

**Time Warner Inc.**  
**Corporate Governance Policy**

Revised by the Board of Directors  
February 25, 2014

This Corporate Governance Policy describes the principles and practices that the Time Warner Inc. Board of Directors will follow in carrying out its responsibilities. In this Policy, Time Warner Inc. is referred to as the “Corporation”; the Corporation and its consolidated subsidiaries are collectively referred to as the “Company.” This Policy supplements the Corporation’s By-laws and the charters of the Board’s committees.

## **Board Composition**

**Size of the Board.** The By-laws provide that the Board of Directors may determine the size of the Board from time to time, and that the Nominating and Governance Committee may recommend to the Board changes in the size of the Board.

In determining whether to change the size of the Board, the Nominating and Governance Committee and Board will be guided by the following principles:

- The Board should generally have no fewer than 10 or more than 14 directors.
- The number of directors at any time will depend upon several factors, including (a) resignations, retirements, and the availability of appropriate, qualified candidates; (b) assuring that the Board has a small enough number to facilitate active discussions and decision-making; and (c) assuring that the Board has a sufficient number of directors to fulfill committee assignments and to provide the appropriate mix of continuity, experience, skills and diversity of viewpoints and backgrounds for the Board and its committees to perform their responsibilities in light of regulatory requirements and current business needs.

**Mix of Inside and Independent Directors.** Under the Corporation’s By-laws, a majority of directors must be independent. It is the Board’s objective, however, that a substantial majority of the directors shall be independent.

On at least an annual basis (and whenever an individual is considered by the Nominating and Governance Committee for election as a director), management will collect information from the Company’s records and, as appropriate, from the individual directors, to conduct an analysis of each current or prospective director’s eligibility to be classified as “independent” under the Corporation’s By-laws, Corporate Governance Policy, and applicable statutes and regulations (including applicable listing standards set forth by the New York Stock Exchange and rules and regulations issued by the Securities and Exchange Commission and Internal Revenue Service). This analysis shall address each individual’s eligibility to be classified as “independent” for purposes of serving on the Board and on each of the Board’s committees. This analysis shall be submitted to the Nominating and Governance Committee, which shall make a recommendation regarding each individual’s independence to the full Board of Directors, which in turn shall make the final determination of each individual’s independence.

As set forth in the Corporation's By-laws, the Board may establish categorical standards to guide it in determining whether an individual has a "material relationship" with the Company. The Board has adopted the following categorical standards, in addition to the standards for independence established under applicable statutes and regulations, which it may amend or supplement from time to time:

- Transactions (such as advertising, the purchase of goods and services, financing, and the purchase or sale of assets) 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 (i) if they occurred more than three years prior to the determination of materiality or (ii) if they occurred in the ordinary course of business and are consistent with other transactions in which the Company has engaged with third parties, unless (a) the director serves as an executive officer, employee, or substantial owner, or an immediate family member (as defined in the New York Stock Exchange's rules) is an executive officer, of the other entity and (b) such transactions represent more than 5% of the Company's consolidated gross revenues for the prior fiscal year or more than \$250,000 and 2% of the other entity's gross revenues for the prior fiscal year.
- 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.
- The employment by the Company of a member of a director's family shall generally be deemed not to create a material relationship, other than employment at an annual salary of more than \$120,000 per year of a director's current spouse, domestic partner, or child.
- The service by an employee of the Company as a director of an entity where one of the Corporation's directors or a member of the director's family serves as a non-employee director shall generally be deemed not to create a material relationship. The service by an employee of the Company as a director of an entity where one of the Corporation's directors or director's family members serves as an executive officer shall generally be deemed not to create a material relationship, unless the employee is an executive officer of the

Corporation, or reports directly to the Board or a Committee of the Board, or has annual compensation approved by the Board's Compensation and Human Development Committee.

- Attendance by an employee of the Company at an educational institution affiliated with one of the Corporation's directors or a member of the director's family, or membership by an employee of the Company in a professional association, social, fraternal or religious organization, club or institution affiliated with one of the Corporation's directors or a member of the director's family, shall generally be deemed not to create a material relationship.
- The ownership by an employee of the Company of the securities of an entity where one of the Corporation's directors or a member of the director's family serves as a director or employee shall generally be deemed not to create a material relationship, unless (i) the Company employee (a) is an executive officer of the Corporation, or reports directly to the Board or a Committee of the Board, or has annual compensation approved by the Board's Compensation and Human Development Committee and (b) beneficially owns more than 5% of any class of the other entity's voting securities; and (ii) the Corporation's director or family member is a director or executive officer of the other entity.
- Vested and non-forfeitable equity-based benefits and retirement benefits under qualified plans as a result of prior employment with the Company shall generally be deemed not to create a material relationship.

To supplement the annual process described above, it shall be the responsibility of each director to inform promptly the General Counsel and Corporate Secretary of any development that may affect the director's independence.

**Selection and Election of Directors.** The Nominating and Governance Committee shall identify, review and recommend candidates for the Board. The Committee and the Board shall take the following factors into consideration, including such other factors as the Board may determine:

- **Regulatory Requirements.** They will assure that the Board has directors who meet the applicable criteria for committee or Board membership established by regulatory entities including the New York Stock Exchange, the Securities and Exchange Commission, and the Internal Revenue Service.
- **Independence.** They shall assure that at least a majority of the Board will be independent under the Corporation's By-laws and New York Stock Exchange regulations.
- **Overall Board Composition.** They will consider the Board's overall composition, 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 needs.

- **Performance.** In regard to incumbent directors, they will consider past performance. Directors are expected: (a) to have regular attendance at Board and committee meetings; (b) to stay informed about the Company and its business; (c) to participate in the discussions of the Board and its committees; (d) to take an interest in the Company's business and provide advice and counsel to the Chairman and CEO; and (e) to comply with, as applicable, the Corporation's Corporate Governance Policy, Guidelines for Non-Employee Directors or Standards of Business Conduct, the Policy and Procedures Governing Related Person Transactions, and any other Company policies or guidelines applicable to directors.
- **Other Criteria.** Particularly with regard to new directors, they will also assess whether the candidates have the qualities expected of all directors, including integrity, judgment, acumen, and the time and ability to make a constructive contribution to the Board. While it is not possible to establish a single standard regarding the number of boards on which each director may sit, in order to help assure that directors have sufficient time to devote to their responsibilities, non-employee directors should generally serve on no more than a total of five other public company boards. Directors are required to offer a resignation upon a significant change in their primary professional responsibilities, and the Nominating and Governance Committee shall make a recommendation to the Board as to whether to accept such offer of resignation.
- **Notice.** In order to assure that the Board has ample notice of potential recommended changes in the Board, the Nominating and Governance Committee will inform the Board of Directors of the criteria used by the Committee in evaluating director nominations in advance of, and at the time of, submitting such nominations to the Board.

**Board Leadership.** The Nominating and Governance Committee and Board should review the Board's leadership structure in accordance with the Policy on Determining the Leadership Structure of the Board of Directors.

If the Board determines to have a Lead Independent Director, the Lead Independent Director shall be elected by the independent members of the Board. Unless the independent Directors determine otherwise, the Chairman of the Nominating and Governance Committee shall be the Lead Independent Director. The Lead Independent Director shall (i) preside at meetings of the Board at which the Chairman is not present; (ii) have the authority to call meetings of independent directors; (iii) preside at executive sessions of the Board and serve as the liaison between the Chairman of the Board and the other directors (unless the matter under consideration is within the jurisdiction of one of the Board's committees); (iv) have the authority to approve the agenda (including time

allocated to items), and information for Board meetings; (v) advise the Chairman of the Board with respect to consultants who may report directly to the Board; (vi) serve as interim Chairman of the Board in the event of the death or incapacitation of the Chairman; and (vii) be available, as appropriate, for communication with the Corporation's stockholders.

**Term and Tenure.** As set forth in the Corporation's By-laws, directors shall hold office until the next annual stockholders meeting and their successors have been duly elected and qualified. Thus, directors will generally have terms of one year.

Individuals will not be eligible for nomination or re-nomination to the Board for a term during which they will reach age 75. The Board believes that the Board and Corporation are well-served by having non-employee directors with a mix of tenures and expects that the average tenure of the non-employee directors will generally not exceed 10 years.

**Director Compensation.** The Nominating and Governance Committee will review, at least every two years, the compensation for non-employee directors and will make recommendations to the Board for its approval. As part of its review, the Committee will receive information on compensation provided to non-employee directors at a peer group or groups of companies.

It is the view of the Board that a substantial percentage of non-employee directors' compensation should be equity-based.

**Stock Ownership.** All directors are encouraged to own the Corporation's stock (whether as a result of exercising stock options, the vesting of restricted stock units, or the purchase of shares). It is expected that, within five years of joining the Board, a director shall own the lesser of at least 10,000 shares of the Corporation's stock or shares of the Corporation's stock with a value equal to four times the annual cash retainer provided to non-employee directors as part of the Non-Employee Director Compensation program.

### **Board Responsibilities**

The Board's primary responsibility is to maximize long-term stockholder value for the Corporation's stockholders. The Board selects the senior management of the Corporation, monitors senior management and the Company's performance, and provides advice and counsel to senior management.

**Specific responsibilities.** The Board's responsibilities include, but are not limited to, the following:

- **Strategy, Business Plan & Budget.** The Board shall review the Company's long-term strategy at least annually. It shall also approve a business plan, operating budget, and capital plan annually.

- **Management Performance.** The Nominating and Governance Committee will review the performance of the Chairman and CEO at least annually and, as appropriate, provide its evaluation to the Compensation and Human Development Committee, which is responsible for establishing the compensation of the Chairman and CEO. The Chairmen of the Nominating and Governance Committee and of the Compensation and Human Development Committee will review their Committee's respective conclusions in regard to the performance of the Chairman and CEO in executive session with the Board. Further, the Compensation and Human Development Committee will review the performance of other members of senior management at least annually in connection with establishing their compensation.
- **CEO Succession.** The full Board will be responsible for selecting the CEO. The Nominating and Governance Committee will review succession plans for the CEO position and will report on this subject to the Board of Directors. In addition, the CEO will propose to the Nominating and Governance Committee an emergency succession plan to provide for one or more individuals to fulfill the CEO's responsibilities on an interim basis in the event that the CEO is disabled or otherwise incapacitated, which the Committee will review and, as appropriate, recommend to the full Board for its approval.
- **Board and Committee Performance Evaluations.** Under the auspices of the Nominating and Governance Committee, the Board and each committee shall conduct a self-evaluation of its performance at least annually, which will address its composition, responsibilities, structure, processes, and effectiveness.
- **Risk Oversight.** The Board shall have general oversight of the management of the Company's risks. The Board shall, as appropriate, consider risks among other factors in reviewing the Company's strategy, business plan, budgets, and major transactions. In addition, each of the Board's committees shall assist the Board in overseeing the management of the Company's risks within the areas delegated to such committees. In particular, the Audit and Finance Committee shall review a report from management on at least an annual basis on the risks facing the Company, management's actions to address those risks, and the Company's risk management processes. Such report shall also be provided to the Board of Directors.
- **Other Actions.** The Board (or a committee designated by the Board) may review and approve other transactions not included in the business plan or budget, as set forth in guidelines adopted by the Board of Directors.

**Communication with Stockholders and Third Parties.** The Board believes that it is, in general, the responsibility of management to speak for the Company in

communications with outside parties, e.g., investors, the press, and industry associations. Directors should only engage in such communications at the request of management.

The Nominating and Governance Committee shall review periodically and recommend for approval by the independent directors any changes to the Policy Statement Regarding Stockholder Communications with the Board of Directors, which sets forth the processes whereby stockholders may communicate with directors.

Directors are encouraged and expected to attend the Corporation's annual stockholders meeting.

### **Board Meetings**

**Schedule and Agendas for Board Meetings.** The Board shall hold at least six meetings each year, including a meeting devoted to addressing the Company's strategy. The schedules of meetings will normally be established in the summer of the previous year.

The Chairman, in consultation with the Lead Independent Director (and CEO if that position is held by someone other than the Chairman), shall set the agenda for each Board meeting. In addition to the Lead Independent Director's role in setting the agenda, any other director may suggest agenda items.

**Briefing Materials and Presentations.** To the extent possible and appropriate, management should provide directors with an agenda and written briefing materials in advance of the Board meetings (including financial reports in advance of any regularly scheduled Board meeting prior to the Company announcing its quarterly financial results).

At each regular quarterly Board meeting, the Board should receive reports on the overall financial and operating performance of the Company as a whole. In addition, management is encouraged to provide the Board with other presentations on important aspects of the business and business/regulatory environment, including presentations from divisional executives.

**Access to Management & Advisors.** Directors shall have full access to any member of management for the purpose of understanding issues facing the Company. Directors who contact subordinate levels of management should, if appropriate, inform the Chairman and CEO of such interactions. Each committee established by the Board shall have the authority to retain independent advisors; further, by a majority vote, the Board, non-employee directors, or independent directors may also retain independent advisors; the cost of such advisors shall be paid by the Company. Directors, especially those on the Audit and Finance Committee, have complete access to the Company's independent auditors and internal auditor.

**Executive Sessions with Independent Directors.** Unless the independent directors determine otherwise, independent directors will meet by themselves, without management or any non-independent directors present, at every regularly scheduled Board meeting. Independent directors may hold other such sessions at the request of any independent director. Independent directors shall notify the Lead Independent Director or Chairman if they would like to hold such a session, and the Lead Independent Director or Chairman shall facilitate the scheduling of such a session.

Executive sessions will be led by the Lead Independent Director unless it is more appropriate for the discussion to be led by the chairman of the committee that has primary responsibility for the issue being discussed (*e.g.*, the Audit and Finance Committee Chairman would lead discussion on audit-related matters).

### **Board Committees**

**Number of Committees.** The Board has three standing committees: Audit and Finance; Compensation and Human Development; and Nominating and Governance. The Board may create additional committees as it deems appropriate; and the Board or committees may create subcommittees as they deem appropriate.

**Committee Purpose and Responsibilities.** The purpose and responsibilities of each committee are set forth in the Corporation's By-laws, charters, or Board resolutions pertaining to such committees. Each committee will evaluate its performance and charter at least annually. Any changes to those charters must be approved by the full Board. Each committee chairman (or designee) shall report on the committee's deliberations to the full Board of Directors.

**Committee Membership.** The Nominating and Governance Committee will, after consultation with the Chairman and CEO (and others as the Committee may see fit), recommend committee assignments (including chairmanships) for each committee to the Board for its approval.

Only independent directors (as determined by the Board of Directors) may serve on the Audit and Finance Committee, the Compensation and Human Development Committee, or the Nominating and Governance Committee. In addition, committee members shall meet applicable requirements set forth by regulatory entities, including the New York Stock Exchange, Securities and Exchange Commission, and Internal Revenue Service. The chairmanships and memberships of committees shall be rotated periodically.

**Committee Meetings, Schedules and Agendas.** Each committee will determine the schedule for its meetings with the input of management. Committee chairmen will determine the agendas for the committee meetings, taking into account the recommendations of management. Committee members are encouraged to suggest items for agendas.

## **Director Orientation and Education**

**Director Orientation.** The Corporate Secretary shall assure that each individual, upon joining the Board of Directors, is provided with an orientation regarding the Board and the Company's operations. As part of this orientation, each new director shall have an opportunity to meet with members of senior management of the Corporation.

**Ongoing Education.** The Board of Directors shall, from time to time, receive presentations by Corporate executives and the heads of its businesses regarding their respective areas. In addition, the Company shall reimburse directors for reasonable expenses relating to ongoing director education.

## **Corporate Governance Review and Disclosure**

The Nominating and Governance Committee shall review this Policy no less than annually and shall recommend any changes to the Board for its approval. As part of its review, the Committee will consider whether the principles and practices have been, and are likely to continue to be, effective in enabling the Board to fulfill its responsibilities. The Committee may also compare current practices to the expectations of stockholders (including institutional investors); changes in the law or regulations; and the practices of boards of other leading companies. This Policy shall be posted on the Corporation's website.