience as a former Dean of Harvard Law School. Mr. Clark s expertise and insights in the areas of corporate law (including mergers and acquisitions and corporate governance), finance and regulation are useful to the Nominating Committee, which he chairs, as well as the rest of the Board. His experience serving on the boards of directors of other companies provides him with knowledge of a number of industries, including the advertising industry. As a trustee of a life insurance company, Mr. Clark also brings his understanding of finance, investments and the views of pension funds and other institutional investors.

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Mathias Döpfner **Age 52** **Director since 2006**

Chairman and Chief Executive Officer of Axel Springer SE, an integrated multimedia company based in Berlin, Germany January 2002 to present.

Prior Professional Experience: Mr. Döpfner has been with Axel Springer SE since 1998, initially as editor-in-chief of *Die Welt* and since 2000 as a member of the Management Board. Prior to joining Axel Springer SE, Mr. Döpfner held various positions in media companies, including editor-in-chief of the newspapers *Wochenpost* and *Hamburger Morgenpost* and as a Brussels-based correspondent for *Frankfurter Allgemeine Zeitung*.

Public Company Directorships: Mr. Döpfner serves as a director of Warner Music Group Corp. and a non-executive director of Vodafone Group Plc. During the past five years, Mr. Döpfner served as a supervisory board member of RHJ International SA (now known as BHF Kleinwort Benson Group).

Key Skills and Qualifications: Mr. Döpfner brings more than 13 years of leadership and senior management experience serving as Chairman and Chief Executive Officer of Axel Springer SE. Because Axel Springer s business largely consists of newspaper and magazine publishing and digital media, Mr. Döpfner has a deep understanding of the media industry, including online activities. As the Chairman and Chief Executive Officer of a major media company with operations throughout Europe, Mr. Döpfner has knowledge and experience in managing a major consumer-focused media company with international operations.

Jessica P. Einhorn **Age 67** **Director since 2005**

Former Dean of the Paul H. Nitze School of Advanced International Studies (SAIS) at The Johns Hopkins University.

Prior Professional Experience: Ms. Einhorn served as Dean of the Paul H. Nitze School of Advanced International Studies (SAIS) at The Johns Hopkins University from June

2002 through June 2012; a consultant at Clark & Weinstock, a strategic communications and public affairs consulting firm, from 2000 to 2002; a Visiting Fellow at the International Monetary Fund from 1998 to 1999; and in various executive positions (including Managing Director for Finance and Resource Mobilization) at The World Bank from 1978 to 1979 and 1981 to 1999.

Public Company Directorships: Ms. Einhorn serves as a director of BlackRock, Inc.

Other Directorships: Ms. Einhorn serves as a director of the Peterson Institute for International Economics and the National Bureau of Economic Research. Ms. Einhorn is also Resident Senior Advisor and a member of the advisory board of The Rock Creek Group.

Key Skills and Qualifications: Ms. Einhorn brings leadership experience in international organizations and education administration, including 10 years as Dean of the Paul H. Nitze School of Advanced International Studies (SAIS) at The Johns Hopkins University (retired in June 2012) and more than 18 years serving in various staff and executive positions at The World Bank. Ms. Einhorn has extensive knowledge of policies and practices in international finance, economic development and government relations through her roles at the International Monetary Fund and The World Bank, membership on the boards of research and public policy institutions and her ongoing research interest in finance. She also brings experience as a member of the board of a major investment firm, BlackRock, Inc., and as an advisory board member of The Rock Creek Group, a global alternative asset manager.

Carlos M. Gutierrez	**Age 61**	**Director since 2014**

Chair of Albright Stonebridge Group, a global strategy firm February 2014 to present.

Prior Professional Experience: Mr. Gutierrez served as Vice Chair of Albright Stonebridge Group from April 2013 to February 2014; Vice Chairman of the Institutional Clients Group at Citigroup Inc. from January 2011 to February 2013; a consultant at the Global Political Strategies division of APCO Worldwide Inc., a communications and public affairs consulting firm, from December 2009 to April 2013; Chairman of the Global Political Strategies division of APCO Worldwide Inc. from January 2010 to January 2011; the 35th U.S. Secretary of Commerce from February 2005 to January 2009; Kellogg Company s Chairman of the Board (from April 2000 to February 2005), Chief Executive Officer (from April 1999 to February 2005) and President (from 1998 to September 2003); and in various executive and non-executive positions at Kellogg Company from 1975 to 1998.

Public Company Directorships: Mr. Gutierrez serves as a director of MetLife, Inc. and Occidental Petroleum Corporation. During the past five years, Mr. Gutierrez also served as a director of Corning Incorporated, United Technologies Corporation and Lighting Science Group Corporation.

Key Skills and Qualifications: Mr. Gutierrez brings nearly 30 years of experience in leading, managing, and growing international business operations at Kellogg Company, a global consumer-focused company with international operations. At Kellogg Company, Mr. Gutierrez was responsible for major consumer brands in a complex worldwide business. As a result of this experience, Mr. Gutierrez brings significant knowledge of brand management, marketing and product development. He also brings leadership experience and knowledge of international commerce and government relations as former U.S. Secretary of Commerce.

Fred Hassan	**Age 69**	**Director since 2009**

Partner and Managing Director at Warburg Pincus LLC, a private equity firm January 2011 to present.

Prior Professional Experience: Mr. Hassan served as Senior Advisor at Warburg Pincus from November 2009 through December 2010; Chairman and Chief Executive Officer of Schering Plough Corporation (now part of Merck & Co., Inc.) from 2003 to November 2009; Chairman and Chief Executive Officer of Pharmacia Corporation from 2001 to 2003; Chief Executive Officer of Pharmacia Corporation from 2000 to 2001; and Chief Executive Officer of Pharmacia & Upjohn, Inc. from 1997 to 2000.

Public Company Directorships: During the past five years, Mr. Hassan served as a director of Avon Products Inc. and Valeant Pharmaceuticals International, Inc.

Key Skills and Qualifications: Mr. Hassan brings more than 12 years of leadership and senior management experience as a former Chairman and/or Chief Executive Officer of major pharmaceutical companies with intellectual-property based business models and international operations, which provided him with strong and relevant operational and strategic experience. Because the pharmaceutical business is a highly regulated field, Mr. Hassan also has knowledge and experience in regulatory and government relations. As a partner and managing director at Warburg Pincus, Mr. Hassan also brings his knowledge of finance and investments to the Board and the Audit and Finance Committee. Mr. Hassan also brings his significant experience with large mergers and acquisitions to the Board. As Chairman and Chief Executive Officer of Schering Plough Corporation, he oversaw Schering Plough s merger with Merck & Co., Inc. and as Chairman and Chief Executive Officer of Pharmacia Corporation, he oversaw its sale to Pfizer, Inc.

Kenneth J. Novack	**Age 73**	**Director since 2001**

Former Partner of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, PC.

Prior Professional Experience: Mr. Novack served as Vice Chairman of the Company from January 2001 through December 2003; Vice Chairman of America Online, Inc. (now known as Historic AOL LLC) from 1998 to January 2001; and Of Counsel (from 1998 to 2001) and an attorney (from 1966 to 1998) at Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, PC. Mr. Novack served on the law firm s executive committee from 1972 until his retirement in 1998.

Other Directorships: Mr. Novack serves in the noted capacities at the following privately held companies: a director of Appleton Partners, Inc. and Leerink Partners LLC and an advisory board member of General Catalyst Partners. He also served as a director of a predecessor company of Time Warner from January 2000 to January 2001.

Key Skills and Qualifications: Mr. Novack has held key leadership and senior management roles at the Company and at Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, PC, a major law firm. With more than five years of experience serving as Vice Chairman of the Company or a predecessor company of Time Warner, he has an in-depth knowledge of the Company s businesses. In addition, Mr. Novack brings more than 30 years of legal, corporate governance and regulatory experience advising companies on a broad range of matters, including large corporate transactions, as a corporate attorney at Mintz, Levin. Mr. Novack also brings his experience in finance, investments and mergers and acquisitions through his service on the boards of privately held investment companies and experience practicing securities law for over 30 years.

Paul D. Wachter	**Age 58**	**Director since 2010**

Founder and Chief Executive Officer of Main Street Advisors, Inc., a private company that provides investment and financial advisory services to businesses and high net worth individuals 1997 to present.

Prior Professional Experience: Mr. Wachter served as Managing Director of Schroder & Co. Incorporated from 1993 to 1997; Managing Director of Kidder Peabody from 1987 to 1993; an investment banker at Bear, Stearns & Co., Inc. from 1985 to 1997; and an attorney at Paul, Weiss, Rifkind, Wharton and Garrison from 1982 to 1985.

Public Company Directorships: Mr. Wachter serves as a director of Avalanche Biotechnologies, Inc.

Other Directorships: Mr. Wachter serves in the noted capacities at the following privately held companies: a director of Haworth Marketing and Media Company, Oak Productions, Inc. and Content Partners LLC (Co-Chairman). Mr. Wachter also serves as Chairman of the Board of After-School All-Stars, a national non-profit organization that provides comprehensive after-school programs.

Key Skills and Qualifications: Mr. Wachter brings his knowledge of and experience in finance, investments and banking as the founder and Chief Executive Officer of Main Street Advisors, through serving as the Chairman of the Investment Committee of the Board of Regents of the University of California, and as a former Managing Director at several investment banks. Mr. Wachter also has a background in the entertainment and media industry as a former investment banker focusing on the entertainment and media industry, a former member of the board of managers of Beats Electronics, LLC and Beats Music, LLC (companies focused on headphones and related products and music streaming services, respectively, which are now part of Apple Inc.), and a director of

Content Partners LLC (a company that acquires profit participations in films, television shows and music). Mr. Wachter also has experience in regulatory and government relations through his service on the Board of Regents of the University of California, as an adviser to the former Governor of California and through his work as a tax attorney at a major law firm.

Deborah C. Wright **Age 57** **Director since 2005**

Senior Fellow in the Economic Opportunity and Assets Division of the Ford Foundation and Non-Executive Chairman of Carver Bancorp, Inc. January 2015 to present.

Prior Professional Experience: Ms. Wright served as Chairman and Chief Executive Officer of Carver Bancorp, Inc. from February 2005 through December 2014; President and Chief Executive Officer of Carver Bancorp, Inc. and Carver Federal Savings Bank from 1999 to 2005; President and Chief Executive Officer of the Upper Manhattan Empowerment Zone Development Corporation from 1996 to 1999; Commissioner of the Department of Housing Preservation and Development from 1994 to 1996; a member of the New York City Housing Authority Board from 1992 to 1994; and a member of the New York City Planning Commission from 1990 to 1992.

Public Company Directorships: Ms. Wright serves as a director of Carver Bancorp, Inc. and Voya Financial, Inc. During the past five years, Ms. Wright also served as a director of Kraft Foods Inc. (now Mondelēz International, Inc. and Kraft Foods Group Inc.).

Key Skills and Qualifications: Ms. Wright brings to the Board and to her role as Chair of the Audit and Finance Committee leadership, senior management and financial experience through her 15 years of service as the Chairman and/or Chief Executive Officer of Carver Bancorp., Inc. and Carver Federal Savings Bank and approximately 9 years of leadership roles at non-profit organizations or governmental bodies. Ms. Wright also brings to the Board her experience with businesses that provide products or services directly to customers gained through her service at Carver Bancorp., Inc. and Carver Federal Savings Bank, as well as her prior long-term service as a director of Kraft Foods Inc. Ms. Wright also has extensive experience in regulatory and government relations through her senior roles in government and non-profit organizations.

Proposal 2: Ratification of Appointment of Independent Auditor

The Audit and Finance Committee of the Board of Directors (the Audit Committee) is responsible for overseeing the consolidated financial statements prepared by management. The Audit Committee also is responsible for the appointment, compensation and oversight of the Company s independent auditor.

The Audit Committee annually reviews the independent auditor s qualifications, performance, fees and independence. Following its review in December 2014, the Audit Committee appointed Ernst & Young LLP as the Company s independent auditor for 2015. Ernst & Young LLP has served as the Company s independent auditor since 2001, when the Company was formed through the merger of America Online, Inc. (now known as Historic AOL LLC) and Time Warner Inc. (now named Historic TW Inc.).

The Audit Committee believes it is important for the independent auditor to maintain its objectivity and independence. Accordingly, since 2004 the Audit Committee has reviewed on an annual basis whether the Audit Committee should have a policy requiring the regular rotation of the independent auditor and reports its conclusion to the Board. To date, the Audit Committee has determined not to adopt such a policy. In addition, in accordance with Securities and Exchange Commission (SEC) rules and the Company s Policy Regarding Audit Partner Rotation, audit partners are subject to limitations on the number of consecutive years that they may provide services to the Company. For the lead audit partner, the maximum number of consecutive years in that capacity is five years. Consistent with these requirements, a new lead audit partner was selected for the audit of the Company s 2014 financial statements. The Audit Committee and its Chairman are involved in the process for selecting the lead audit partner.

The Audit Committee and the Board believe that the appointment of Ernst & Young LLP as the Company s independent auditor is in the best interests of the Company and its shareholders, and the Company is requesting that the shareholders ratify the appointment of Ernst & Young LLP as the Company s independent auditor for 2015. Representatives of Ernst & Young LLP will be present at the Annual Meeting with the opportunity to make a statement if they desire to do so and to respond to appropriate questions from shareholders.

The Board of Directors recommends a vote FOR the ratification of the appointment of Ernst & Young LLP as independent auditor.

Vote Required for Approval

The affirmative vote of a majority of the votes duly cast by the holders of Common Stock is required to ratify the appointment of Ernst & Young LLP. However, shareholder approval is not required for the appointment of Ernst & Young LLP because the Audit Committee is responsible for selecting the Company s independent auditor. No determination has been made as to what action the Audit Committee or the Board would take if shareholders do not ratify the appointment.

Proposal 3: Annual Advisory Vote to Approve Named

Executive Officer Compensation

In accordance with SEC rules, Time Warner is asking shareholders to approve the following resolution at the Annual Meeting:

RESOLVED, that the Company s shareholders approve, on an advisory basis, the compensation paid to the Company s named executive officers, as disclosed in the Company s Proxy Statement for the 2015 Annual Meeting of Shareholders pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narratives.

2014 was a successful year for Time Warner. The Company made significant progress on achieving its key long-term strategic objectives and delivered strong financial results, including 18% growth in Adjusted EPS. The Company s Common Stock price increased 28% during 2014, and its one-year TSR was 30.0%, more than double the 13.7% TSR for the S&P 500 Index. The Compensation Committee and the Board believe the Company s compensation program effectively supports the execution of the Company s long-range plans and that the 2014 compensation for the NEOs appropriately reflects the Company s strong financial performance and the NEOs individual performance.

The pay-for-performance design of the Company s compensation program, the Company s 2014 performance, the NEOs individual performance, and the Compensation Committee s determination of the 2014 compensation paid to the NEOs are described in the Compensation Discussion and Analysis section of this Proxy Statement beginning on page 46. Shareholders are encouraged to read this section before deciding how to vote on this proposal. The next advisory vote on NEO compensation will take place at the 2016 Annual Meeting of Shareholders.

The Board of Directors recommends a vote FOR the approval of the resolution.

Vote Required for Approval

The affirmative vote of a majority of the votes duly cast by the holders of Common Stock is required to approve this proposal. However, the vote on executive compensation is advisory and, therefore, not binding on the Company, the Board or the Compensation Committee. The Board and the Compensation Committee will consider the outcome of the vote when making future executive compensation decisions.

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SHAREHOLDER PROPOSALS

In accordance with SEC rules, we have set forth below three shareholder proposals, along with the supporting statements of the shareholder proponents. The Company is not responsible for any inaccuracies these supporting statements may contain. As explained below, the Board unanimously recommends that you vote **Against** these shareholder proposals.

Proposal 4: Right to Act by Written Consent

Mr. Kenneth Steiner, 14 Stoner Ave., 2M, Great Neck, NY 11021, the beneficial owner of no less than 500 shares of Common Stock, has advised the Company that he intends to propose a resolution at the Annual Meeting. Mr. Steiner has appointed John Chevedden of 2215 Nelson Ave., No. 205 Redondo Beach, CA 90278, and/or his designee to act on his behalf in matters relating to the proposed resolution. The proposed resolution and statement in support are set forth below:

Proposal 4 Right to Act by Written Consent

Resolved, Shareholders request that our board of directors undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This written consent is to be consistent with applicable law and consistent with giving shareholders the fullest power to act by written consent consistent with applicable law. This includes shareholder ability to initiate any topic for written consent consistent with applicable law.

The shareholders of Wet Seal (WTSLA) successfully used written consent to replace certain underperforming directors in 2012. This proposal topic also won majority shareholder support at 13 major companies in a single year. This included 67%-support at both Allstate and Sprint. Hundreds of major companies enable shareholder action by written consent.

This proposal empowers shareholders by giving them the ability to effect change without being forced to wait until the annual meeting. Shareholders could replace a director using action by written consent. Shareholder action by written consent could save our company the cost of holding a shareholder meeting between annual meetings to consider urgent matters.

This proposal is especially important for Time Warner since TWX shareholders no longer have the right to call a special meeting.

A study by Harvard professor Paul Gompers supports the concept that shareholder disempowering governance features, including restrictions on shareholder ability to act by written consent, are significantly related to reduced shareholder value.

It may be possible to adopt this proposal by simply adding such brief words as these to our governance documents:

Any action required or permitted to be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by stockholders having not less than a minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

Please vote to enhance shareholder value:

Right to Act by Written Consent Proposal X

Company Recommendation

The Board of Directors recommends a vote **AGAINST** this proposal for the following reasons:

(i) Without proper procedural protections, shareholder action by written consent (as described in the proposal) can deprive shareholders of information, a voice and a vote on the matter approved in the written consent and can also lead to abusive practices;

(ii) Shareholder meetings are a better method to present important matters for consideration by shareholders, and holders of 15% of the Company s outstanding Common Stock have the right to request a special meeting of shareholders; and

(iii) The Company s existing corporate governance policies and practices provide shareholders with meaningful access to the Board and significant rights and protections.

No Procedural Protections

Shareholder action by written consent as described in the proposal could prevent minority shareholders from having an opportunity to voice their views and vote on an action or even receiving information regarding the matter approved by written consent until after the action has been taken. The proposal provides no procedural protections and suggests specific language for written consent rights that clearly fails to provide safeguards for minority shareholders.

The proposal does not require any information to be provided to shareholders prior to the consent becoming effective, such as a description of the proposed action, the reasons for the proposed action and any potential conflicts of interest of the shareholder(s) seeking the action. Although the statement in support of the proposal includes language that would require [p]rompt notice of the taking of the corporate action without a meeting to those stockholders who have not consented in writing, notice after the fact is not adequate and does not protect the interests of the shareholders. Moreover, if multiple groups of shareholders are able to solicit written consents at any time and as often as they wish, the solicitation of written consents could create a considerable amount of confusion and disruption among the Company s shareholders, as well as divert the attention of the members of the Board, senior management and other employees from the Company s day-to-day operations.

The proposal also does not prevent or limit the potential for abuse in utilizing this method for approving corporate actions (*e.g.*, it would not limit the ability of a group of shareholders to accumulate a short-term voting position by borrowing shares from shareholders and then taking action without those shareholders knowing that their voting rights were being used to take such action). Shareholders who have loaned their stock are better able to take action to protect and exercise their voting rights at a shareholder meeting than if an action is permitted by written consent without appropriate procedural safeguards. In addition, a group of shareholders could also use a consent solicitation to remove and replace directors and effectively assume control of the Company without having to pay a control premium to shareholders.

Meetings Better Protect Rights of All Shareholders

The Board believes that a more open, transparent, and democratic way for shareholders to exercise their rights regarding important issues affecting the Company is through annual or special shareholder meetings, so that *all* shareholders have the ability to voice their concerns, the issues can be fully discussed and *all* shareholders can vote on the issues.

Under Time Warner s By-laws, holders of 15% of the outstanding Common Stock may request that a special meeting of shareholders be held. As previously disclosed by the Company, the Board amended the By-laws in July 2014 to remove the provision authorizing shareholders to request special meetings due to the extraordinary circumstances the Company was facing, and at that time, the Board expressed its intention to reinstate the provisions by the 2015 Annual Meeting. The Board has reinstated the provisions in full. The Board s reasons for removing the special meeting provisions from the Company s By-laws are described on pages 28 to 29 of this Proxy Statement. The Board believes that the shareholders right to request a special meeting is effective and meaningful.

Shareholders also have the right to bring business before the shareholders at annual meetings, as evidenced by this proposal and the other shareholder proposals included in this Proxy Statement.

Shareholders Have Rights and Protections that Reduce the Need for Written Consent Rights

Time Warner believes that its shareholders have significant access to the Board and rights and protections that reduce the need to be able to act by written consent. For example:

- Shareholders elect directors annually by majority vote in uncontested director elections, and any incumbent director who does not receive a majority of the votes cast for his or her election is required to offer to resign from the Board.
- As stated above, holders of 15% of the outstanding Common Stock may request a special meeting of shareholders.
- As stated above, shareholders may submit proposals for presentation at an annual meeting (including nominations of director candidates).
- Shareholders may communicate directly with any director (including the Lead Independent Director), any Board committee or the full Board.
- The Board consists of a substantial majority of independent directors (*i.e.,* all of the directors except the Company s CEO).

For the reasons stated above, the Board believes that the proposal is not in the best interests of Time Warner or its shareholders.

The Board of Directors recommends a vote AGAINST the proposal.

Vote Required for Approval

The affirmative vote of a majority of the votes duly cast by the holders of Common Stock is required to adopt this proposal.

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Proposal 5: Tobacco Depictions in Films

The Sisters of St. Francis of Philadelphia, 609 South Convent Road, Ashton, PA 19014, the beneficial owner of 111 shares of Common Stock, joined by seven other organizations whose names, addresses and shareholdings will be provided by the Company upon request, has advised the Company that they intend to propose a resolution at the Annual Meeting. The proposed resolution and statement in support are set forth below:

WHEREAS: Time Warner, a company where community and family values are integral to the company s promotion of its various brands, is also a leading distributor of films that are viewed by young people.

The 2012 US Surgeon General report, *Preventing Tobacco Use among Youth and Young Adults* concluded that there is a causal relationship between depictions of smoking in the movies and the initiation of smoking among young people.

In support of the Surgeon General s report, thirty-eight state Attorneys General wrote to the major studios urging elimination of tobacco depictions in youth-rated movies, stating: Each time the industry releases another movie that depicts smoking, it does so with the full knowledge of the harm it will bring children who watch it.

Based on a subsequent 2014 Surgeon General s report, the Centers for Disease Control and Prevention (CDC) concluded in 2014: Giving an R rating to future movies with smoking would be expected to reduce the number of teen smokers by nearly one in five (18%) and **prevent one million [1,000,000] deaths from smoking** among children alive today.

The need for appropriate corporate governance to address Time Warner s reputational risks arising from this public concern is reinforced by statements of The American Medical Association, American Heart Association, American Lung Association, American Academy of Pediatrics, and the World Health Organization, who have all publicly supported the above Surgeon General s statements.

Time Warner is mentioned by name in the Surgeon General s 2012 report and in media covering the release of the report. In recent years, the issues raised by the Surgeon General s report have been covered by a number of national publications including *The New York Times*, *The Los Angeles Times*, *The Boston Globe* and *USA Today*.

Community and family values are integral to Time Warner s brand. The above publications and statements have attracted significant publicity and linked Time Warner to concerns regarding young people s health. Shareholders are concerned about the management of these risks and consider that Board level oversight is warranted to address these concerns.

As a governance issue, consistent, appropriate, and transparent Board oversight is required to balance company actions that impact young people s well-being against the company s reputation and brand value. This responsibility appears appropriate for the Nominating and Governance Committee.

RESOLVED: Stockholders request that the Board amend the Nominating and Governance Committee Charter (or add an equivalent provision to another Board Committee Charter) to include:

Providing oversight and public reporting concerning the formulation and implementation of policies and standards to determine transparent criteria on which company products continue to be distributed that:

1) especially endanger young people s well-being;
2) have the substantial potential to impair the reputation of the Company; and/or
3) would reasonably be considered by many offensive to the family and community values integral to the Company s promotion of its brands

Company Recommendation

The Board of Directors recommends a vote **AGAINST** this proposal for the following reasons:

(i) Time Warner s film studios, Warner Bros. Pictures and New Line Cinema (the Studios), are industry leaders with respect to the reduction or elimination of tobacco depictions in feature films and were one of the first major film studios to adopt a policy regarding the depiction of smoking in their feature films; and

(ii) The Company has strong policies and practices that address the governance-related aspects of the proposal.

Industry Leaders in Reducing and Eliminating Tobacco Depictions in Films

The Studios have been and continue to be industry leaders in establishing, implementing, and reporting on policies and practices to reduce or eliminate tobacco depictions in feature films, and those policies and practices have been highly effective. In addition, the Studios have had a long-standing and collaborative relationship with the proponents of the proposal, which has helped inform the Studios Tobacco Depiction Policy described below.

The Studios were one of the first major film studios to adopt a policy regarding the depiction of smoking in their films when they adopted their Tobacco Depiction Policy in 2005, and the Studios efforts under the Policy have been very effective. From the adoption of the Policy in 2005 through 2014, the Studios had no tobacco depictions in their G-rated films and achieved a 95% reduction of such depictions in their PG and PG-13-rated films. The Policy was reviewed and updated in 2014 and is available on the Company s website at *www.timewarner.com/responsible-content*.

Pursuant to the Policy, the Studios work closely with creative talent to produce and distribute for theatrical release feature films that appeal to a wide array of audiences. At the same time, the Studios strive to produce and distribute feature films in a responsible manner. Accordingly, the Studios endeavor to reduce or eliminate depictions of smoking and tobacco products/brands in their youth-rated and R-rated feature films distributed in the U.S. The Policy recognizes that some depictions of smoking, such as depictions of a literary character or actual historical figure known to have used tobacco products, may be acceptable to provide literary or historical accuracy in the film s storytelling. Depictions that are part of a conspicuous anti-smoking reference also may be acceptable under the Policy.

The Studios do not enter into any product placement or promotion arrangements with tobacco companies for any of their films. In addition, since 2008, the Studios have regularly included anti-smoking public service announcements on U.S.-distributed DVDs of their films containing tobacco depictions.

The Studios review each film they produce or distribute in the U.S. to confirm that depictions of smoking are consistent with the Policy and to seek to reduce further any depictions.

The Studios disclose information on the Company s website at *www.timewarner.com/responsible-content* about the total number of depictions in those films and the creative reasons for those depictions.

Strong Governance Policies and Practices

Time Warner has strong governance policies and practices that address the governance-related aspects of the proposal.

- The Nominating and Governance Committee s charter states that the Committee is responsible for overseeing the Company s public policy and corporate social responsibility activities. The Committee receives reports from management regarding the Company s corporate social responsibility activities, which are informed by the Company s regular and longstanding engagement with stakeholders, including the proponents of this proposal.
- The Board of Directors and the Audit Committee review an annual report from management on the risks the Company faces, including in the area of corporate social responsibility, management s actions to address those risks and the Company s risk management and mitigation processes.

- The Company reports on its corporate social responsibility activities on its website, including providing the information regarding tobacco depictions in the Studios feature films and the creative reasons for those depictions, as described above.
- The long-standing and collaborative discussions between the Company, including representatives from the Studios, and the proponents of the proposal have also helped inform the Company s processes outlined above.

For the reasons stated above, the Board believes that the Company has implemented appropriate policies and procedures both operationally and at the Board and its committees on the subject of this proposal and that the actions advocated in the proposal are unnecessary and not in the best interests of the Company or its shareholders.

The Board of Directors recommends a vote AGAINST the proposal.

Vote Required for Approval

The affirmative vote of a majority of the votes duly cast by the holders of Common Stock is required to adopt this proposal.

Proposal 6: Greenhouse Gas Emissions Reduction

Targets

Green Century Equity Fund, 114 State Street, Suite 200, Boston, MA 02109, the beneficial owner of 13,596 shares of Common Stock, has advised the Company that it intends to propose a resolution at the Annual Meeting. The proposed resolution and statement in support are set forth below:

RESOLVED: Shareholders request Time Warner Inc. (TWX) adopt a company-wide, time-bound target for reducing absolute greenhouse gas (GHG) emissions (i.e. reduction in aggregate emissions over time), taking into consideration the most recent Intergovernmental Panel on Climate Change (IPCC) scientific guidance for reducing total GHG emissions and issue a report no later than 6 months after the company s annual meeting, at reasonable cost and omitting proprietary information, on its plan to achieve these goals.

Supporting Statement:

To mitigate the worst impacts of climate change, the IPCC estimates that a 50 percent reduction in GHG emissions globally is needed by 2050 (relative to 1990 levels) to stabilize global temperatures, entailing a U.S. reduction target of 80 percent. The proponent believes that the company s goals should meet or exceed the goal of reducing the total amount of GHG emissions emitted by all operations by 50 percent by 2050 compared with 1990 levels.

The potential costs of failing to address climate change could lead to a five percent loss in global GDP between 2010 and 2060, according to the Organization for Economic Cooperation and Development. *Risky Business*, a recent analysis of climate change impacts, reveals significant economic effects including property damage, shifting agricultural patterns, reduced labor productivity, and increased energy costs. These effects could impact a company s business model, operations, or revenues.

A growing number of companies have set GHG emissions reductions targets. As of 2013, 60 percent of Fortune 100 companies have GHG reduction targets and renewable energy commitments. A report called *The 3% Solution* by World Wildlife Fund and the Carbon Disclosure Project (CDP) found that four out of five companies capture greater returns from their carbon reduction investments than on their average investment portfolios. In aggregate, the 53 Fortune 100 companies reporting on GHG and renewable energy targets to the CDP are saving $1.1 billion annually through their targets.

We are concerned that TWX may be lagging industry peers. The Walt Disney Company and Twenty-First Century Fox Corporation set targets for reducing their GHG emissions and reported significant savings. For example, the Walt Disney Company reported some energy efficiency investment payback periods equal to one year or less in its 2014 CDP questionnaire.

In contrast, TWX fails to disclose information about how it is managing its climate impacts. In the 2014 CDP, Time Warner Inc. scored 63 out of 100 points because it did not disclose GHG targets for its Scope 1 and Scope 2 emissions equaling 17,838 and 242,119 tons of GHG emissions, respectively, and generated by operational control of its offices and production facilities. Over 81 percent of companies in the Global 500 report to the CDP, which is supported by investors representing $92 trillion.

We believe climate change poses significant risks to companies and their investors, and urge TWX to adopt goals for mitigating its GHG emissions and climate impacts with special consideration of IPCC scientific guidance.

Company Recommendation

The Board of Directors recommends a vote **AGAINST** this proposal for the following reasons:

(i) Time Warner has for many years taken action to increase its energy efficiency, use renewable energy sources and reduce greenhouse gas emissions;

(ii) The Company s Global Energy Council focuses on best practices and effectively managing the usage, cost and environmental impact of the Company s building utilities (electricity, water, natural gas and steam);

(iii) The Company discloses year-over-year greenhouse gas emissions data, including through the Carbon Disclosure Project; and

(iv) The Company has consistently reduced its greenhouse gas emissions through these activities, and, while it intends to continue to reduce such emissions, it does not believe that establishing company-wide targets for future reductions and issuing a report within 6 months following the 2015 Annual Meeting on its plan to achieve the targets is necessary.

Focus on Energy Efficiency and Reducing Greenhouse Gas Emissions

Time Warner has been focused on increasing its energy efficiency, using renewable energy sources and reducing greenhouse gas emissions for many years, and has undertaken a variety of environment-focused initiatives throughout its businesses, including, among other things:

- Using energy-efficient facilities, such as the world s first LEED Gold certified sound stage at Warner Bros. Studios in Burbank, California, which incorporates a number of sustainable elements, including a 100-kilowatt solar electrical system;
- Making energy-efficient upgrades to the Company s buildings and offices to reduce energy usage, such as incorporating solar panels, installing energy efficient lighting and retrofitting HVAC systems with more efficient cooling systems and more precise, automated operations; and
- Working both within the Company s studios and the media and entertainment industry to reduce the energy and resource consumption associated with film and television production.

Additional information about the Company s wide ranging environmental initiatives can be found in the Corporate Responsibility section of Time Warner s website at *www.timewarner.com/environment*.

Time Warner s Global Energy Council

Time Warner s commitment to improving its environmental practices is reflected in its Global Energy Council, which is composed of a company-wide team focused on effectively managing the usage, cost and environmental impact of the Company s building utilities (electricity, water, natural gas and steam) and identifying and implementing best practices. The Global Energy Council, among other things, (i) tracks and oversees initiatives to reduce the Company s energy use and carbon dioxide emissions; (ii) develops programs to increase energy use awareness among the Company s employees and thereby reduce waste; and (iii) reports on the Company s progress regularly to senior management.

Disclosure of Greenhouse Gas Emissions Data through the Carbon Disclosure Project

Time Warner discloses detailed greenhouse gas emissions data, including year-over-year data, in its responses to the annual questionnaire from the Carbon Disclosure Project, an international organization that provides a global system for companies to measure and disclose their greenhouse gas emissions. The Company s responses to the questionnaire are available at *www.cdproject.net*.

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Successfully Reducing Greenhouse Gas Emissions

Time Warner s long-standing efforts to increase its energy efficiency and reduce its greenhouse gas emissions have been successful. For example, the Company reported an almost 7% reduction in greenhouse gas emissions between 2011 and 2012, and a further 3% reduction between 2012 and 2013 (a portion of such reduction was due to a change in its methodology for calculating greenhouse gas emissions). In addition, the Company expects its carbon emissions in New York City will decrease further following the planned move in early 2019 of its corporate headquarters and New York City-based employees to a new LEED Gold certified building in the Hudson Yards development in New York City.

The Board recognizes Time Warner s shared role in preserving and protecting the environment and that it can achieve cost savings through investments in more efficient practices that also reduce emissions, but it believes the interests of shareholders are being served by the Company s robust reporting and environmental initiatives that continue to reduce greenhouse gas emissions and that establishing specific targets for future reductions and issuing a report on its plan to achieve those reductions are not necessary to serve those interests.

The Board of Directors recommends a vote AGAINST the proposal.

Vote Required for Approval

The affirmative vote of a majority of the votes duly cast by the holders of Common Stock is required to adopt this proposal.

CORPORATE GOVERNANCE

Strong Governance Practices

Time Warner has strong corporate governance practices and policies, which help ensure the Board not only provides independent oversight over management, but also has the experience, expertise and information to work effectively with management in making strategic and other key business decisions for the Company. Because corporate governance practices evolve, the Board reviews its Corporate Governance Policy, committee charters, and other governance documents at least annually and updates them as necessary or appropriate. Some key examples of Time Warner s long-standing commitment to strong corporate governance policies and practices are the following:

Board Independence: All directors, other than the CEO, are independent, and each Board committee consists solely of independent directors. Under the Corporate Governance Policy, a substantial majority of the directors must be independent.

Board Qualifications and Ongoing Education: The Board believes the Company is best served by a board of directors whose members have a variety of complementary skills, professional experience and backgrounds, and who bring diverse viewpoints and perspectives to the Board. In its annual self-evaluation, the Board identified key qualifications for members: direct experience in media, technology, and consumer-facing businesses; significant experience in creating or managing large enterprises; and/or significant experience in making complex strategic, financial, and operational decisions. The Board s experience is reinforced through a robust ongoing director education program, including in-depth regular discussions and information (including from third parties) on the trends, competitive positioning, and emerging challenges and opportunities in the media and entertainment industry.

Board Tenure: To help ensure that the Board has an appropriate balance of experience and fresh perspectives, the Board believes it is well-served by having non-employee directors with a mix of tenures and, in July 2013, amended the Corporate Governance Policy to add a statement that it expects that average tenure of non-employee directors will generally not exceed 10 years.

Lead Independent Director has significant authority and responsibilities, including authority over meeting agendas. The Board Leadership Policy adopted in 2009 requires consideration of Board leadership at least annually, with disclosure to shareholders on factors reviewed (see 2015 report posted at *www.timewarner.com/leadership*).

Director Accountability: The Board is elected annually (no classified board) with a majority-vote standard in uncontested elections.

No Supermajority Voting Provisions in the Company s Charter or By-Laws

Stock Ownership Requirements: The Company has had stock ownership requirements for its executive officers and directors since 2003 and increased the CEO share ownership requirement in 2013.

No Hedging or Pledging: The Company prohibits executive officers and directors from engaging in hedging transactions with the Company s Common Stock, holding Common Stock in a margin account or pledging Common Stock as collateral for a loan.

Codes of Conduct: The Company has robust codes of conduct for its executive officers and directors.

No Shareholder Rights Plan

ESG Disclosure: The Company keeps the investment community informed about its activities relating to environmental, social and governance matters, including through updates on corporate social responsibility initiatives (additional details at *www.timewarner.com/citizenship*).

Special Meeting Rights: Shareholders have the right to request special meetings (15% threshold).

In late July 2014, the Board amended the By-Laws to remove temporarily provisions permitting holders of 15% of the Company s outstanding Common Stock to request a special meeting of shareholders. The Board had proposed, and the Company s shareholders approved, the special meeting provisions in 2010. Accordingly, the Board fully recognized the importance that shareholders attach to the right to call special meetings.

At the same time, the Board recognized its fiduciary duty to act in the best interest of the Company and its shareholders overall. In June 2014, Twenty-First Century Fox, Inc. (Fox) had made an unsolicited offer to acquire Time Warner. The Board and senior management carefully and thoroughly evaluated the offer, consulting financial advisors and legal counsel, including experts in Delaware law. The Board considered, among other things: (i) its fiduciary duties under Delaware law, as well as its responsibilities and obligations under the Company s By-laws and corporate governance policies; (ii) the Company s strategy and 2014-2018 long-range plan (the 2014 LRP); (iii) the proposed transaction, including the form (mix of non-voting stock and cash) and amount of consideration; (iv) the strategic, operational, and regulatory risks to executing a combination with Fox, as well as the potential benefits of a transaction; and (v) Fox s governance profile. Following the Board s careful and thorough review, the Board determined that continuing to execute the Company s strategy, as reflected in the 2014 LRP, was in the best interests of shareholders and would create significantly more value for the Company and its shareholders than accepting the unsolicited offer. As a result, the Board determined to reject the unsolicited offer in early July 2014.

In light of the unique and extraordinary circumstances presented by the unsolicited offer, the Board concluded that removing the special meeting provisions was in the best interests of the Company s shareholders. The Board did not make this decision lightly. But following a Board meeting devoted to discussing the topic of the special meeting provisions including receiving the advice of outside counsel and considering shareholder policies on the topic of special meetings the Board concluded that the reasons to temporarily remove the special meeting provisions were compelling.

The Board noted that, given the composition of the Company s shareholder base, there was a risk that shareholders whose financial interests were more aligned with those of Fox than of the Company could trigger the calling of a special meeting, which would present several serious harms to the Company s shareholders overall:

- It would significantly shorten the amount of time the Company s shareholders would have to consider the 2014 LRP and evaluate the Company s execution of the plan. The Company planned to host an investor event following the Time Separation to present the new company and highlight each of the Company s businesses, its operations, growth initiatives and prospects. The Board wanted to ensure that shareholders had an opportunity to hear the Company s presentation of the 2014 LRP, strategy and growth initiatives as well as time to evaluate the plan and the Company s performance executing the plan.

- It would reduce the time available for the Company s shareholders to evaluate the value of the offer, which was substantially based on non-voting shares.

It would also reduce the amount of time available for the Company s shareholders to evaluate the regulatory, operational, and other risks associated with the offer during a period of significant change in the U.S. regulatory and competitive landscape, with major transactions involving consolidation of content distributors under review.

At the same time it amended the By-laws, the Board took steps to address the concerns of shareholders. The Company stated publicly the Board s intention to reinstate the provisions by the time of the 2015 Annual Meeting. Consistent with that stated intention, in March 2015 the Board reinstated the special meeting provisions in the same form as had been approved by shareholders and as had existed before the July 2014 amendment.

The Company engaged with shareholders representing approximately 40% of the outstanding shares of Common Stock in the weeks following the amendment of the By-laws to discuss the Board s rationale and its intention to reinstate the special meeting provisions prior to the 2015 Annual Meeting. The Company had further discussions with these and additional shareholders at the end of 2014 and in early 2015 to hear their views regarding the reinstatement of the By-law provisions. Shareholders expressed a range of views on the right to call special shareholder meetings (including appropriate ownership thresholds to call such meetings), the Board s removal of the provisions, and the steps they would like the Board to take. In general, the shareholders underscored that they view the right to call special meetings of shareholders as important and that they usually oppose the removal of such rights. At the same time, most of the shareholders indicated they understood the Board s reasons for removing the provisions in these exceptional circumstances and were pleased by the Board s concurrent commitment to reinstate the provisions. The shareholders also indicated they would view negatively the removal of the provisions in the future as well as the adoption of additional restrictions or requirements limiting their right to call special meetings. These discussions further informed, and supported, the Board s decision to reinstate the special meeting provisions without any change.

Highly Qualified and Independent Directors

Time Warner s Board consists of 12 highly qualified, skilled and dedicated directors, 11 of whom are independent. These directors possess a combination of qualifications, skills and experiences that enable them to provide effective oversight of the Company and senior management. For a detailed discussion of the qualifications, skill and experience of each of the directors, see Background of Director Nominees on page 9.

To conclude that a director is independent, the Board must determine that the director has no material relationship with the Company or its subsidiaries and that the director is free of any other relationship whether with the Company or otherwise that would interfere with the director s exercise of independent judgment. The Board has established guidelines on director independence that address employment and commercial relationships that may affect a director s independence, as well as categories of relationships that are not deemed material for purposes of director independence. In addition to applying these guidelines, which are included in the Company s Corporate Governance Policy, the Board considers the NYSE listing standards and the Company s By-laws**As a result of its annual review of director independence, the Board determined that all of the current directors and all of the nominees for director are independent, except for Mr. Bewkes. Mr. Bewkes is an executive officer of the Company and thus cannot qualify as an independent director.** In determining the independence of the Company s directors, the Board considered relevant transactions, relationships and arrangements as required by the guidelines, NYSE listing standards and the Company s By-laws, as described on pages 35 and 36.

Board Leadership

The current leadership structure consists of one individual serving as Chairman of the Board and Chief Executive Officer and an independent director serving as Lead Independent Director with meaningful responsibilities and authority, who serve as part of a Board consisting of 12 strong and active directors, 11 of whom are independent. The Board s Policy on Determining the Leadership Structure of the Board of Directors provides the Board flexibility to select the appropriate leadership structure for the Company. In its annual review in January 2015, the Board concluded the current leadership structure is effective and continues to be the optimal structure for the Company.

Current Leadership Structure	
Chairman and CEO	Jeffrey L. Bewkes
Lead Independent Director	Stephen F. Bollenbach
Independent Directors	11 of 12 directors are independent
Board Committees	All members are independent

Policy on Determining the Leadership Structure of the Board of Directors

For more than a decade, the Nominating Committee and Board have annually reviewed the leadership structure of the Board as part of the Board s self-evaluations. In January 2009, the Board enhanced and further documented the Company s practices in this area by adopting the Policy on Determining the Leadership Structure of the Board of Directors, which provides for the review of the Board s leadership structure and the performance of the individuals who serve in Board leadership positions annually and whenever there are changes in the individuals serving in Board leadership positions. As part of this review, the Nominating Committee evaluates:

- Key leadership positions (*e.g.*, Chairman of the Board, Lead Independent Director and CEO, including whether the position of Chairman of the Board should be held by the CEO, an independent director, or a non-independent director other than the CEO).
- Responsibilities of those positions.
- Qualifications for those positions.

The Nominating Committee makes its recommendations to the Board, which is responsible for approving the leadership structure of the Board.

Determination of Current Leadership Structure 2015

In January 2015, upon the recommendation of the Nominating Committee, the Board determined that the current Board leadership structure is appropriate for Time Warner at this time. In reaching its determination, the Board considered a number of factors, including the following developments during 2014: the actions taken by the Board to enhance the responsibilities of the Lead Independent Director; the effectiveness of the Board s leadership structure during 2014, including in overseeing the development of the 2014 LRP, which was presented to shareholders and the investment community in October 2014; the results of the vote at the 2014 Annual Meeting on a shareholder proposal requesting the Board adopt a policy requiring an independent chairman; and the Company s continued strong operating and financial performance. **The report on the Board s determination of its leadership structure is posted on the Company s website at *www.timewarner.com/leadership*.**

As set forth in the report, the Board believes that having Mr. Bewkes serve as both Chairman and CEO has resulted in clear decision-making processes, leadership and accountability as the Company executes its strategy as a content-focused company, including driving the digital transformation and international expansion of its businesses, increasing its investment in programming to drive future ratings and revenue increases, and improving operating and capital efficiency. The Board also believes that having Mr. Bewkes serve as Chairman and CEO has continued to facilitate the flow of information to, and discussion among, members of the Board regarding the Company s businesses.

The Nominating Committee believes that Mr. Bollenbach is highly qualified to serve as the Lead Independent Director. The Committee also noted that the Lead Independent Director role has substantial responsibilities that enable Mr. Bollenbach to provide strong leadership of the independent directors and help the Board provide effective independent oversight of the Chairman and CEO.

Lead Independent Director s Authority and Responsibilities

The Lead Independent Director s authority and responsibilities include:

- Presiding at meetings of the Board at which the Chairman of the Board is not present and at executive sessions of the Board (unless the matter under consideration is within the jurisdiction of one of the Board s committees).
- Authority to call meetings of independent directors.
- Serving as the liaison between the Chairman of the Board and the other directors.
- Authority to approve the agenda (including the time allocated to items) and information for Board meetings.
- Advising the Chairman of the Board with respect to consultants who may report directly to the Board.
- Serving as interim Chairman of the Board in the event of the death or incapacitation of the Chairman.
- Availability, as appropriate, for communication with the Company s shareholders.

Selection of Lead Independent Director

The Board initially selected Mr. Bollenbach as Lead Independent Director in May 2012 and most recently reappointed him to the position in May 2014. Mr. Bollenbach has more than 15 years of leadership experience and extensive knowledge and experience in finance and accounting matters from senior roles at several major companies with international operations, including from serving as Chief Executive Officer of Hilton Hotels Corporation and Chief Financial Officer of The Walt Disney Company. Mr. Bollenbach also has deep knowledge of the Company from his 14 years of service as a director, including from serving as Chair of two of the Board s committees.

Board and Committee Responsibilities

Board Responsibilities and Oversight of Risk

The Board s primary responsibility is to seek to maximize long-term shareholder value. The Board selects senior management of the Company, oversees and monitors the performance of management and the Company, and provides advice and counsel to management. The Board reviews the Company s strategy and approves a long-range plan that includes an annual budget and capital plan annually, or more often as circumstances warrant. The Board reviews and approves transactions pursuant to guidelines the Board has established and reviews from time to time.

The Board also is charged with general oversight of the management of the Company s risks. The Board considers, as appropriate, risks to the Company among other factors in reviewing the Company s strategy, long-range plan, budget, capital plan and major transactions. The Board carries out its risk oversight function both as a whole and through delegating to the Board committees the oversight of risks that come within the committee s substantive areas, as set forth in the listing of committee responsibilities. In particular:

- The Audit Committee reviews and discusses a report from management at least annually on the risks the Company faces, including cybersecurity risks, management s actions to address those risks, and the Company s risk management and mitigation processes. The report is also provided to the Board.

- The Compensation Committee oversees risks related to the Company s compensation programs and policies. The Compensation Committee reviews and discusses at least annually management s report on such risks. See Executive Compensation Compensation Programs and Risk Management beginning on page 71.

In fulfilling the Board s responsibilities, directors have full access to the Company s management, internal and external auditors, and outside advisors selected by the Board or its committees.

The Company s independent directors generally meet by themselves, without management or any non-independent directors present, at each regularly scheduled Board meeting, and at other times upon the request of any independent director. These executive sessions are led by the Lead Independent Director, except when it is more appropriate for the Chair of the committee that has primary responsibility for the matter being discussed to lead the discussion.

Board Committees and Their Responsibilities

The Board has three standing committees: the Audit and Finance Committee (also referred to as the Audit Committee), the Nominating and Governance Committee (also referred to as the Nominating Committee) and the Compensation and Human Development Committee (also referred to as the Compensation Committee). All Board committee members are independent and satisfy the respective standards of independence applicable to such committees. The Board has also determined that each member of the Audit Committee is financially literate in accordance with the NYSE listing standards. In addition, the Board has determined that each of Ms. Wright and Messrs. Clark, Gutierrez and Hassan is an audit committee financial expert as defined under SEC rules.

Each of the Board s three standing committees meets periodically throughout the year, reports its actions and recommendations to the Board, evaluates its performance annually and holds regular executive sessions at which management is not present.

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Audit Committee. The Audit Committee assists the Board of Directors in fulfilling its responsibilities in connection with the following:

- independent auditor appointment and oversight and related matters,
- internal audit function,
- ethics and compliance program,
- earnings releases and guidance, financial statements and systems of disclosure controls and procedures and internal control over financial reporting,
- capital structure and strategy, including financing and hedging matters and share repurchase program,
- mergers & acquisitions, including strategy,
- tax matters, including tax strategy,
- risk management policies and processes, including cybersecurity risks,
- insurance coverage,
- retirement programs funding and performance of assets held in retirement plans, and
- responses to regulatory actions involving financial, accounting and internal control matters.

Nominating Committee. The Nominating Committee is responsible for assisting the Board on the following:

- corporate governance, including regulatory developments relating to corporate governance, director nominations,

Board leadership structure,

Board committee structure and appointments,

Chairman and CEO performance evaluations and CEO succession planning,

annual Board performance evaluations,

non-employee director compensation,

shareholder proposals and communications,

related person transactions review and approval, and

the Company s public policy and corporate responsibility activities.

Compensation Committee. The Compensation Committee is responsible for the following:

compensation and benefit structure, programs and plans, including oversight of risks related to the Company s compensation programs and practices,

employment agreements of senior executives, including compensation and benefits provided under them,

long-term incentive program design, including performance measures and awards utilized,

disclosures regarding executive compensation matters, advisors retained by the Committee and risks related to the Company s compensation programs and practices,

shareholder advisory votes regarding NEO compensation,

responses to regulatory developments affecting compensation,

officer appointment recommendations, and human development programs, including recruitment, retention, development, diversity and internal communication programs.

Each committee is authorized to retain its own outside consultants, legal counsel and other advisors as it desires. The Compensation Committee s charter requires the Committee to assess the independence of any compensation consultant, legal counsel or other advisor prior to retaining the advisor or receiving advice from the advisor (subject to certain exceptions). The assessment considers factors relevant to such advisor s independence, including the factors specified in the NYSE listing standards. The Nominating Committee s charter contains similar requirements with respect to any consultant, legal counsel or other advisor who will provide the Committee advice regarding non-employee director compensation.

The Committees of the Board

Committee	Chair	Members	Number of Meetings in 2014
Audit Committee	Deborah C. Wright	Robert C. Clark Jessica P. Einhorn Carlos M. Gutierrez Fred Hassan Deborah C. Wright	8
Nominating Committee	Robert C. Clark	James L. Barksdale William P. Barr Stephen F. Bollenbach Robert C. Clark Jessica P. Einhorn Kenneth J. Novack	5
Compensation Committee	William P. Barr	William P. Barr Stephen F. Bollenbach Mathias Döpfner Fred Hassan Paul D. Wachter	7

Board Meetings and Attendance

Board Meetings. The Board generally meets at least seven times each year; during 2014, the Board met 10 times. The Board discusses the Company s progress on its long-term strategy at each regular Board meeting and also devotes one meeting each year solely to focus in depth on the Company s strategy.

Attendance. Each incumbent director attended at least 75% of the aggregate of (i) the total number of Board meetings during 2014 and (ii) the total number of meetings of committees on which such member served during 2014 (or the period of 2014 during which the director was a member of the committee, if less than the full year). The Company s directors are encouraged and expected to attend the annual meetings of the Company s shareholders. Each of the 12 directors nominated for election at the 2014 Annual Meeting of Shareholders attended that meeting.

Other Corporate Governance Matters

Corporate Responsibility

As part of its commitment to effective corporate governance, Time Warner keeps shareholders, the investment community and others informed of the Company s activities relating to environmental, social and governance matters. The Company s corporate responsibility activities are overseen by the Nominating Committee. To learn more about Time Warner s corporate responsibility activities, including in the areas of workforce diversity and environmental sustainability, please visit the Company s website at *www.timewarner.com/citizenship*. The Company updates the information about its corporate responsibility activities regularly as appropriate on its website to provide shareholders with information in a dynamic and timely manner.

Ethical Sourcing Guidelines

The Time Warner Ethical Sourcing Guidelines set forth the standards in areas such as employment, health, safety and the environment that the Company expects its vendors and licensees to follow. The Company expects that its vendors will establish and actively review, monitor and modify their management processes and business operations so that their operations align with the principles set forth in the Guidelines. The failure to follow the Guidelines may, among other things, impact a vendor s ability to continue to do business with the Company. The Guidelines are posted on the Company s website at *www.timewarner.com/citizenship* under the heading Leading Responsibly and sub-heading Ethical Sourcing And Supply Chain.

Political Activity Policies, Oversight and Disclosure

The Nominating Committee is responsible for overseeing the Company s public policy activities, which includes policies and practices regarding political contributions and expenditures by the Company, its political action committee (PAC), and trade associations. The Company has processes for prior review of corporate political contributions and the use of Company resources in support of the Company s political activities. In addition, Time Warner discloses at least annually all corporate and PAC political contributions (including, if any, independent expenditures made without coordination with any candidate, campaign or their authorized agents) and payments to trade associations and other tax-exempt organizations that are used for political expenditures. These disclosures can be found on the Company s website at *www.timewarner.com/citizenship* under the heading Leading Responsibly and sub-heading Political Activities. **In 2014, the Company was again ranked in the top tier of companies in the Center for Political Accountability s CPA-Zicklin Index of Corporate Political Disclosure and Accountability, which measures corporate disclosure and accountability for political spending.**

Corporate Governance Documents and Website

The Company has a corporate governance website at *www.timewarner.com/governance*. The following documents are available on this website and are also available in print to any shareholder who requests them by writing to the Office of the Corporate Secretary, Time Warner Inc., One Time Warner Center, New York, New York 10019-8016:

- By-laws
- Corporate Governance Policy
- Charters of the Board s three standing committees
- Policy and Procedures Governing Related Person Transactions

Policy Statement Regarding Director Nominations

Policy on Determining the Leadership Structure of the Board of Directors

Most recent Report on Determination of Current Board Leadership Structure

Standards of Business Conduct, which apply to the Company s employees

Code of Ethics for Our Senior Executive and Senior Financial Officers, which applies to certain senior executives of the Company, including the Chief Executive Officer, Chief Financial Officer and Controller, and serves as a supplement to the Standards of Business Conduct

Guidelines for Non-Employee Directors, which serves as a code of conduct for the Company s non-employee directors

There were no waivers in 2014 under either the Code of Ethics for Our Senior Executive and Senior Financial Officers or the Standards of Business Conduct with respect to any of the Time Warner senior executives covered by the Code of Ethics for Our Senior Executive and Senior Financial Officers.

Transactions Considered in Making Independence Determinations

In determining the independence of each current director other than Mr. Bewkes, the Board considered the transactions described below, all of which it determined were immaterial to the directors independence.

***Business Transactions*.** Under the Board s categorical standards for director independence, transactions in the ordinary course between the Company and another entity with which a director or a member of a director s family is affiliated shall generally be deemed not to create a material relationship unless they occurred within the last three years and (i) the director is an executive officer, employee or substantial owner, or the director s immediate family member is an executive officer, of the other entity and (ii) such transactions represent (A) more than 5% of the Company s consolidated gross revenues for the prior fiscal year or (B) more than $250,000 and 2% of the other entity s gross revenues for the prior fiscal year.

The Company did not have any transactions that were outside the ordinary course of business or that surpassed the numerical thresholds contained in the Company s categorical standards for director independence, other than the ordinary course business transactions with CNN Films and Home Box Office discussed below under Related Person Transactions Policy and Related Person Transactions.

The Board also considered ordinary course business transactions involving Harvard University and Time Warner Foundation Inc., a non-profit corporation of which the Company is the sole member, even though the transactions did not raise any independence issues under the NYSE listing standards and the amount involved was well below the numerical thresholds contained in the Company s categorical standards for director independence. In 2014, the Company received advertising revenues in the ordinary course of business from Harvard University (where Mr. Clark is a Distinguished Service Professor) that were less than 0.002% of the Company s total revenues in 2014. Time Warner Foundation Inc. holds one certificate of deposit for approximately $311,000 at Carver Federal Savings Bank (where Ms. Wright serves as Non-Executive Chairman and served as Chairman and Chief Executive Officer through December 2014), which was approximately 0.06% of Carver Federal Savings Bank s total deposits as of December 31, 2014 and earned interest at a market rate during 2014.

***Charitable Contributions*.** Under the Board s categorical standards for director independence, discretionary charitable contributions by the Company to established non-profit entities with which a director or a member of the director s family is affiliated shall generally be deemed not to create a material relationship (i) if they occurred more than three years prior to the determination of materiality or (ii) if they are consistent with the Company s philanthropic practices, unless (a) the director, spouse or domestic partner is an executive officer or director of the organization and (b) the Company s contributions represent, for the most recent fiscal year, more than the greater of $100,000 or 10% of any individual organization s annual gross revenues (for organizations with gross revenues up to $10 million per year), or the greater of $1 million or 2% of any individual organization s annual gross revenues (for organizations with gross revenues of more than $10 million per year), or the greater of $1 million or 2% of all such organizations annual gross revenues in the aggregate.

No charitable contributions by the Company raised any independence issues. During 2014, the Company s largest aggregate charitable contribution to a non-profit entity with which a director or a member of the director s family is affiliated was approximately $110,000 to Harvard University. The contributions primarily supported a conference on Latino leadership and research fellowships in African and African American studies.

***Other Matters*.** As the Company has disclosed for the past several years, Mr. Novack has been a retired partner of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, PC (Mintz, Levin) since 1998. As a retired partner, Mr. Novack does not practice law or have a direct or indirect financial interest in the legal services provided by Mintz, Levin to the Company, which are unrelated to Mr. Novack s service on the Board or to matters involving the Board.

Related Person Transactions Policy and Related Person Transactions

The Board has adopted the Time Warner Inc. Policy and Procedures Governing Related Person Transactions, which is a written policy that sets forth procedures for the review and approval or ratification of transactions involving related persons, which consist of directors, director nominees, executive officers, holders of more than 5% of any outstanding class of the Company s voting securities, and immediate family members or certain affiliated entities of any of the foregoing persons. The Nominating Committee (or its Chair, under certain circumstances) is responsible for applying the policy with the assistance of the General Counsel or his designee (if any). The General Counsel or his designee assesses whether a proposed transaction involving a related person is a related person transaction covered by the policy. If so, the transaction is presented to the Nominating Committee for review and consideration at its next meeting or, in certain instances when waiting until the next meeting is not advisable, to the Chair of the Nominating Committee. In determining whether to approve or ratify a related person transaction covered by the policy, the Nominating Committee may review such facts and circumstances and take into account such factors as it deems appropriate, including the related person s interest and role in the transaction, the terms of the transaction and the benefits of the transaction to the Company.

Transactions covered by the policy consist of any financial transaction, arrangement or relationship or series of similar transactions, arrangements or relationships, in which (i) the aggregate amount involved will or may be expected to exceed $120,000 in any calendar year, (ii) the Company is, will or may be expected to be a participant, and (iii) any related person has or will have a direct or indirect material interest. The policy also specifies categories of transactions identified by the Board as having no significant potential for an actual or apparent conflict of interest or improper benefit to a related person (such as ordinary course transactions, regulated transactions with common carriers or public utilities and director compensation disclosed in the proxy statement), and thus are not subject to review by the Nominating Committee. The policy is posted on the Company s website at *www.timewarner.com/governance*.

The following related person transactions were subject to the Time Warner Inc. Policy and Procedures Governing Related Person Transactions and were approved or ratified by the Nominating Committee or its Chair.

From 2008 through early 2015, Mr. Averill s daughter, Kimberly Kuwata, was employed in an advertising sales position at a subsidiary of Turner. Ms. Kuwata s 2014 compensation, including salary, bonus and commissions, was approximately $157,000.

Andrew Rossi, the son-in-law of Kenneth Novack, is an established documentary film producer who occasionally enters into transactions with Home Box Office and CNN Films related to the production of documentary films. As the Company disclosed in its proxy statements for the 2013 and 2014 annual meetings of shareholders, in January 2013, CNN Films entered into an ordinary course transaction with a production company controlled by Mr. Rossi related to a documentary regarding higher education. CNN Films agreed to pay the production company $864,000. Similarly, in early 2015, Home Box Office agreed to pay a production company controlled by Mr. Rossi approximately $600,000 for a new documentary. Both transactions (i) occurred on an arm s length basis in the ordinary course of business, (ii) were for amounts not material to either Turner s or Home Box Office s (as applicable) annual programming expenses, and (iii) were negotiated without the involvement of any of Mr. Novack, the Board of Directors or senior management of Time Warner; and Mr. Novack has no direct or indirect interest in the transactions or the production companies.

Communicating with the Board of Directors

The Board of Directors has established processes to help ensure that communications to the Board, any of its committees, or an individual member of the Board reach the intended recipient efficiently. Under a policy statement adopted by the Company s independent directors, shareholders, employees and other interested parties who wish to communicate directly with the Board, any of the Board s committees, the non-employee directors as a group, the Chairman of the Board or any individual non-employee director should write to the address below:

[Name of Director or Director Committee/Group]

c/o Office of the Corporate Secretary

Time Warner Inc.

One Time Warner Center

New York, NY 10019-8016

DIRECTOR COMPENSATION

Nominating Committee s Review of Non-Employee

Director Compensation

Under its charter, the Nominating Committee is responsible for reviewing compensation of the Company s non-employee directors and making recommendations regarding director compensation to the Board for its approval. In carrying out this responsibility, the Nominating Committee is guided by the following key objectives and principles:

- Compensation should be generally consistent with the Company s broader compensation philosophy for the Company s employees.

- Compensation should be competitive and structured with a balanced mix of cash and equity compensation so the Company can attract and retain directors from diverse professional and personal backgrounds.

- Compensation should be simple to administer and support the smooth functioning of the Board.

- Compensation should be cost-effective and consistent with investor policies and expectations.

- Compensation should be in compliance with all regulatory requirements.

Under the Corporate Governance Policy, the Nominating Committee reviews the compensation paid to non-employee directors at least every two years to help ensure that it continues to meet the objectives and principles described above. Final decisions regarding non-employee director compensation are made by the Board, based on recommendations by the Nominating Committee.

2014 Non-Employee Director Compensation

For 2014, each non-employee director received $290,000 in total compensation, consisting of a $145,000 cash retainer and an equity grant with an aggregate grant date fair value of approximately $145,000 (consisting of approximately $100,000 in restricted stock units (RSUs) and approximately $45,000 in stock options). No additional compensation is paid for service as Lead Independent Director, a committee chair or member or for attendance at meetings of the Board or any Board committee. A new director who joins the Board other than at an annual meeting of shareholders will receive the above compensation on a pro-rated basis.

Cash Retainer

The $145,000 cash retainer is intended to provide a balance between cash and equity compensation, as well as to provide the non-employee directors sufficient cash to pay income taxes on their RSUs as they vest without having to sell shares. Non-employee directors can elect to defer a portion of the annual cash retainer pursuant to the Time Warner Inc. Non-Employee Directors Deferred Compensation Plan (as described below).

Equity Grants

The RSUs granted to non-employee directors in June 2014 vest June 1, 2015 (the anniversary of the first day of the month in which the RSUs were granted) or immediately if the director ceases to serve as a director of the Company as a result of certain designated circumstances, including (i) retirement either due to a mandatory retirement policy or after serving at least five years as a director, (ii) failure to be re-elected by the shareholders after nomination, (iii) resignation after receiving fewer than a majority for votes in the votes cast in an uncontested election of directors, (iv) death or disability, (v) the occurrence of certain transactions involving a change in control of the Company, or (vi) under certain other designated circumstances, with the approval of the Board on a case-by-case basis. If a non-employee director leaves the Board for any other reason, then his or her unvested RSUs are forfeited to the Company. The aggregate grant date fair value of the RSUs granted is based on the closing sale price of a share of Common Stock on the date of grant or the last trading day preceding the date of grant if the grant date is a non-trading day.

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The stock options granted to non-employee directors in 2014 have an exercise price equal to the closing sale price of a share of Common Stock on the date of grant or the last trading day preceding the date of grant if the grant date is a non-trading day, expire 10 years from the grant date and vest on June 14, 2015 (the first anniversary of the date of grant) or immediately if the director ceases to serve as a director of the Company as a result of certain designated circumstances, including because the director is not nominated by the Board to stand for re-election at the annual meeting of shareholders, is not re-elected by the shareholders at the annual meeting, or resigns after receiving fewer than a majority for votes in the votes cast in an uncontested election of directors. The aggregate grant date fair value of the stock options granted is based on the Black-Scholes methodology of valuing options.

RSUs and options do not have any voting rights. Non-employee directors receive dividend equivalents on the RSUs in an amount equal to the regular quarterly cash dividends declared and paid by the Company at the same time that the dividends are paid on outstanding shares of Common Stock.

2015 Non-Employee Director Compensation

In 2014, the Nominating Committee reviewed the non-employee directors compensation and, in December 2014, the Nominating Committee recommended, and the Board approved, offering non-employee directors the ability to elect to receive an alternative compensation program beginning with compensation to be earned in 2015. The base compensation program for non-employee directors will remain the same as in effect for 2014 (described above). The alternative compensation program provides the same amount of total compensation but is weighted more heavily toward equity, with a $100,000 cash retainer and equity grants with an aggregate grant date fair value of approximately $190,000 (consisting of approximately $95,000 in RSUs and approximately $95,000 in stock options). The Nominating Committee and Board determined that the base program was at an appropriate level and was generally effective in compensating non-employee directors for their service. The Nominating Committee and Board concluded that having an alternative program with a higher percentage of compensation delivered through equity grants than in cash and with equal amounts from RSUs and stock options would promote further alignment of the directors interests with shareholders. An election to receive the alternative compensation program must be made prior to the start of the year in which the compensation is earned and cannot be changed.

Stock Ownership Guidelines

Each non-employee director is expected to own, within five years of joining the Board, the lesser of at least 10,000 shares of Common Stock or shares of Common Stock with a value equal to four times the annual cash retainer under the base compensation program, regardless of whether the non-employee director elects to receive the base or alternative compensation program. Each non-employee director who has been a member of the Board for at least five years meets these stock ownership guidelines.

Expenses

Non-employee directors are reimbursed for expenses (including costs of travel, food and lodging) incurred in attending Board, committee and shareholder meetings. While travel to such meetings may include the use of Company aircraft, if available and appropriate under the circumstances, the directors generally use commercial air or rail transportation services. Non-employee directors are also reimbursed for reasonable expenses associated with other Company-related business activities, including participation in director education programs.

The Company provides non-employee directors with representative samples of the Company s products (such as films and television programs on DVDs and Blu-ray Discs), promotional items and other merchandise. The Company also periodically invites and provides for directors and their spouses, domestic partners or guests to attend Company-sponsored events, such as film premieres, screenings, cultural events and the annual meeting of shareholders. For the year ended December 31, 2014, the aggregate incremental cost to the Company for providing non-employee directors these Company products and the attendance of non-employee directors and their spouses, domestic partners or guests at Company events was well below $10,000 per director. The Company also reimburses each non-employee director for the estimated taxes incurred in connection with any income recognized by the director as a result of the attendance by the director, spouse, domestic partner or guest at such events. From time to time, spouses, domestic partners or guests may also join non-employee directors on Company aircraft when a non-employee director is traveling to or from Board or committee meetings, which may result in the non-employee director recognizing income for tax purposes.

Deferred Compensation Plan

Under the Time Warner Inc. Non-Employee Directors Deferred Compensation Plan, non-employee directors may elect each year to defer receipt of 10% to 100% of their cash compensation payable during the next calendar year. An election to defer must be made prior to the start of the year in which the retainer is payable and cannot be changed with respect to that year. Each non-employee director can elect from the following crediting alternatives to determine the amounts that will be paid after the deferral period: (i) the amount deferred plus annual interest at the prime rate in effect on May 1 of each annual period plus 2%, (ii) the value of a hypothetical investment in shares of Common Stock made at the time of the deferral, plus the notional reinvestment of dividend equivalents based on any regular cash dividends paid by the Company on the Common Stock, or (iii) an allocation of 50% of the amount deferred to each of the crediting alternatives. Amounts deferred are payable in cash in a lump sum or in installments after a non-employee director leaves the Board, based on the director s election made at the time the director elected to defer receipt of the compensation.

Retirement and Prior Deferred Compensation Program

The Company does not currently maintain a retirement plan for its non-employee directors. Mr. Novack receives retirement benefits under the terms of the Company s retirement plans as a result of his past service as an employee of the Company.

The Company maintains a prior deferred compensation plan for non-employee directors under which non-employee directors previously could elect to defer all or a portion of their cash compensation until the director reached age 70 or left the Board (the distribution event). Mr. Bollenbach is the only current director who had deferred amounts pursuant to this plan, and he elected to receive a payout of the account in annual installments over 10 years following the distribution event. Amounts deferred were tracked by two separate calculation methods to determine which method resulted in the greater value at the time the distribution event occurred: (i) applying the average seven-year Treasury constant maturity bond rate for the year at the end of the year to the amount in the account or (ii) the hypothetical investment of the amounts deferred in shares of Common Stock and reinvestment of any dividends that would be earned thereon. During the payout period, the account accrues interest based on the Treasury rate method.
Mr. Bollenbach reached age 70 during 2012 and, as a result, the amount credited to his account became payable in annual installments over ten years beginning in 2013.

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Director Compensation Table

The table below sets forth 2014 compensation information regarding the Company s non-employee directors. Mr. Bewkes is the only director who is an officer and employee of the Company, and he does not receive any additional compensation for his Board service.

DIRECTOR COMPENSATION FOR FISCAL YEAR 2014

Name	Fees Earned or Paid in Cash	Stock Awards(1)(2)	Option Awards(2)(3)	All Other Compensation(4)	Total
James L. Barksdale	$ 145,000	$ 99,996	$ 43,693	$42	$ 288,731
William P. Barr	$ 145,000	$ 99,996	$ 43,693	$0	$ 288,689
Stephen F. Bollenbach	$ 145,000	$ 99,996	$ 43,693	$0	$ 288,689
Robert C. Clark	$ 145,000	$ 99,996	$ 43,693	$0	$ 288,689
Mathias Döpfner	$ 145,000	$ 99,996	$ 43,693	$0	$ 288,689
Jessica P. Einhorn	$ 145,000	$ 99,996	$ 43,693	$3,315	$ 292,004
Carlos M. Gutierrez	$ 145,000	$ 99,996	$ 43,693	$0	$ 288,689
Fred Hassan	$ 145,000	$ 99,996	$ 43,693	$0	$ 288,689
Kenneth J. Novack	$ 145,000	$ 99,996	$ 43,693	$3,315	$ 292,004
Paul D. Wachter	$ 145,000	$ 99,996	$ 43,693	$42	$ 288,731
Deborah C. Wright	$ 145,000	$ 99,996	$ 43,693	$85	$ 288,774

(1) The amounts set forth in the Stock Awards column represent the aggregate grant date fair value of RSUs granted by the Company to non-employee directors in 2014. On June 14, 2014, the Company awarded 1,474 RSUs to each of the non-employee directors serving on that date. Because the grant date occurred on a non-trading day, the grant date fair value of each RSU award was determined using the closing sale price of the Common Stock on the NYSE Composite Tape on the last trading day preceding the grant date. The actual value, if any that is realized by a director from any RSU award will depend on the market price of the Common Stock in future years. For information about the weighted average grant date fair value of the RSUs granted in 2014, see Note 12 to the Company s consolidated financial statements included in the Company s Annual Report on Form 10-K for the year ended December 31, 2014 (the 2014 Form 10-K).

(2) Presented below is the aggregate number of outstanding stock awards and stock option awards held by the non-employee directors on December 31, 2014. Outstanding stock option awards that were granted prior to June 6, 2014, have been adjusted to reflect the Time Separation.

Name	Total Stock Awards (Restricted Stock and RSUs) Outstanding at 12/31/14	Total Option Awards Outstanding at 12/31/14
James L. Barksdale	1,474	41,913
William P. Barr	1,474	25,837
Stephen F. Bollenbach	1,836	37,894
Robert C. Clark	1,474	25,837
Mathias Döpfner	1,474	36,888
Jessica P. Einhorn	1,474	24,148
Carlos M. Gutierrez	1,474	2,898
Fred Hassan	1,474	25,837
Kenneth J. Novack	1,474	12,232
Paul D. Wachter	1,474	19,205
Deborah C. Wright	1,474	29,856

(3) The amounts set forth in the Option Awards column represent the aggregate grant date fair value of stock options granted by the Company in 2014. On June 14, 2014, the Company awarded options to purchase 2,898 shares of Common Stock to each of the non-employee directors serving on that date.

The grant date fair value of the stock options awarded to the non-employee directors on June 14, 2014 was calculated using the Black-Scholes option pricing model based on the following assumptions: an expected volatility of 26.58%, an expected term to exercise of 5.52 years from the date of grant, a risk-free interest rate of 1.92%, and a dividend yield of 1.87%. For information about the weighted-average assumptions used to determine the grant date fair value of options granted in 2014, see Note 12 to the Company s consolidated financial statements included in the 2014 Form 10-K. The discussion in Note 12 reflects weighted-average assumptions on a combined basis for both retirement-eligible and non-retirement eligible employees and non-employee directors.

The actual value, if any, that is realized by a non-employee director from any stock option will depend on the amount by which the market value of the Common Stock exceeds the exercise price of the stock option on the date the stock option is exercised. Accordingly, there is no assurance that the value realized by a non-employee director will be at or near the grant date fair value presented above. These amounts should not be used to predict stock performance.

(4) The amounts set forth in the All Other Compensation column consist of the Company s payments made in 2014 for the estimated taxes incurred in 2014 for income recognized by Mses. Einhorn and Wright and Messrs. Barksdale, Novack and Wachter due to attendance by a family member at a Company event in 2014.

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SECURITY OWNERSHIP

Security Ownership of the Board of Directors and

Executive Officers

The following table sets forth information concerning the beneficial ownership of Time Warner Common Stock as of February 28, 2015 for each current director, each nominee for election as a director, each of the persons named in the Summary Compensation Table and for all current directors and executive officers as a group. None of the foregoing persons beneficially owned any equity securities of the Company s subsidiaries as of February 28, 2015. All amounts representing shares of Common Stock to be issued upon the exercise of stock options that were outstanding on June 6, 2014 have been adjusted to reflect the Time Separation.

	Time Warner Common Stock Beneficially Owned[1]		
Name of Beneficial Owner	Number of Shares	Option Shares[2]	Percent of Class
Howard M. Averill	28,809	83,385	*
James L. Barksdale	57,036	39,015	*
William P. Barr[3]	40,849	22,939	*
Jeffrey L. Bewkes[4]	434,719	4,249,093	*
Stephen F. Bollenbach[5]	25,804	34,996	*
Paul T. Cappuccio[4]	101,557	420,085	*
Robert C. Clark	26,403	22,939	*
Mathias Döpfner	12,966	33,990	*
Jessica P. Einhorn	19,441	21,250	*
Gary L. Ginsberg	17,300	87,274	*
Carlos M. Gutierrez	2,152		*
Fred Hassan	42,980	22,939	*
Kenneth J. Novack[6]	30,758	9,334	*
Olaf Olafsson	9,475	329,546	*
Paul D. Wachter[7]	18,686	16,307	*
Deborah C. Wright	19,774	26,958	*
All current directors and executive officers (18 persons) as a group[3]-[8]	976,843	5,535,641	*

* Represents beneficial ownership of less than one percent of the outstanding Common Stock as of February 28, 2015.

(1) Beneficial ownership has been determined in accordance with Rule 13d-3 of the Exchange Act. Unless otherwise indicated, beneficial ownership represents both sole voting and sole investment power. This table does not include, unless otherwise indicated, any shares of Common Stock or other equity securities of the Company that may be held by pension and profit-sharing plans of other corporations or endowment funds of educational and charitable institutions for which various directors and officers serve as directors or trustees.

Under some of the Company s deferred compensation programs, a participant may elect to have the value of the participant s deferred compensation paid out based on an assumed investment in the Common Stock during the deferral period. Participants do not have any right to vote or receive any Common Stock in connection with these assumed investments, which are represented by share equivalents, or phantom units, but are ultimately paid in cash. Under the Company s deferred compensation programs, Mr. Bewkes has been credited with 22,412 share equivalents and Mr. Bollenbach has been credited with 39,841 share equivalents. These share equivalents are not included in the table above.

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(2) Reflects shares of Common Stock underlying stock options awarded by the Company that were exercisable within 60 days of February 28, 2015. These shares are not included in the Number of Shares column.

(3) The number of shares includes 3,845 shares of Common Stock held by the Barr Family LLC, of which Mr. Barr is the manager and he and his spouse collectively own a 1% interest and his three adult children collectively own a 99% interest.

(4) The number of shares includes the following individuals interests in shares of Common Stock held by a trust under the Time Warner Savings Plan: Mr. Bewkes (approximately 36,643 shares); and Mr. Cappuccio (approximately 275 shares).

(5) The number of shares held by Mr. Bollenbach includes 362 shares of restricted stock.

(6) Includes 175 shares of Common Stock held by the Novack Family Foundation, of which Mr. Novack and his wife are two of nine trustees who share voting power with respect to the shares. Mr. Novack disclaims beneficial ownership of shares held by the Novack Family Foundation.

(7) Includes 11,000 shares of Common Stock held by the Wachter Family Trust, of which Mr. Wachter and his spouse are the trustees and beneficiaries. Mr. Wachter and his spouse share voting and investment power with respect to the shares.

(8) The number of shares held by all current directors and executive officers as a group includes (i) aggregate interests in approximately 37,276 shares of Common Stock held by a trust under the Time Warner Savings Plan and (ii) an aggregate of approximately 6,448 shares of Common Stock held directly by or in the 401(k) plan of an executive officer s spouse, for which the executive officer disclaims beneficial ownership.

Security Ownership of Certain Beneficial Owners

Based on a review of filings with the SEC, the Company has determined that the following entities hold more than 5% of the outstanding shares of Common Stock as of December 31, 2014:

Name and Address of Beneficial Owner	Shares of Stock Beneficially Owned	Percent of Class
BlackRock, Inc.[1]	48,359,701	5.8%

55 East 52nd Street New York, NY 10022		
Massachusetts Financial Services Company[(2)] 111 Huntington Avenue Boston, MA 02199	45,420,346	5.4%
The Vanguard Group[(3)] 100 Vanguard Boulevard Malvern, PA 19355	43,009,873	5.12%

(1) Based solely on an amendment to Schedule 13G filed by BlackRock, Inc. with the SEC on February 9, 2015.

(2) Based solely on a Schedule 13G filed by Massachusetts Financial Services Company with the SEC on February 3, 2015.

(3) Based solely on a Schedule 13G filed by The Vanguard Group with the SEC on February 10, 2015.

AUDIT-RELATED MATTERS

Report of the Audit and Finance Committee

In accordance with its charter, the Audit Committee assists the Board in fulfilling its responsibilities in a number of areas. These responsibilities are described above under Corporate Governance Board Committees and Their Responsibilities beginning on page 31 and in the Audit Committee s charter, which is posted on the Company s website at *www.timewarner.com/governance*.

In connection with its review of the Company s 2014 financial statements, the Audit Committee reviewed and discussed with management and the independent auditor the audited consolidated financial statements, management s assessment of the effectiveness of the Company s internal control over financial reporting and the independent auditor s evaluation of the effectiveness of the Company s internal control over financial reporting. Management represented to the Audit Committee that the Company s consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles. The Audit Committee also discussed with the independent auditor the matters required to be discussed by the Statement on Auditing Standards No. 61 (Communications with Audit Committees), as amended and as adopted by the Public Accounting Oversight Board in Rule 3200T, including the quality and acceptability of the Company s accounting policies, financial reporting processes and controls.

In addition, the Audit Committee received the written disclosures and the letter from the independent auditor required by the Public Company Accounting Oversight Board Ethics and Independence Rule 3526, *Communication with Audit Committees Concerning Independence*, regarding the independent auditor s communications with the Audit Committee concerning independence. The Audit Committee also discussed with the independent auditor the auditor s independence from the Company and its management. In determining that the auditor is independent, the Audit Committee also considered whether the provision of any of the non-audit services described below under Fees of the Independent Auditor is not compatible with maintaining their independence.

In performing its functions, the Audit Committee acts only in an oversight capacity and necessarily relies on the work and assurances of the Company s management and independent auditor, which, in their reports, express opinions on the fair presentation of the Company s annual consolidated financial statements in conformity with U.S. generally accepted accounting principles and the effectiveness of the Company s internal control over financial reporting. In reliance on the reviews and discussions referred to in this Report of the Audit and Finance Committee and in light of its role and responsibilities, the Audit Committee recommended to the Board of Directors, and the Board approved, that the audited consolidated financial statements of the Company be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2014 filed with the SEC.

Members of the Audit and Finance Committee

Deborah C. Wright (Chair)

Robert C. Clark

Jessica P. Einhorn

Carlos M. Gutierrez

Fred Hassan

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Policy Regarding Pre-Approval of Services Provided

by the Independent Auditor

The Audit Committee has established a policy (the Pre-Approval Policy) requiring its pre-approval of all audit services and permissible non-audit services provided by the independent auditor, along with the fees for those services. The Pre-Approval Policy provides for the annual pre-approval of specific types of services pursuant to policies and procedures adopted by the Audit Committee, and gives detailed guidance to management as to the specific services that are eligible for such annual pre-approval. The Pre-Approval Policy requires the specific pre-approval of all other permitted services. The Audit Committee has delegated to its Chair the authority to address certain requests for pre-approval of audit and permissible non-audit services between meetings of the Audit Committee and the Chair must report her pre-approval decisions to the Audit Committee at its next regular meeting.

Services Provided by the Independent Auditor

The aggregate fees for services provided by Ernst & Young LLP to the Company with respect to the years ended December 31, 2014 and 2013 are as set forth below.

FEES OF THE INDEPENDENT AUDITOR

Type of Fees	2014