



## **STARZ ENTERTAINMENT CORP. CORPORATE GOVERNANCE GUIDELINES**

**Introduction.** The responsibility of the Board of Directors (the “Board”) of Starz Entertainment Corp. (the “Company”) is to review, monitor and provide oversight of, and strategic guidance to, senior management, over the effectiveness of the Company’s fundamental operating, financial and other business plans, policies and decisions, including the execution of its strategies and objectives. The Board will act in the best interest of the Company to enhance long-term shareholder value. Key areas of oversight and guidance of each Board member involve risk assessment and mitigation, financial plans and reporting and executive leadership development and compensation. More specifically, the Board has responsibilities to (i) review, approve and monitor fundamental financial and business strategies and major corporate actions, including reviewing quarterly and annual filings required by the Securities Exchange Act of 1934, as amended, (ii) assess major risks facing the Company and consider ways to address those risks, (iii) oversee the conduct of the Company’s business, to evaluate whether the business is being managed properly and in conformity with applicable laws and regulations; (iv) select and oversee management and determine its composition, (v) review and, where appropriate, approve major changes in, and determinations under, any Board-approved policies of the Company; and (vi) oversee the establishment and maintenance of processes and conditions to maintain the integrity of the Company. Directors must participate in Board meetings, review relevant materials, and prepare for meetings and discussions with management. The Company expects directors to maintain an attitude of constructive involvement and oversight, to ask relevant, incisive and probing questions and to require honest and accurate answers. At least annually, the Board will discuss and assess enterprise risk to the Company as a whole.

The Board believes that its objectives will be best served by following the fundamental corporate governance principles described in this document and the charters of its various committees. Collectively, these principles demonstrate the Board’s accountability and its desire that the Company achieve superior business results. The Board intends that these guidelines serve as a flexible framework within which the Board may conduct its business, not as a set of binding legal obligations.

These guidelines are not intended to change or interpret any law or regulation, or the Articles of the Company or the charter of any Board committee, and in the case of any conflict between these guidelines and any law or regulation, such as the Securities Exchange Commission (“SEC”) or Canadian Securities

Administrators (“CSA”), the rules of the Nasdaq Stock Market LLC (“Nasdaq”), Articles of the Company or any such charter, such other materials will govern.

### **1. STRUCTURE OF THE BOARD**

**1.1 Size.** The Board will establish the number of directors in accordance with the Company’s Articles (as amended from time to time).

- 1.2 Board Leadership.** The Board believes that it is important for it to maintain the flexibility to determine the appropriate board leadership structure for the Board based on the Company's circumstances from time to time, including, among other decisions, whether the roles of the Chief Executive Officer and Chairperson should be held by different persons.
- 1.3 Independent Directors.** A majority of the Board will be independent directors.
- 1.3.1 Independent Director Defined.** An "independent director" means a person who, as determined by the Board, complies with the independence criteria of the applicable legal and stock exchange requirements for serving as a director or member of a specific committee, and the Company's Standards for Director Independence established by the Company's Nominating and Corporate Governance Committee. Each director's status under this definition should be reviewed annually by the Nominating and Corporate Governance Committee and the Board. Each director should keep the Nominating and Corporate Governance Committee informed as to any developments that might affect the director's independence.
- 1.3.2 Management Directors.** The Chief Executive Officer will be a director. Other members of management may be considered for Board membership, as determined by the Nominating and Corporate Governance Committee.
- 1.4 Board Membership Criteria.** The Nominating and Corporate Governance Committee is responsible for recommending to the Board the types of skills and characteristics required of directors, based on the business, structure and needs of the Company, from time to time. This assessment should include issues of relevant experience, qualifications, attributes, skills, intelligence, independence, commitment, contribution to overall Board composition, understanding of the Company's business, and other factors deemed relevant by the Board. With regard to diversity, the Company believes that considering candidates for the Board that contribute to such diversity, including but not limited to factors such as background, experience, gender, ethnicity, viewpoint and national origin, is in the best interest of the Company and its shareholders. In the case of incumbent directors whose terms of office are set to expire, the Board reviews such directors' overall service to the Company during their term, including the number of meetings attended, level of participation, quality of performance, and any other relationships and transactions that might impair such directors' independence.
- 1.5 New Director Candidates.** The Board will nominate director candidates upon the recommendations of the Nominating and Corporate Governance Committee. Shareholders may also recommend director candidates for consideration by the Nominating and Corporate Governance Committee for election to the Board, consistent with the requirements of applicable law and the Articles of the Company.
- 1.6 Material Change to Director Job Responsibility.** Individual directors who retire or experience a material change to his or her job responsibility or business association or experience, or other changed circumstances, must promptly notify the Nominating and Corporate Governance Committee and offer their resignation. The Nominating and Corporate Governance Committee should review the continued appropriateness of such

director's ongoing Board membership under these circumstances and make a recommendation, including whether to accept the director's resignation, if appropriate. The Board does not believe that in every instance directors who retire or change their job positions should necessarily leave the Board.

- 1.7 **Term of Board Service.** Each director will stand for election every year. The Board believes that term limits for Board membership are not necessary; however, no director should have an expectation of permanent membership. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.
- 1.8 **Board Compensation.** Management should report periodically to the Compensation Committee about the status of Board compensation for non-management directors in relation to compensation paid by the other comparable companies. The Compensation Committee will set the compensation for such directors, considering as appropriate compensation for non-management directors of comparable companies.
- 1.9 **Other Directorships.** Each director may serve on a maximum of four public company boards (including the Board), provided that any director who serves as a named executive officer of any public company may only serve on a maximum of two public company boards (including the Board). Independent directors and the Chief Executive Officer should, if practicable and permissible, also advise the Chairperson of the Board and the Chairperson of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another board or committee of a public company.
- 1.10 **Charitable Contributions.** Charitable contributions by the Company exceeding \$50,000 in any calendar year to an organization (including any sponsorship of an organization or an event related to an organization) with which a director is affiliated will be subject to the prior approval of the Nominating and Corporate Governance Committee (with any affected director recusing himself or herself), which will consider the effect of any such contribution on the applicable director's independence.

## 2. BOARD PROCEDURAL MATTERS

### 2.1 Board Meetings.

- 2.1.1 **Agenda.** The Chairperson of the Board will, in consultation with management, establish the agenda for each Board meeting. Any director is free to suggest potential items for the agenda. The agenda and, to the extent practicable, written materials relevant to directors' understanding of the business to be conducted at a Board meeting, will be made available to directors for review reasonably in advance of such meeting. Directors are expected to review in advance of Board meetings all relevant meeting materials provided.

2.1.2 **Executive Sessions of Independent Directors.** The independent directors will meet in executive session at least quarterly or more frequently as needed. Such sessions will be chaired by (a) if independent, the Chairperson of the Board, or (b) if the Chairperson of the Board is not independent, the chairperson of the Nominating and Governance

Committee. Such person (or, if not available, another independent director designated by such person) will also establish an agenda for such meetings. Promptly following the meeting, the Chairperson of the Board or the lead director will have a discussion, if appropriate, with the Chief Executive Officer.

**2.1.3 Attendance; Availability.** Each director should make every reasonable effort to attend each meeting of the Board and any committee of which the director is a member and be reasonably available to management and the other directors for consultation between meetings. In particular, directors should attend sufficient meetings to avoid falling below the attendance level that would require disclosure in the Company’s annual proxy statement. A director whose participation falls below the attendance level that would require disclosure in the Company’s proxy statement for two (2) years will be subject to prompt review by the Nominating and Corporate Governance Committee for continued membership on the Board.

**2.1.4 Attendance of Non-Directors at Board Meetings.** Attendance of any non-director at any Board meeting is subject to the discretion of the Board. The Board may request that any officer, employee or advisor of the Company, or other person attend Board meetings from time to time at its discretion.

**2.1.5 Conflicts of Interest.** Each director has a responsibility to avoid conflicts of interests. Each director is required to disclose to the Board any financial, personal or other interest that he or she has in any contract or transaction that is being considered by the Board (or Audit & Risk Committee) for approval. After such disclosure and responding to any questions the Board may have, the interested director should abstain from voting on the matter and, in most cases, should (and at the request of the chair of the meeting will) leave the meeting while the remaining directors discuss and vote on such matter. See Starz’s Conflict of Interest Policy for more information on avoiding conflicts of interest.

## **2.2 Communications.**

**2.2.1 Counsel and Advisors.** The Board and each of its committees may retain outside legal counsel and other advisors at their discretion and at the expense of the Company.

## **2.3 Expectations of Directors.**

**2.3.1 Confidentiality.** The proceedings and deliberations of the Board and its committees are confidential. Each director has a responsibility to maintain the confidentiality of information received in connection with his or her services as a director.

**2.3.2 Pledge and Margin Accounts Policies.** Directors will be prohibited from pledging as collateral for a loan or holding in a margin account in which the shares are subject to margin their minimum number of shares held in the Company or Lions Gate Entertainment Corp. (currently, such number of shares equal to \$500,000) but if they have shares above such minimum number (the “Excess Amount”), they are able to pledge such Excess Amount as collateral for a loan or holding in a margin account, subject to the provisions of the Insider Trading Policy.

**2.3.3 Orientation and Education.** When a new director joins the Board, management

will provide an orientation program to enable the new director promptly to gain an understanding of the Company and its industry. The Board expects each director to take steps reasonably necessary to be adequately informed about the Company and external matters affecting it and to enable the director to function effectively on the Board and committees on which the director serves. The Nominating and Corporate Governance Committee will oversee and work with the Company's management to develop and monitor the process of orienting new directors and continuing education. Additionally, each director is expected to take steps reasonably necessary to be adequately informed about the Company and external matters affecting it and to enable the director to function effectively on the Board and on the Committees on which the director serves.

- 2.4 Board Evaluations; Assessing the Board's Performance.** The Board will conduct a self-evaluation annually. The Nominating and Corporate Governance Committee will be responsible for overseeing such evaluation.

### **3. COMMITTEE MATTERS**

- 3.1 Number, Titles and Charters of Committees.** The current standing Board committees are (a) Audit & Risk Committee, (b) Compensation Committee and (c) Nominating and Corporate Governance Committee. This structure meets the Company's present needs. Each committee should review its charter and activities annually, with the assistance of inside or outside counsel and advisers, as appropriate, to make certain that they are consistent with then-current sound governance practices and legal requirements. Each of the Audit & Risk Committee, Compensation Committee and Nominating and Corporate Governance Committee will be comprised of no fewer than the number of members set forth in the relevant committee charter.
- 3.2 Independence of Committees.** All members of the Audit & Risk Committee, Compensation Committee, and Nominating and Corporate Governance Committee will be independent directors under the criteria established by Nasdaq rules, as well as SEC or CSA rules, for members of the Audit & Risk Committee and Compensation Committee.
- 3.3 Committee Membership.** The Nominating and Corporate Governance Committee is responsible, after consideration of the qualifications and background of individual directors, for recommending the assignment of directors to various committees.
- 3.4 Committee Chairpersons.** All standing Board committees will be chaired by independent directors and their chairpersons will be appointed by the Board upon the recommendation of the Nominating and Governance Committee. Each committee Chairperson should normally have had previous service on the applicable committees.
- 3.5 Term of Committee Service.** Formal term limits for Committee membership are not necessary; however no Committee member should have an expectation of permanent membership and membership may be reassessed each year.
- 3.6 Self-Evaluation.** Each committee will be responsible for annually conducting a self-evaluation. The Nominating and Corporate Governance Committee will be overseeing such evaluations. The results of such evaluation will be reported to the full Board.

#### 4. MANAGEMENT DEVELOPMENT MATTERS; SUCCESSION PLANNING

- 4.1 **Evaluation and Compensation of the Chief Executive Officer and other Executive Officers.** The Compensation Committee will review the performance and approve the compensation of the Chief Executive Officer in accordance with the charter of the committee.
- 4.2 **Succession Planning and Management Development.** The Nominating and Corporate Governance Committee will review with the Board and the Chief Executive Officer succession planning and management development, both short term and long term. This should include issues associated with preparedness for the possibility of an emergency situation involving senior management, the long-term growth and development of the senior management team, and identifying the Chief Executive Officer's successor.

#### 5. OTHER MATTERS

- 5.1 **Policy Against Company Loans.** Neither the Company nor any of its subsidiaries will provide loans, loan guarantees, or otherwise directly or indirectly extend credit to any executive officer of the Company, or any director of the Company. Payment advances or reimbursement for expenses will not be deemed violation of the foregoing policy.
- 5.2 **Board Access to Management.** Directors have complete access to management. Directors will use judgment to be sure that such contacts are not distracting to the business operations of the Company.
- 5.3 **Board Interaction With Third Parties.** Management should coordinate all contacts with outside constituencies, such as the press, customers, investors, analysts or the financial community. If an individual director intends to meet or otherwise substantively communicate with these constituencies about Company matters, in his capacity as director, this should generally be done only after consulting with the Chief Executive Officer and in each case, in accordance with the Company's policies and applicable law, including federal disclosure requirements.
- 5.4 **Insurance, Indemnification and Limitation of Liability.** The directors will be entitled to have the Company purchase directors' and officers' liability insurance on their behalf as is reasonable under the circumstances, to the benefits of indemnification to the fullest extent permitted by law and the Company's Articles and any indemnification agreements, and to exculpation as provided by law and the Company's Articles.
- 5.5 **Review and Amendment of Guidelines.** The Nominating and Corporate Governance Committee will review these guidelines at least annually, and will recommend any changes to the Board for approval.