Discovery Communications, Inc.
Form DEF 14A
March 30, 2016
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

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 under §240.14a-12

Discovery Communications, 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.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

March 30, 2016

Dear Stockholders,

You are cordially invited to attend our annual meeting of stockholders at 10:00 a.m. on Thursday, May 19, 2016 at our corporate headquarters at One Discovery Place, Silver Spring, Maryland 20910.

If you hold shares of Series A or Series B common stock or Series A convertible preferred stock, you will be asked to vote on a number of important matters, which are listed in the Notice of Annual Meeting of Stockholders (the Notice). The Board of Directors recommends a vote **FOR** proposals 1 and 2, and **AGAINST** proposals 3 and 4 in this notice.

Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend the Annual Meeting, please vote as soon as possible to make sure that your shares are represented.

Thank you for your continued support and interest in our company, and I look forward to seeing you at the Annual Meeting.

Sincerely,

Robert J. Miron

Chairman of the Board

Discovery Communications, Inc.

Table of Contents

DISCOVERY COMMUNICATIONS, INC.

a Delaware company

One Discovery Place

Silver Spring, Maryland 20910

(240) 662-2000

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Discovery Communications Stockholders:

You are cordially invited to attend, and notice is hereby given of, the 2016 Annual Meeting of Stockholders of Discovery Communications, Inc. to be held at our offices at One Discovery Place, Silver Spring, Maryland, on Thursday, May 19, 2016 at 10:00 a.m., local time, for the following purposes:

1. To elect five directors, two Class II directors to be voted on by the holders of our Series A common stock and Series B common stock, voting together as a single class, and three preferred stock directors to be voted on by the holders of our Series A convertible preferred stock, voting separately as a class.

2. To vote upon a proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016.

3. To vote upon a stockholder proposal requesting the Board of Directors to prepare a report on steps Discovery Communications is taking to foster greater diversity on the Board over time.

4. To vote upon a stockholder proposal requesting the Board of Directors Compensation Committee to prepare a report on the feasibility of integrating sustainability metrics into performance measures of senior executives under Discovery Communications compensation incentive plans.

The stockholders will also act on any other business that may properly come before the Annual Meeting or adjournments thereof.

The close of business on March 24, 2016 was the record date for determining the holders of shares of our Series A and Series B common stock and Series A convertible preferred stock entitled to notice of and to vote at the Annual Meeting and any adjournment thereof. For a period of at least ten days prior to the Annual Meeting, a complete list of stockholders entitled to vote at the Annual Meeting will be open to the examination of any stockholder during ordinary business hours at our corporate headquarters located at One Discovery Place, Silver Spring, Maryland.

By Order of the Board of Directors,

Stephanie D. Marks

Corporate Secretary

March 30, 2016

Table of Contents

TABLE OF CONTENTS

Table of Contents

2016 PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT

THE 2016 ANNUAL MEETING OF STOCKHOLDERS

Q: Who is soliciting my vote?

A: The Discovery Communications, Inc. Board of Directors is soliciting your vote on proposals being submitted for consideration at our Annual Meeting of Stockholders to be held on May 19, 2016.

Q: What is the Notice of Internet Availability of Proxy Materials?

A: In accordance with the SEC s proxy delivery rules, we intend to commence distribution on or about March 30, 2016 of a notice (the Notice of Internet Availability of Proxy Materials) indicating that this Notice of 2016 Annual Meeting of Stockholders and Proxy Statement, our Annual Report to Stockholders and our Annual Report on Form 10-K will be made available at www.proxyvote.com. This website will also provide holders of our Series A and Series B common stock and Series A convertible preferred stock (Series A preferred stock) with instructions on how to vote their shares. The Notice of Internet Availability of Proxy Materials also indicates how to request printed copies of these materials, including, for holders of Series A and Series B common stock and Series A preferred stock, the proxy card or voting instruction card.

Q: What matters will be voted on at the Annual Meeting?

A: The principal business of the meeting will be the following matters:

- the election of two Class II directors by the holders of our Series A common stock and Series B common stock, voting together as a single class, and the election of three preferred stock directors by the holders of our Series A preferred stock, voting separately as a class;
- the ratification of the appointment of PricewaterhouseCoopers LLP (PwC) to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2016;
- the consideration of a stockholder proposal requesting the Board of Directors to prepare a report on steps Discovery Communications is taking to foster greater diversity on the Board over time, if properly presented; and
- the consideration of a stockholder proposal requesting the Board of Directors Compensation Committee to prepare a report on the feasibility of integrating sustainability metrics into the performance measures of senior executives under Discovery Communications compensation incentive plans, if properly presented.

We will also transact such other business as may properly be presented at the Annual Meeting or at any postponements or adjournments thereof. However, we are not aware of any other matters to be acted upon at the Annual Meeting.

Q: Who is entitled to vote at the Annual Meeting?

A: The close of business on March 24, 2016 was the record date for determining the holders of our Series A and Series B common stock and Series A preferred stock entitled to notice of, and to vote at, the Annual Meeting and any adjournment thereof. The Notice of Internet Availability of Proxy Materials received by the holders of

1

Table of Contents

our Series A and Series B common stock and Series A preferred stock will explain how they may vote their shares. Holders of our non-voting Series C common stock and Series C convertible preferred stock (Series C preferred stock) may access and receive this proxy statement and related materials but are not entitled to vote at the Annual Meeting or any adjournment thereof.

Q: How many shares can vote at the Annual Meeting and how many votes does each share have?

A: As of March 24, 2016, we had outstanding 150,429,411 shares of Series A common stock, with each of those shares being entitled to one vote, 6,514,584 shares of Series B common stock, with each of those shares being entitled to ten votes, and 253,992,180 shares of Series C common stock, which are not entitled to vote. We also had outstanding 71,107,312 shares of Series A preferred stock, with each of those shares being entitled to one vote, and 34,855,083 shares of Series C preferred stock, which are not entitled to vote.

Q: How many shares must be present or represented at the Annual Meeting to conduct business at the meeting?

A: With respect to Proposal 1, the presence, in person or by properly executed proxy, of the holders of a majority of the total voting power of the outstanding shares of (a) the Series A common stock and Series B common stock, voting together as a single class, entitled to a separate vote on the election of two Class II directors at the Annual Meeting will constitute a quorum for purposes of this class vote and (b) the Series A preferred stock entitled to a separate class vote on three preferred stock directors at the Annual Meeting will constitute a quorum for purposes of this class vote. The presence, in person or by properly executed proxy, of the holders of a majority in voting power of the Series A common stock, Series B common stock and Series A preferred stock, with the preferred stock considered on an as-converted to common stock basis, voting together as a single class, will constitute a quorum for the combined class votes on Proposals 2, 3 and 4.

If a quorum is not present, the meeting will be adjourned until a quorum is obtained. Abstentions and broker non-votes (where a broker or nominee does not exercise discretionary authority to vote on a proposal) will be treated as present for purposes of determining the presence of a quorum.

Q: What vote is required to elect directors?

A: With respect to Proposal 1, two directors are to be elected by the holders of our Series A common stock and Series B common stock, voting together as a single class, and three directors are to be elected by the holders of our Series A preferred stock, voting separately as a class. The Class II directors will be elected if they receive a plurality of the votes cast by the holders of the outstanding shares of Series A common stock and Series B common stock present in person or by proxy and entitled to vote, voting together as single class. The Series A preferred stock directors will be elected if they receive a majority of the votes cast by the holders of the outstanding shares of the Series A preferred stock present in person or by proxy and entitled to vote, voting as a separate class.

If you submit a proxy card on which you indicated that you withhold your vote, it will have no effect on the election of directors; and

Broker non-votes will not be counted as votes cast and therefore will have no effect on the election of directors.

Table of Contents

Q: What vote is required to ratify the appointment of the independent registered public accounting firm?

A: The affirmative vote of a majority of the votes cast by the holders of the outstanding Series A common stock, Series B common stock and Series A preferred stock, voting as a single class, present in person or by proxy and entitled to vote, is required to ratify Proposal 2.

If you submit a proxy card on which you indicate that you abstain from voting, your abstention will not count as a vote FOR or AGAINST this proposal and will have no effect on the outcome of the ratification of the appointment of the independent registered public accounting firm; and

Broker non-votes will not be counted as votes cast and therefore will have no effect on the ratification proposal.

Q: What vote is required to approve the stockholder proposals?

A: If properly presented at the Annual Meeting, the affirmative vote of a majority of the votes cast by the holders of the outstanding Series A common stock, Series B common stock and Series A preferred stock, voting as a single class, present in person or by proxy and entitled to vote, is required to approve Proposals 3 and 4.

If you submit a proxy card on which you indicate that you abstain from voting, your abstention will not count as a vote FOR or AGAINST these proposal and will have no effect on the outcome of the approval of the stockholder proposals; and

Broker non-votes will not be counted as votes cast and therefore will have no effect on the stockholder proposals.

Q: How can I vote my shares at the Annual Meeting?

A: If you are a holder of Series A or Series B common stock or Series A preferred stock as of the record date, telephone and Internet voting is available 24 hours a day through 11:59 p.m. (Eastern Time) on May 18, 2016. If you are located in the United States or Canada and are a stockholder of record, you can vote your shares by calling toll-free 1-800-690-6903. Whether you are a stockholder of record or a beneficial owner, you can also vote your shares on the Internet at www.proxyvote.com.

Both the telephone and Internet voting systems have easy to follow instructions on how you may vote your shares and allow you to confirm that the system has properly recorded your vote. If you are voting your shares by telephone or Internet, you should have on hand when you call or access the website, as applicable, the Notice of Internet Availability of Proxy Materials, the proxy card or voting instruction card (for those holders who have received, by request, a hard copy of the proxy card or voting instruction card). If you vote by telephone or Internet, you do not need to return your proxy card to us.

If you have received, by request, a hard copy of the proxy card or voting instruction card and wish to submit your proxy by mail, you must complete, sign and date the proxy card or voting instruction card and return it in the envelope provided so that it is received prior to the Annual Meeting.

Properly completed proxies will be voted as you direct. Properly executed proxies that do not contain voting instructions will be voted FOR Proposals 1 and 2, and AGAINST Proposals 3 and 4.

While we encourage holders of Series A and Series B common stock and Series A preferred stock to vote by proxy, you also have the option of voting your shares of Series A and Series B common stock and Series A preferred stock in person at the Annual Meeting. If your shares of Series A or Series B common stock or Series A preferred stock are registered directly in your name with our transfer agent, you are considered the stockholder of record with respect to such shares of stock and you have the right to attend the Annual Meeting and vote in person, subject to compliance with the procedures described below. If your shares of Series A or Series B common stock or Series A preferred stock are held in a brokerage account or by a bank or other nominee, you are the beneficial owner of such shares. As such, in order to vote in person, you must obtain and present at the time of admission a properly executed proxy from the stockholder of record (i.e., your broker, bank or other nominee) giving you the right to vote the shares of Series A or Series B common stock or Series A preferred stock.

Q: If my Discovery shares are held in street name by a broker, bank or other nominee, will the broker, bank or other nominee vote my shares on each of the annual business proposals?

A: If you hold your shares in street name and do not give instructions to your broker, bank or other nominee, the broker, bank or other nominee will be able to vote your shares with respect to discretionary items but will not be able to vote your shares with respect to non-discretionary items and your shares will be treated as broker non-votes. Broker non-votes are shares that are held in street name by a bank, broker or other nominee that indicates on its proxy that it does not have discretionary authority to vote on a particular matter. The auditor ratification proposal is a discretionary item, whereas the election of directors proposal and the stockholder proposals are non-discretionary items. Accordingly, if you hold your shares in street name and do not provide voting instructions to your broker, bank or other nominee, your shares may, in the discretion of the broker, bank or other nominee, be voted on the ratification proposal. **If you hold your shares in street name and do not provide voting instructions to your broker, bank or other nominee, your shares will NOT be voted on the election of directors proposal or the stockholder proposals.**

Q: May I change or revoke my vote after returning a proxy card or voting by telephone or over the Internet?

A: Yes. Before your proxy is voted at the Annual Meeting, you may change or revoke your vote on the proposals by telephone or over the Internet (if you originally voted by telephone or over the Internet), by voting in person at the Annual Meeting or by delivering a signed proxy revocation or a new signed proxy with a later date to: Discovery Communications, Inc., c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

Any signed proxy revocation or new signed proxy must be received before the start of the Annual Meeting. Your attendance at the Annual Meeting will not, by itself, revoke your proxy.

If your shares are held in an account by a broker, bank or other nominee whom you previously contacted with voting instructions, you should contact your broker, bank or other nominee to change your vote.

Q: How do I obtain admission to the Annual Meeting?

A: Stockholders of record on the record date will be admitted to the Annual Meeting with photo identification and proof of stock ownership, such as the Notice of Internet Availability of Proxy Materials. If you hold Discovery stock in street name, you must bring a copy of an account statement reflecting your stock ownership as of the record date. If you plan to attend as the proxy of a stockholder, you must present valid proof of proxy. Cameras, recording devices and other electronic devices are not permitted at the Annual Meeting.

Q: Who will bear the cost of soliciting votes for the Annual Meeting?

A: We will pay the cost of solicitation of proxies, including the preparation, website posting, printing and delivery of the Notice of Internet Availability of Proxy Materials, proxy statement and related materials. We will furnish copies of these materials to banks, brokers, fiduciaries, custodians and other nominees that hold shares on behalf of beneficial owners so that they may forward the materials to beneficial owners.

Table of Contents

CORPORATE GOVERNANCE

The corporate governance practices of Discovery Communications, Inc. (us, we, the Company or Discovery) are established and monitored by our Board of Directors. The Board regularly assesses Discovery s governance policies in light of legal requirements and governance best practices.

Corporate Governance Guidelines

Discovery s corporate governance practices are embodied in a formal document that has been approved by our Board of Directors. These corporate governance guidelines (the Guidelines) are posted on our website at *www.discoverycommunications.com*. These guidelines, which provide a framework for the conduct of the Board s business, provide that:

- the Board s responsibility is to oversee the management of Discovery and to help ensure that the interests of the stockholders are served;
- a majority of the members of the Board shall be independent directors;
- the independent directors meet at least twice a year in executive session;
- directors have unimpeded access to senior management and, as necessary and appropriate, independent advisors;
- all directors are encouraged to participate in continuing director education on an ongoing basis; and
- the Board and its committees will conduct self-evaluations to determine whether they are functioning effectively.

The Board periodically reviews the Guidelines and most recently updated them in March 2012. Printed copies of our Guidelines are available to any stockholder upon request to the Corporate Secretary, at the address specified below under Stockholder Communication with Directors.

Director Independence

It is our policy that a majority of the members of our Board of Directors be independent. For a director to be deemed independent, a director must be independent as determined under Rule 5605(a)(2) of the Nasdaq Marketplace Rules and, in the Board of Directors judgment, the director must not have a relationship with Discovery that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Nasdaq Marketplace Rules require that, subject to specified exceptions, (i) each member of a listed company s audit, compensation and nominating and governance committees be independent, (ii) audit committee members also satisfy independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act) and (iii) compensation committee members also satisfy independence criteria set forth in Rule 5605(d)(2)(A) of the Nasdaq Marketplace Rules. Discovery s Board of Directors has determined that S. Decker Anstrom, Robert R. Beck, Robert R. Bennett, Paul A. Gould, John C. Malone, Robert J. Miron, Steven A. Miron, M. LaVoy Robison and J. David Wargo are independent directors. The Committee considered the relationships and affiliations, as set forth in their biographies below, to determine the directors independence.

In order to be considered to be independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the Board of Directors, or any other board committee: (1) accept any consulting, advisory, or other compensatory fee from the listed company, other than for board service; or (2) be an affiliated person of the listed company. Discovery s

Table of Contents

Board of Directors has determined that S. Decker Anstrom, M. LaVoy Robison and J. David Wargo are independent for purposes of Rule 10A-3.

In order to be considered to be independent for purposes of Rule 5605(d)(2)(A), a member of a compensation committee of a listed company may not, other than in his or her capacity as a member of the compensation committee, the Board of Directors or any other board committee: (1) accept any consulting, advisory, or other compensatory fee from the listed company, other than for board service; or (2) be an affiliated person of the listed company. Discovery s Board of Directors has determined that Robert R. Beck, Paul A. Gould and Robert J. Miron are independent for purposes of Rule 5605(d)(2)(A).

Board Leadership Structure

Discovery historically has separated the roles of Chief Executive Officer and Chairman of the Board in recognition of the differences between the two roles. The CEO is responsible for setting Discovery s strategic direction, providing leadership and driving the performance of the Company, while the Chairman of the Board provides guidance to the CEO, sets the agenda for Board meetings and presides over meetings of the full Board. In light of the industry experience and management expertise of Robert Miron, our Chairman, and the dynamic leadership of David Zaslav, our CEO, the Board feels that this structure continues to be appropriate for Discovery.

Code of Ethics

We have a Code of Ethics (the Code) that is applicable to all of our directors, officers and employees. The Board approved the original Code in September 2008 and adopted a revised Code on April 25, 2012. The Code is available, and any amendments or waivers that would be required to be disclosed are posted, on our website at *www.discoverycommunications.com*. Printed copies of the Code are also available without charge upon request to the Corporate Secretary at the address specified below, under Stockholder Communication with Directors.

Committees of the Board of Directors

Audit Committee

The Board of Directors has established an Audit Committee, whose members are Messrs. Robison (Chair), Anstrom and Wargo. The Board of Directors has determined that M. LaVoy Robison is an Audit Committee Financial Expert as defined under SEC rules. The Audit Committee reviews and monitors the corporate financial reporting and the internal and external audits of Discovery. The committee s functions include, among other things:

- appointing or replacing our independent registered public accounting firm;
- reviewing and approving in advance the scope of, and fees for, our annual audit and reviewing the results of our audits with our independent registered public accounting firm;
- reviewing and approving in advance the scope of, and the fees for, non-audit services of our independent registered public accounting firm;
- reviewing our audited financial statements with our management and independent registered public accounting firm and making recommendations regarding inclusion of such audited financial statements in certain of our public filings;
- overseeing the performance of services by our independent registered public accounting firm, including holding quarterly meetings to review the quarterly written communications of our independent registered public accounting firm; discussing with our independent registered public accounting firm issues regarding the ability of our independent registered public accounting firm to perform such

services; obtaining, annually, a written report from our independent registered public accounting firm addressing internal controls; reviewing with our independent registered public accounting firm any audit-related problems or difficulties and the response of our management; and addressing other general oversight issues;

reviewing compliance with, and the adequacy of, our existing major accounting and financial reporting policies;

overseeing the implementation and maintenance of an internal audit function; periodically reviewing the results and findings of the internal audit function; and coordinating with management to ensure that the issues associated with such results and findings are addressed;

reviewing and overseeing compliance with, and establishing procedures for, the treatment of alleged violations of the Code; and

preparing the Audit Committee report required by SEC rules, which is included on page 22 of this proxy statement.

The Board of Directors has adopted a written charter for the Audit Committee, which is available on our website at *www.discoverycommunications.com*.

Compensation Committee

The Board of Directors has established a Compensation Committee, whose members are Messrs. R. Miron (Chair), Beck and Gould. The committee s functions include, among other things:

reviewing and approving corporate goals and objectives relevant to our CEO s compensation;

evaluating our CEO;

determining our CEO s compensation;

reviewing and approving the compensation of our other executive officers and certain other executives;

reviewing and making recommendations on stock compensation arrangements for all employees;

reviewing and making recommendations to the Board for compensation of non-employee directors for their service on the Board and its committees;

overseeing the structure of employee benefit programs and other compensation programs;

reviewing and discussing annually with management our Compensation Discussion and Analysis, which is included beginning on page 24 of this proxy statement; and preparing the Compensation Committee report required by SEC rules, which is included on page 23 of this proxy statement.

The Compensation Committee reviews all forms of compensation provided to our executive officers and has approved the same, with the exception of some equity awards and awards under the Discovery Communications, Inc. 2005 Incentive Plan (the 2005 Stock Plan), which prior to 2012 were approved by the Equity Compensation Subcommittee, consisting of Messrs. Beck and Gould.

The Board of Directors has adopted a written charter for the Compensation Committee, which is available on Discovery s website at *www.discoverycommunications.com*.

The processes and procedures followed by our Compensation Committee in considering and determining executive compensation, including the use of consultants and other outside advisors, are described below in Compensation Discussion and Analysis.

Table of Contents

Compensation Committee Interlocks and Insider Participation

No member of Discovery s Compensation Committee is a current or former officer or, during 2015 was an employee, of Discovery or any of its subsidiaries. None of Discovery s executive officers has served as a director or member of the compensation committee (or other committee serving an equivalent function) of any other entity whose executive officers served as one of our directors or a member of the Compensation Committee.

Nominating and Corporate Governance Committee

The Board of Directors has established a Nominating and Corporate Governance Committee, whose members are Messrs. Wargo (Chair), Gould, S. Miron and Robison. In considering whether to recommend any candidate for inclusion in the Board s slate of recommended director nominees, including candidates recommended by stockholders, the Nominating and Corporate Governance Committee applies the criteria set forth in our Guidelines. These criteria include the candidate s integrity, business acumen, experience, commitment, diligence, conflicts of interest, diversity of background and the ability to act in the interests of all stockholders. Our Guidelines specify that the backgrounds and qualifications of the directors considered as a group should provide a significant breadth of experience, knowledge and abilities that will assist the Board in fulfilling its responsibilities. The Nominating and Corporate Governance Committee does not assign specific weights to particular criteria, and no particular criterion is necessarily applicable to all prospective nominees. The Nominating and Corporate Governance Committee does not have a formal policy with respect to diversity; however, the Board and the Nominating and Corporate Governance Committee believe that it is essential that the Board members represent diverse viewpoints.

The Nominating and Corporate Governance Committee s primary functions are:

- to oversee corporate governance matters generally, including reviewing and recommending changes to our Guidelines, and the independence standards and qualifications for Board membership set forth in the Guidelines;
- to oversee the annual evaluation of the performance of the Board and each of its committees;
- to identify individuals qualified to be members of the Board and to recommend Board nominees;
- to review and make recommendations concerning the independence of Board members;
- to review and approve related person transactions;
- to review the membership qualifications of Board members under the Guidelines; and
- to review and make recommendations concerning membership on Board committees and on committee structure and responsibilities.

Discovery s Board of Directors has adopted a written charter for the Nominating and Corporate Governance Committee, which is available on Discovery s website at *www.discoverycommunications.com.*

Finance Committee

The Board of Directors has established a Finance Committee, whose members are Messrs. Bennett (Chair), Gould, S. Miron and Wargo. The committee s authority and responsibilities include, among other things:

to review or oversee significant treasury matters such as capital structure and allocation, derivative policies, global liquidity, fixed income investments, borrowings, currency exposure and hedging, dividend policy, share issuances and repurchases, and capital spending;

to evaluate all projects requiring capital, including share repurchases, investments and acquisitions using their internal rate of return or other metrics that the Committee determines to be appropriate;

Table of Contents

- to evaluate and revise the Company s approval policies for investment, acquisition, joint venture and divestiture transactions;
- to review the scope, direction, quality, investment levels and execution of the Company s investment, acquisition, joint venture and divestiture transactions;
- to evaluate the execution, financial results and integration of the Company s completed investment, acquisition, joint venture and divestiture transactions;
- to oversee the Company s loans and guarantees of third-party debt and obligations;
- to review the activities of Investor Relations;
- to review and approve, at least annually, the Company s decision to enter into swaps and other derivative transactions that are exempt from exchange-execution and clearing under end-user exception regulations established by the Commodity Futures Trading Commission, and review and discuss with management applicable Company policies governing the Company s use of swaps subject to the end-user exception; and
- to consider other finance and investment matters regarding the Company.

Executive Committee

The primary function of the Executive Committee is to exercise powers of the Board on matters of an urgent nature that arise between regularly scheduled Board meetings, subject to certain limitations. For example, the Executive Committee may not exercise the Board s powers to approve matters that must be submitted to the stockholders for their approval, appoint directors or officers, amend our Certificate of Incorporation or Bylaws or approve offerings of our capital stock. The members of the Executive Committee are Messrs. R. Miron (Chair), Bennett, Malone and Zaslav.

Other Committees

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

Board Role in Risk Oversight

The Board has an active role, as a whole and at the committee level, in overseeing management of Discovery s risks. The Board regularly reviews information regarding our credit, liquidity and operations, as well as the risks associated with each. The Compensation Committee is responsible for overseeing the management of risks relating to our incentive compensation plans and arrangements. The Audit Committee oversees management of financial reporting risks. The Nominating and Corporate Governance Committee manages risks associated with the independence of the Board of Directors and potential conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through committee reports and management presentations to the full Board about such risks.

Board Meetings

During 2015, there were 15 meetings of Discovery s Board of Directors, 16 meetings of Discovery s Compensation Committee, four meetings of Discovery s Audit Committee, two meetings of Discovery s Nominating and Corporate Governance Committee, five meetings of Discovery s Finance Committee and no meetings of Discovery s Executive Committee.

9

Table of Contents

Director Attendance at Board and Annual Meetings

In 2015, each director of Discovery attended at least 75% of the aggregate of the number of Board meetings and the number of meetings held by all committees on which he served, except S. Decker Anstrom, who attended 47% of the aggregate Board and Audit Committee meetings. Mr. Anstrom s attendance in 2015 was limited due to personal matters as well as his responsibilities as the Ambassador/Head of the U.S. Delegation to the 2015 World Radiocommunications Conference, which concluded in November 2015. Discovery s Board of Directors encourages all members of the Board to attend each annual meeting of the Company s stockholders. All directors attended Discovery s last annual meeting in May 2015 in person.

Director Nomination Process

Under its charter, the Nominating and Corporate Governance Committee is responsible for recommending to the Board the slate of nominees to be proposed for election by the Series A and Series B common stockholders at our annual meeting and for reviewing proposals for nominations from stockholders that are submitted in accordance with the procedures summarized below.

The Nominating and Corporate Governance Committee has the authority to employ a variety of methods for identifying and evaluating potential Board nominees. Candidates for vacancies on the Board may come to the attention of the committee through several different means, including recommendations from Board members, senior management, professional search firms, stockholder nominations and other sources.

The Nominating and Corporate Governance Committee considers all nominations submitted by stockholders that meet the eligibility requirements outlined in our Bylaws. As required by our Bylaws, stockholder nominations of candidates for election as directors must be submitted in writing to the Corporate Secretary, Discovery Communications, Inc., One Discovery Place, Silver Spring, Maryland 20910, no later than the close of business on the 60th day nor earlier than the 90th day prior to the anniversary of the preceding year s annual meeting. The deadline for stockholder nominations of candidates for election as directors was March 21, 2016. We did not receive any stockholder nominations of candidates for election as directors for the Annual Meeting. For information on what must be included in the written notice to nominate a candidate for election at the next annual meeting of stockholders, see Stockholder Proposals below.

In considering whether to recommend any particular candidate for inclusion in the Board s slate of director nominees, the Nominating and Corporate Governance Committee applies the criteria set forth in our Guidelines. Under these criteria, a candidate:

- should have a reputation for integrity, honesty and adherence to high ethical standards;
- should have demonstrated business acumen, experience and ability to exercise sound judgment in matters that relate to the current and long-term objectives of the Company and should be willing and able to contribute positively to the decision-making process of the Company;
- should have a commitment to understand the Company and its industry and to regularly attend and participate in meetings of the Board and its committees;
- should have an understanding of the sometimes conflicting interests of the various constituencies of the Company, which include stockholders, employees, customers, governmental units, creditors and the general public, and should act in the interests of all stockholders; and
- shall not have, nor appear to have, a conflict of interest that would impair the nominee s ability to represent the interests of all the Company s stockholders and to fulfill the responsibilities of a director.

The Guidelines also provide that directors shall be selected on the basis of talent and experience and that diversity of background, including diversity of gender, race, ethnic or geographic origin, age, and experience in

10

Table of Contents

business, government and education and in media, entertainment and other areas relevant to the Company s activities are factors in the selection process.

The Nominating and Corporate Governance Committee does not assign specific weights to particular criteria and no particular criterion is a prerequisite for each prospective nominee. In selecting candidates for election to the Board, the Board also considers a director s independence. These independence standards incorporate the independence standards set forth in the Corporate Governance Rules of Nasdaq. Stockholder nominees for election to the Board will be evaluated by the Nominating and Corporate Governance Committee based on the criteria specified above and using the same process as a nominee recommended by the Board or management.

Stockholder Communication with Directors

Discovery s stockholders may send communications to Discovery s Board of Directors or to individual directors by mail addressed to the Board of Directors or to an individual director c/o Discovery Communications, Inc., One Discovery Place, Silver Spring, Maryland 20910. Communications from stockholders will be forwarded to Discovery s directors on a timely basis.

Table of Contents

BOARD COMPENSATION

The Compensation Committee reviews compensation for our non-employee directors. The components of our non-employee director compensation are cash fees and equity awards. The Board believes that appropriate compensation levels help attract and retain superior candidates for Board service and that director compensation should be weighted toward equity-based compensation to enhance alignment with the interests of our stockholders.

We do not have any pension or retirement plans for our non-employee directors. Employee directors do not receive any compensation for their Board service.

On December 10, 2014, the Board approved the following changes to our non-employee director compensation arrangements: the introduction of an annual retainer for the new non-employee Chairman of the Board position; increasing the annual retainer for directors to $90,000; increasing the annual retainers for Board committee Chairs; and the elimination of option awards, with annual and sign-on grants made only in restricted stock units. The annual retainer for the non-employee Chairman of the Board was made effective on January 1, 2015, in light of Mr. R. Miron having commenced in that position in May 2014. The remainder of the changes became effective on May 20, 2015, the date of the Annual Meeting.

The following tables show the cash and equity compensation levels that were in effect in 2015.

2015 Discovery Non-Employee Director Compensation Levels, January 1 to May 19, 2015

Board Service	
Cash Compensation	
Annual Retainer	$ 80,000
Non-Employee Board Chair Retainer	$ 202,500
Initial and Annual Equity Compensation	
Restricted Stock Units	$ 57,500
Stock Options	$ 57,500
Committee Service Annual Retainers (cash)	
Audit Committee	$ 20,000
Compensation Committee	$ 27,500
Nominating and Corporate Governance Committee	$ 10,000
Audit Committee Chair	$ 30,000
Compensation Committee Chair	$ 37,500
Nominating and Corporate Governance Committee Chair	$ 15,000

2015 Discovery Non-Employee Director Compensation Levels, May 20, 2015 to Present

Board Service	
Cash Compensation	
Annual Retainer	$ 90,000
Non-Employee Board Chair Retainer	$ 202,500
Initial and Annual Equity Compensation	
Restricted Stock Units	$ 140,000
Committee Service Annual Retainers (cash)	
Audit Committee	$ 20,000
Compensation Committee	$ 27,500
Nominating and Corporate Governance Committee	$ 10,000
Audit Committee Chair	$ 33,000
Compensation Committee Chair	$ 42,000
Nominating and Corporate Governance Committee Chair	$ 17,500

12

Table of Contents

In October 2015, the Board approved an annual retainer for the members of the Finance Committee of $15,000 and an annual retainer for the Finance Committee Chair of $25,000, that became effective as of July 16, 2015, the date the Finance Committee charter was approved.

Cash Compensation. Cash compensation for non-employee directors consists solely of the annual retainers described above. Annual retainers are paid in quarterly installments. For the purpose of calculating these retainers and fees, the annual period commences with the election of directors at the annual meeting. The retainer paid to non-employee directors who are elected or appointed after the most recent annual stockholders meeting is prorated based on the quarter in which they join the Board.

Equity Compensation. Prior to May 14, 2013, non-employee directors received stock-based compensation under our 2005 Non-Employee Director Incentive Plan. Effective May 14, 2013, non-employee directors receive stock-based compensation under our 2005 Non-Employee Director Incentive Plan, as amended. The Board determined for 2015 that the equity awards to directors should consist solely of restricted stock units (RSUs) of Series A common stock. Annual equity grants are made on the date of the annual stockholders meeting. Equity awards for directors who are elected or appointed after the most recent annual stockholders meeting are prorated based on when they join the Board. The number of RSUs is calculated by dividing the dollar amount of the award by the closing price of our Series A common stock on the last business day prior to the grant date. RSUs will vest 100% on the one year anniversary of the grant date assuming continued service to such date. The RSUs granted to our directors do not include the right to receive cash dividends. On May 16, 2014, Discovery s Board of Directors approved a share dividend (the 2014 Share Dividend) of one share of the Company s Series C common stock on each issued and outstanding share of Series A, Series B and Series C common stock. The 2014 Share Dividend took effect on August 6, 2014 for stockholders of record on July 28, 2014. As a result, the non-employee directors awards were retroactively adjusted to reflect the dividend.

Board of Directors Stock Ownership Policy. In January 2013, the Board adopted a director stock ownership policy that requires each director to hold a specified amount of our stock, calculated as a multiple of three times the then-current annual retainer for Board service, exclusive of any additional retainer with respect to committee or other service. Each director is expected to reach the stock holding target within five years from May 15, 2013, the effective date the guidelines were adopted. The Board determined that any shares of our stock beneficially owned by the director, as well as unvested awards of RSUs, but not shares underlying stock options, would be counted for purposes of meeting the stock holding target. Once a director meets the target, the director is expected to maintain holdings at the target for as long as he or she remains a Board member. The Board may take any appropriate action to support the intent of the guidelines, including requiring a director to retain a percentage of shares pursuant to stock option exercises or vesting events in future years. As of the date of this proxy statement, all directors have reached and maintained the stock holding target.

Deferred Compensation. Discovery has a deferred compensation program that allows non-employee directors to defer the settlement of their RSU grants until their departure from our Board. If a director elects to defer settlement of his RSU grant, he must make his irrevocable election before the end of the year prior to the year in which the grant is made, and must do so for the entire amount of his grant. For example, for the grants made in May 2015, directors made their deferral elections before the end of 2014. Directors do not receive cash dividends on deferred RSUs. Messrs. Anstrom, Beck, R. Miron, Robison and Wargo elected to defer the settlement of their RSU grants made in 2015.

Expense Reimbursement. Non-employee directors are reimbursed for out-of-pocket costs for attending each meeting of the Board or any Board committee of which they are a member, including airfare, whether by commercial aircraft or private plane.

Director Education. Under the Guidelines, Discovery encourages the participation of all directors in continuing education programs, at Discovery s expense, that are relevant to the business and affairs of Discovery and the fulfillment of the directors responsibilities as members of the Board and any of its committees.

Table of Contents

Charitable Contribution Matching Program. Discovery provides a charitable contribution matching program through which we match contributions made by our non-employee directors to eligible charitable organizations up to a maximum of $20,000 for each director within a given fiscal year. The program is designed to match contributions to educational, arts and cultural institutions that have been approved by the Internal Revenue Service as tax-exempt institutions to which contributions are deductible for federal income tax purposes. Certain types of contributions and institutions would not be eligible for matching, such as tuition payments, contributions made to family foundations or other charitable foundations or organizations that are affiliated with a non-employee director, or membership or alumni association dues. In order to be matched, the contribution must be tax-deductible by Discovery Communications, Inc. Matching contributions under this program are included in the following 2015 Non-Employee Director Summary Compensation Table under the All Other Compensation column.

The following table summarizes the 2015 compensation provided to all persons who served as non-employee directors during 2015.

2015 Non-Employee Director Summary Compensation Table

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	All Other Compensation ($)(2)	Total ($)
S. D. Anstrom	107,500	141,028	0	248,528
R. Beck	115,000	141,028	15,000	271,028
R. Bennett	96,875	141,028	0	237,903
P. Gould	130,625	141,028	0	271,653
J. Malone	87,500	141,028	0	228,528
R. Miron	243,375	141,028	0	384,403
S. Miron	103,125	141,028	10,000	254,153
M. L. Robison	129,750	141,028	0	270,778
J. D. Wargo	130,000	141,028	0	271,028

(1) The aggregate grant date fair value of the RSU awards made to all non-employee directors in 2015 was $1,269,248, as calculated in accordance with FASB ASC Topic 718. At December 31, 2015, the following directors held stock options and RSUs, which include options granted for service as an officer or director of Discovery Holding Company, our predecessor entity:

Name	Series A Common Stock Options	Series C Common Stock Options	Series A Common Unvested or Deferred RSUs	Series C Common Unvested or Deferred RSUs
S. D. Anstrom	9,123	9,123	5,734	1,533
R. Beck	23,068	23,068	10,178	5,977
R. Bennett	28,650	39,814	4,201	0
P. Gould	35,094	59,146	8,178	3,977
J. Malone	23,068	23,068	6,201	2,000
R. Miron	23,068	23,068	11,243	7,042
S. Miron	23,068	23,068	6,201	2,000
M. L. Robison	35,094	59,146	11,243	7,042
J. D. Wargo	35,094	59,146	9,243	5,042

(2) The amounts for Messrs. Beck and S. Miron reflect matching charitable contributions made by Discovery on behalf of each of these directors.

Table of Contents

PROPOSAL 1: ELECTION OF DIRECTORS

Nominees for Election

Our Board of Directors consists of seven common stock directors, divided among three classes, and three preferred stock directors. Our Class II directors, who are being nominated for reelection at this annual meeting for a term that will expire in 2019, are Paul A. Gould and M. LaVoy Robison. Our Class III directors, who were reelected at the 2014 annual meeting for a term that will expire in 2017, are Robert R. Bennett, John C. Malone and David M. Zaslav. Our Class I directors, who were reelected at the 2015 annual meeting for a term that will expire in 2018, are Robert R. Beck and J. David Wargo. At each annual meeting, the successors of that class of directors whose terms expire at that meeting are elected to hold office for a term expiring at the annual meeting of Discovery stockholders held in the third year following the year of their election. The directors of each class will hold office until their respective death, resignation or removal and until their respective successors are elected and qualified.

Our Board of Directors also includes three preferred stock directors, S. Decker Anstrom, Robert J. Miron and Steven A. Miron, whose terms will expire at the Annual Meeting. Holders of our Series A preferred stock vote on the election of each of the preferred stock directors, but do not vote on the election of any common stock director. At each annual meeting of stockholders, the preferred stock directors are elected to hold office for a term expiring at the following annual meeting of stockholders. The preferred stock directors will hold office until their respective death, resignation or removal and until their respective successors are elected and qualified.

Five director nominees will be voted on at the meeting. The two Class II director nominees will be voted upon and elected by the holders of shares of our Series A common stock and Series B common stock, voting together as a class. The three preferred stock director nominees will be voted upon and elected by the holders of shares of our Series A preferred stock voting separately as a class.

Unless otherwise instructed on the proxy card, the persons named as proxies will vote the shares represented by each properly executed proxy FOR the election as directors of the persons named in this proxy statement as nominees. Each of the nominees has consented to serve if elected. However, if any of the persons nominated by the Board of Directors fails to stand for election, or declines to accept election, proxies will be voted by the proxy holders for the election of such other person or persons as the Board of Directors may recommend.

The following tables present information, including age, term of office and business experience, for each person nominated for election as a Discovery director and for those directors whose terms of office will continue after the Annual Meeting. Each member of our Board of Directors and each director nominee possesses skills and experience which make them an important component of the Board as a whole. While consideration of the information presented below regarding each director and director nominee s specific experience, qualifications, attributes and skills led our Board to the conclusion that he should serve as a director, we also believe that all of our directors and director nominees have a reputation for integrity, honesty and adherence to high ethical standards. They each have demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to Discovery and our Board.

The Discovery Board of Directors recommends a vote FOR the election of the nominated directors.

Table of Contents

Director Nominees for Election by Holders of Shares of Series A Common Stock and Series B Common Stock as Class II Directors with Terms Expiring in 2019

Paul A. Gould Born September 27, 1945	A common stock director of Discovery since September 2008. Mr. Gould served as a director of Discovery Holding Company (DHC) from May 2005 to September 2008, when it merged with Discovery Communications, Inc., creating a new public company. Mr. Gould has served at Allen & Company Incorporated, an investment banking services company, since 1972, including as a Managing Director and Executive Vice President for more than the last five years. Mr. Gould has served as a financial advisor to many Fortune 500 corporations and advised on a number of large media company acquisitions. Mr. Gould is a director and serves on the Audit Committees of Ampco-Pittsburgh Corporation and Liberty Global, plc (Liberty Global).
	Mr. Gould brings to our Board a wealth of experience in matters relating to public company finance. Mr. Gould s knowledge of our Company and our industry, combined with his expertise in finance, makes him an important part of our Board.
M. LaVoy Robison Born September 6, 1935	A common stock director of Discovery since September 2008. Mr. Robison served as a director of DHC from May 2005 to September 2008, when it merged with Discovery. Mr. Robison has been on the board of The Anschutz Foundation, a private foundation, since January 1998, and was their executive director from 1998 to November 2010. Mr. Robison is currently a director and also serves on the Audit Committee of Liberty Interactive Corporation (Liberty Interactive).
	Mr. Robison has extensive knowledge of corporate accounting and audit procedure gained through over 35 years of service with the firm of Peat Marwick Mitchell (now KPMG), including over 25 years as a partner and several years as one of the firm s SEC reviewing partners. Mr. Robison s wealth of experience in corporate finance and financial accounting is an important resource for our Board.

Table of Contents

Director Nominees for Election by Holders of Series A Preferred Stock

S. Decker Anstrom Born August 2, 1950	A preferred stock director of Discovery since December 2012. Mr. Anstrom served as President of Landmark Communications and Chairman of The Weather Channel from 2002 until his retirement in 2008. From 2001 to September 2011, he served as a member of the Board of Directors and also as chair of the Governance Committee of Comcast Corporation. Through his experience as a cable television executive, Mr. Anstrom has developed a deep understanding of our industry. Mr. Anstrom s expertise in the cable television industry makes him a valued presence on our Board.
Robert J. Miron Born July 7, 1937	A preferred stock director of Discovery since September 2008. Mr. Miron has served as Chairman of Discovery since May 2014. Mr. Miron served as Chairman of Advance/Newhouse Communications (Advance/Newhouse) and Bright House Networks, LLC (Bright House), both communications companies, from July 2002, retiring in December 2010. From July 2002 to May 2008, Mr. Miron served as Chief Executive Officer of Advance/Newhouse and Bright House. Mr. Miron has extensive knowledge of the cable television industry, as evidenced by his professional background. Our Board benefits from Mr. Miron s long experience in management roles within our industry.
Steven A. Miron Born April 24, 1966	A preferred stock director of Discovery since September 2008. Mr. Miron has served as Chief Executive Officer of Advance/Newhouse and Bright House since May 2008. He also served as President of Advance/Newhouse and Bright House from July 2002 to May 2008. Through his experience as a cable television executive, Mr. Miron has developed a deep understanding of our industry. Mr. Miron s expertise in the cable television industry makes him a valued presence on our Board.

Table of Contents

Common Stock Directors:

Class I Directors with Terms Expiring in 2018

Robert R. Beck Born July 2, 1940	A common stock director of Discovery since September 2008. Since 2001, Mr. Beck has served as an independent consultant, advising on complex financial and business matters. Prior to 2001, Mr. Beck served as a Managing Director of Putnam Investments. Mr. Beck applies his expertise in the financial markets to the Board s deliberations. Mr. Beck s deep experience in corporate finance is of great value to our Board.
J. David Wargo Born October 1, 1953	A common stock director of Discovery since September 2008. Mr. Wargo served as a director of DHC from May 2005 to September 2008 when it merged with Discovery. Mr. Wargo has served as President of Wargo & Company, Inc., a private investment company specializing in the communications industry, since January 1993. Mr. Wargo is a director of Liberty Global, Liberty TripAdvisor Holdings, Inc. (Liberty TripAdvisor), Liberty Broadband Corporation (Liberty Broadband), Strayer Education, Inc. and Vobile, Inc. Mr. Wargo also serves on the Audit Committees of Liberty Global, Liberty TripAdvisor and Liberty Broadband. Having an extensive career in public company finance, Mr. Wargo brings to the Board significant business development and financial experience related to the business and financial issues facing large corporations. Mr. Wargo s expertise in public company finance is the result of over 35 years as a securities analyst.

Class III Directors with Terms Expiring in 2017

Robert R. Bennett Born April 19, 1958	A common stock director of Discovery since September 2008. Mr. Bennett served as President of DHC from March 2005 until September 2008 when it merged with Discovery. Mr. Bennett is the former President and Chief Executive Officer of Liberty Media Corporation (Liberty Media). He served in those positions from April 1997 until August 2005. He was one of the founding executives of Liberty Media and served as its Principal Financial Officer from its inception in 1991 until 1997. He currently is Managing Director of Hilltop Investments, LLC, a family investment company. Prior to his tenure at Liberty Media, Mr. Bennett worked with Tele-Communications, Inc. in a variety of financial positions and with The Bank of New York. Mr. Bennett was a director of Demand Media, Inc. from 2011 until February 2014. He currently serves on the boards of Liberty Media, Sprint Corporation and HP, Inc. Mr. Bennett also serves on the Audit Committees of HP, Inc. and Sprint Corporation. Mr. Bennett brings both industry knowledge and financial acumen to his role as a member of our Board of Directors. Mr. Bennett has served on the board of directors of multiple public and private companies over the past decade, which, combined with his considerable involvement with media companies, contributes to the knowledge base and oversight of our Board.

John C. Malone Born March 7, 1941	A common stock director of Discovery since September 2008. Mr. Malone served as Chief Executive Officer and Chairman of the Board of DHC from March 2005 to September 2008 and a director of DHC from May 2005 to September 2008. Mr. Malone has served as the Chairman of the Board and a director of Liberty Interactive (including its predecessors) since 1994, as Chairman of the Board of Liberty Media (including its predecessor) since August 2011 and as a director since December 2010, and as Chairman of the Board of Liberty Broadband since November 2014. Mr. Malone has served as the Chairman of the Board of Liberty Global since June 2013, having previously served as Chairman of the Board of Liberty Global s predecessor, Liberty Global, Inc. from June 2005 to June 2013. He has also served as a director of Expedia, Inc. since December 2012, having previously served as director from August 2005 to November 2012. Mr. Malone is a director of Charter Communications, Inc. and Lions Gate Entertainment Corp. Mr. Malone previously served as: (i) a director of Ascent Capital Group, Inc. from January 2010 to September 2012, (ii) a director of Live Nation Entertainment, Inc. from January 2010 to February 2011, (iii) a director of Sirius XM Radio Inc. from April 2009 to May 2013, and (iv) Chairman of the Board of Liberty TripAdvisor from August 2014 to June 2015. Mr. Malone has played a pivotal role in the cable television industry since its inception and is considered one of the preeminent figures in the media and telecommunications industry. Mr. Malone is well known for his sophisticated problem solving and risk assessment skills. His breadth of industry knowledge and unique perspective on our business make him an invaluable member of our Board.
David M. Zaslav Born January 15, 1960	President, Chief Executive Officer and a common stock director. Mr. Zaslav has served as our President and Chief Executive Officer since January 2007. Mr. Zaslav served as President, Cable & Domestic Television and New Media Distribution of NBC Universal, Inc. (NBC), a media and entertainment company, from May 2006 to December 2006. Mr. Zaslav served as Executive Vice President of NBC, and President of NBC Cable, a division of NBC, from October 1999 to May 2006. Mr. Zaslav is a member of the board of Sirius XM Radio Inc., Grupo Televisa S.A.B and Lions Gate Entertainment Corp. As CEO, Mr. Zaslav sets our goals and strategies. His ability as director to add his views to the Board s deliberations is of significant benefit to the Board.

Except for Steven A. Miron being the son of Robert J. Miron, there is no family relationship among any of Discovery s executive officers or directors, by blood, marriage or adoption.

Table of Contents

PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

As provided in its charter, the Audit Committee appoints our independent registered public accounting firm, reviews the scope of the annual audit and pre-approves all audit and non-audit services permitted under applicable law to be performed by the independent registered public accounting firm. The Audit Committee has evaluated the performance of PwC and has appointed them as our independent registered public accounting firm for fiscal 2016. You are requested to ratify the Audit Committee s appointment of PwC. Representatives of PwC will be present at the Annual Meeting and will be given the opportunity to make a statement, if they desire to do so, and to respond to appropriate questions from stockholders present at the meeting. Unless stockholders specify otherwise in their proxy, proxies solicited by the Board will be voted by the proxy holders at the Annual Meeting to ratify the appointment of PwC as our independent registered public accounting firm for fiscal 2016. A majority of the votes cast at the Annual Meeting on this proposal is required for ratification.

Even if the selection of PwC is ratified, the Audit Committee of Discovery s Board in its discretion may direct the appointment of a different independent accounting firm at any time during the year if Discovery s Audit Committee determines that a change would be in the best interests of Discovery and its stockholders. In the event Discovery stockholders fail to ratify the appointment of PwC, the Audit Committee will take this into consideration regarding the selection of another independent registered public accounting firm.

The Discovery Board of Directors recommends a vote FOR the ratification of the appointment of PwC as Discovery s independent registered public accounting firm for the year ending December 31, 2016.

Description of Fees

	2015	2014
Audit fees(1)	$ 6,264,300	$ 6,206,900
Audit-Related fees(2)	538,927	970,960
Tax fees(3)	1,604,038	1,172,543
Other fees(4)	2,400	13,800
Total fees	$ 8,409,665	$ 8,364,203

(1) Audit fees include fees for the audit of the consolidated financial statements of Discovery and statutory audits for certain of Discovery s foreign subsidiaries, as well as fees for services provided in connection with securities offerings.

(2) Audit-related fees include due diligence related to mergers and acquisitions, attest services not required by statute or regulation, and consultations regarding financial accounting standards.

(3) Tax fees consist of tax compliance and consultations regarding the tax implications of certain transactions. Tax compliance services relate to preparation of tax returns and claims for refunds. Tax consultation services relate to tax planning, as well as assistance with tax audits and tax advice related to acquisitions and structure.

(4) Other fees consist of advisory support provided in connection with certain regulatory requirements in foreign jurisdictions and, in 2014, include fees associated with access for 2014 and 2015 to Comperio, PwC s online accounting and research library.

Discovery s Audit Committee has considered whether the provision of services by PwC to Discovery other than auditing is compatible with PwC maintaining its independence and believes that the provision of such other services is compatible with PwC maintaining its independence.

20

Table of Contents

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

Discovery s Audit Committee has adopted a policy regarding the pre-approval of all audit and permissible non-audit services provided by Discovery s independent registered public accounting firm. Pursuant to this policy, Discovery s Audit Committee has approved the engagement of Discovery s independent registered public accounting firm to provide the following services (all of which are collectively referred to as pre-approved services):

audit services as specified in the policy, including (i) financial audits of Discovery and its subsidiaries and (ii) services associated with Discovery s periodic reports, registration statements and other documents filed or issued in connection with a securities offering (including comfort letters and consents);

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

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

Notwithstanding the foregoing general pre-approval, any individual project involving the provision of pre-approved services that is expected to result in fees in excess of $50,000 requires the specific pre-approval of Discovery s Audit Committee. In addition, any engagement of Discovery s independent registered public accounting firm for services other than the pre-approved services requires the specific approval of Discovery s Audit Committee. Discovery s Audit Committee has delegated the authority for the foregoing approvals to the chairman of the Audit Committee, subject to his subsequent disclosure to the entire Audit Committee of the granting of any such approval. All audit and non-audit services provided by PwC in 2015 were approved by the Audit Committee.

Discovery s pre-approval policy prohibits the engagement of Discovery s independent registered public accounting firm to provide any services that are subject to the prohibition imposed by Section 201 of the Sarbanes-Oxley Act.

Table of Contents

REPORT OF THE AUDIT COMMITTEE

Each member of the Audit Committee is an independent director as determined by the Board of Directors of Discovery Communications, Inc., based on the rules of the Nasdaq Stock Market and the criteria of director independence adopted by the Board. Each member of the Audit Committee also satisfies the SEC s independence requirements for members of audit committees.

The Audit Committee reviews Discovery s financial reporting process on behalf of the Board of Directors. A description of the responsibilities of the Audit Committee is set forth above under the caption Corporate Governance Audit Committee. PwC, Discovery s registered public accounting firm for 2015, is responsible for expressing opinions on the conformity of Discovery s audited consolidated financial statements with U.S. generally accepted accounting principles.

The Audit Committee has reviewed and discussed with management and PwC Discovery s most recent audited consolidated financial statements. The Audit Committee has also discussed with PwC various communications that the Company s registered public accounting firm is required to provide to the Audit Committee, including matters required to be discussed by the Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 16 (Communications with Audit Committees).

The Audit Committee has received the written disclosures and the letter from PwC required by PCAOB Rule 3526 (Communications with Audit Committees Concerning Independence), and has discussed with PwC their independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors of Discovery that the audited financial statements be included in Discovery s Annual Report on Form 10-K for the year ended December 31, 2015, filed on February 18, 2016 with the SEC.

This report is respectfully submitted by the members of the Audit Committee of the Board.

M. LaVoy Robison, Chairman

S. Decker Anstrom

J. David Wargo

Table of Contents

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and, based on such review and discussion, has recommended that the Compensation Discussion and Analysis be included in this proxy statement.

This report is respectfully submitted by the members of the Compensation Committee of the Board.

Robert J. Miron, Chairman

Robert R. Beck

Paul A. Gould

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

This section analyzes and discusses our compensation programs and provides information about the compensation paid by Discovery to our Named Executive Officers, or NEOs :

- David M. Zaslav, President and Chief Executive Officer (CEO);
- Andrew Warren, Chief Financial Officer (CFO);
- Bruce L. Campbell, Chief Development, Distribution & Legal Officer;
- Jean-Briac Perrette, President, Discovery Networks International; and
- Adria Alpert Romm, Chief Human Resources and Global Diversity Officer.

On February 22, 2016, Mr. Warren notified us that he was resigning from employment and agreed to remain with the Company until the end of 2016. We entered into a transition agreement with Mr. Warren, described in Executive Compensation Executive Compensation Arrangements, below.

Highlights

Discovery had strong performance in 2015, despite challenging conditions.

Discovery is a leading global media and entertainment company, with operations that support our mission to empower people to explore their world and satisfy their curiosity. We had a strong year in 2015, reporting increases in revenue and adjusted operating income before depreciation and amortization (OIBDA):

- Revenues increased 2% to $6.394 billion (increased 10% excluding currency effects); and
- Adjusted OIBDA decreased 4% to $2.398 billion (increased 4% excluding currency effects).

As illustrated above, our reported results were adversely impacted by the effects of fluctuations in foreign currency exchange rates.

Our U.S. networks delivered outstanding performance. Revenue and Adjusted AOIBDA at our U.S. networks were each up 6%. The international networks also had a very strong year, but results were negatively impacted by changes in foreign currency exchange rates.

We repurchased 23.7 million shares of stock for an aggregate purchase price of $951 million, surpassed 3 billion cumulative viewers, launched new networks and expanded audience and market share.

We continue to pay for performance through our executive compensation program design.

We believe that our executive compensation program plays a key role in our operating and financial success. We place great importance on our ability to attract, retain, motivate and reward talented executives who can continue to grow our business and engage audiences around the world. Each of our NEOs received significant long-term awards in 2015, based on the Company s financial and operational performance and their individual achievements during the prior year.

Each of our NEOs also received an annual cash bonus based on Company and individual performance in 2015. These awards reflect the direct link between financial and operational success and compensation under our executive compensation programs. Our short- and long-term incentive compensation programs are structured to:

- pay for performance by aligning and measurably varying the size of performance-based awards directly with key operational outcomes, as well as the executive s individual performance;
- align the interests of management with those of our stockholders through equity and equity-type incentive awards and stock ownership guidelines; and

inspire dynamic leadership while not encouraging excessive risk taking.

In general, we seek to design compensation packages for individual executives based on the scope of the executive s responsibilities, the executive s proven performance, and a determination of what is competitive compensation in the market for similar roles, if such data is available. We continue to refine our compensation programs to strengthen the link between executive and stockholder interests.

We value long-term contracts with our senior executives and use our executive compensation programs to support extended contract terms.

We believe that entering into fixed term employment contracts with our senior executives provides management stability and helps ensure that we can access their services to drive our strategic objectives. When permitted by local law, these agreements also include customary restrictive covenants that protect our business from unfair competition after an executive separates from employment. Each of our NEOs is subject to a fixed term employment contract entered into prior to 2015. Mr. Zaslav s employment agreement, entered into in 2014, secures his services through the end of 2019 and includes a number of provisions related to components of his total compensation during the term, as further detailed in Executive Compensation Executive Compensation Arrangements, below. The employment agreement for Mr. Zaslav is structured around performance-based long-term equity, ties the vast majority of his compensation to increases in shareholder value, requires him to hold the majority of the equity distributed to him beyond the term of his contract (absent an intervening change in control or termination of employment), and, through ownership of a significant number of shares, further aligns his interests with those of our stockholders.

Role of the Compensation Committee

Our Compensation Committee (referred to in this Compensation Discussion and Analysis as the Committee) operates pursuant to a written charter, a copy of which is posted on the Investor Relations section of our website, *www.discoverycommunications.com*. The Committee is responsible for developing, implementing and regularly reviewing adherence to our compensation philosophy. In the course of fulfilling these responsibilities, the Committee:

- regularly reviews best practices and market trends in executive compensation and modifies our programs to support Discovery s business goals and strategies;
- conducts annual risk assessments of our compensation programs;
- aligns compensation decisions with our corporate objectives and strategies;
- reviews and approves the amounts and elements of compensation and the terms of new employment agreements or extensions to existing employment agreements for our NEOs, other executive officers and certain other key employees; and
- approves the annual quantitative and qualitative goals relevant to the compensation of our NEOs and other executive officers.

The Committee regularly consults with the Board regarding compensation decisions for the CEO, and with the CEO regarding compensation decisions for other NEOs.

Table of Contents

Role of the CEO in Compensation Decisions

The CEO plays a significant role in the compensation decisions for the NEOs other than himself. The CEO makes annual recommendations to the Committee regarding base salary, annual cash bonus, and long-term incentive awards for each of his direct reports, including the other NEOs. The CEO also recommends to the Committee proposed terms of new employment agreements or extensions of existing employment agreements for the other NEOs, working closely with Ms. Alpert Romm, our Chief Human Resources and Global Diversity Officer, to develop these recommendations. The CEO s recommendations are based on:

- his assessment of qualitative and quantitative factors, generally including the executive s annual and long-term performance;
- the performance of Discovery, as well as the department or group that the executive leads;
- the executive s compensation relative to that of our other executives (internal equity);
- the executive s compensation relative to that of executives in similar roles in the companies in our peer group (external competitiveness);
- our overall approach to compensation for employees for the year;
- achievement of applicable annual performance goals; and
- contractual obligations under any applicable employment agreement.

The CEO also provides the Committee with proposed goals for himself, and recommends annual goals for the CFO. The Committee s assessment of achievement of these goals is used in determining, in part, the annual bonus of the CEO and of the CFO. The Committee consults with the Board in setting these annual goals for the CEO. The CEO does not participate in the Committee s deliberations or decisions relating to his performance against annual goals and resulting compensation.

Relationship with and Role of the Compensation Consultant

The Committee has retained an independent compensation consultant, The Croner Company (Croner), to advise it on compensation matters generally and specifically on compensation decisions for our executive officers. Croner is retained directly by, and reports to, the Committee. Croner attended all of the 16 Committee meetings held in 2015. Croner assisted the Committee by, among other services:

- assisting in peer group selection and competitive benchmarking for executive officers and other senior executives used in the annual salary review, bonus and long-term incentive decisions;
- advising the Committee on competitive practices, including executive compensation trends, performance measures, and annual cash bonus and long-term incentive plan designs;
- advising on employee equity grants, executive employment agreements and other executive compensation matters;

- assisting the Committee with the periodic review of its charter;
- providing an evaluation and assessment of risk in compensation program design, policies, and procedures;
- reviewing the Compensation Discussion and Analysis; and
- benchmarking compensation for members of the Board.

Prior to being engaged by the Committee, Croner historically had provided compensation survey data to the Company and performed custom surveys on industry compensation practices. In 2011, the Committee adopted a Compensation Consultant Independence Policy to address the ongoing need for this survey work and to

Table of Contents

determine the process under which work by Croner for the Company would be permitted. The Committee authorized Croner to provide survey services to management of up to $60,000 per year. Non-survey work, or survey work that exceeds $60,000 in the aggregate in a single year, requires pre-approval by the Committee. In 2015, the only services provided by Croner to management were the pre-authorized survey services. Total fees paid to Croner by Discovery in 2015 (other than fees for Croner s services to the Committee) were less than $12,000.

The Committee annually reviews its relationship with Croner as an independent compensation consultant to determine if Croner has any conflict of interest in its services to the Committee. In the 2015 review, after considering the factors set forth in the applicable securities regulations and stock exchange rules, the Committee concluded that Croner did not have a conflict of interest in its services to the Committee. The Committee s conclusion was based on the following:

Croner reports solely to the Committee. Discovery s management is not involved in the negotiation of fees charged by Croner or in the determination of the scope of work performed by Croner. The Committee has the sole authority to hire and terminate the independent compensation consultant;

there are no business or personal relationships between Croner and any member of the Committee or any executive officer of the Company;

the Committee has a Compensation Consultant Independence Policy to address limited survey work performed by Croner for the Company, and any other non-survey services that are proposed to be performed by Croner for the Company;

the survey work performed by Croner was very limited, and no non-survey work was performed (other than Croner s services for the Committee);

according to data provided by Croner, revenue from Discovery (other than fees for Croner s services to the Committee) represented less than 1% of Croner s total revenue for each of fiscal years 2013, 2014, and 2015;

Croner disclosed its conflicts of interest policy to the Committee. The Committee believes that this policy provides reasonable assurance that conflicts of interest with Croner will not arise; and

Croner has represented to the Committee that, per its conflicts of interest policy, neither Croner nor any Croner employee is a stockholder of Discovery.

Compensation Philosophy

Discovery s compensation philosophy is to pay for performance, to encourage excellence and to reward executives who deliver. Our programs are designed to deliver above-median total direct compensation when our executives deliver above-median performance, as evaluated against both internally set objectives and the peer group companies. We value fixed-term employment agreements when appropriate, and, in 2015, each of our NEOs was subject to a fixed-term employment agreement, as further described in Executive Compensation Executive Compensation Arrangements, below.

Table of Contents

Elements of Compensation

Total direct compensation for each NEO consists of three basic components:

Element of Compensation	Key Features	Purpose
Base Salary	Fixed annual cash amount, generally reviewed annually.	Provide base salaries that are competitive to attract and retain high-performing executive talent. A competitive base salary is an important component of compensation providing a degree of financial stability for executives. Base salaries also form the basis for calculating other compensation opportunities, including, for example, calculating the target amount of each NEO s annual cash bonus as a percentage of base salary.
Annual Cash Bonus	Each NEO has a target bonus opportunity, set as a percentage of base salary (or in Mr. Zaslav s case, as a specified dollar value). Actual amount paid/awarded for each year varies based on Company and individual performance.	Deliver a substantial portion of total direct compensation in annual cash bonus awards that are aligned with Company and individual performance to focus our executives on our financial and operational goals. Ensure that our compensation mix remains competitive with our labor market. We generally set bonus targets as a percentage of base salary so that this performance-based element remains a similar proportion to the fixed base salary and the value of the bonus target automatically adjusts as salary adjustments are made.
Long-Term Incentive Awards		
	Annual equity and equity-type awards, in the form of non-qualified stock options, performance-based restricted stock units (PRSUs), and stock appreciation rights (SARs). Each type of award instrument generally vests in tranches over multiple years.	Deliver a substantial portion of an executive s total direct compensation in equity or equity-type awards to align our executives interests with those of our stockholders. Use long-term incentive awards as a tool to encourage an executive to enter into a new employment agreement or extend an existing agreement. ______________ Awards of SARs to our CEO align his interests to those of our shareholders by tying the amount paid out (if any) directly to the increase in our stock price (if any) during the measurement period. ______________ PRSUs incent our NEOs to achieve longer-term financial goals that are expected to lead to increased stockholder value. The multi-year service requirements also serve as a retention tool. Both the financial metrics and the longer-term vesting schedules are designed to discourage excessive risk-taking.

Restricted stock units (RSUs) also are used in certain contract renewals, and the multi-year service requirements serve as a retention tool.

The Committee has adopted executive stock ownership guidelines (discussed below) and implemented more extensive holding and share purchase requirements for the CEO under his 2014 agreement. These provisions are designed to further align the interests of our NEOs with our stockholders.

Table of Contents

Performance-Based Pay

The Committee seeks to deliver the majority of target total direct compensation for each NEO in performance-based pay, with the balance between the annual cash bonus and long-term incentive awards determined by the Committee as appropriate for each role. A significant majority of total direct compensation for each NEO for 2015 was performance-based:

Executive	Percentage of Performance-Based Total Direct Compensation in 2015 (Target)*
Mr. Zaslav	91%
Mr. Warren	75%
Mr. Campbell	73%
Mr. Perrette	76%
Ms. Alpert Romm	63%

* *Calculated as of March 2015, classifying annual bonus opportunity and the grant date fair value of long-term incentive compensation as performance-based.*

We believe the mix of compensation for our NEOs is both competitive with the compensation practices specific to our industry and appropriately balanced to benefit the Company in both the short- and long-term without taking undue risks. Annual cash bonus awards are more fully described in 2015 Compensation Decisions Annual Cash Bonus Awards, below, and our long-term incentive compensation programs are more fully described in 2015 Compensation Decisions Long-Term Incentive Compensation, below.

Compensation Decisions Framework

The Committee generally makes decisions in the first 90 days of the calendar year regarding annual adjustments to base salary (Annual Base Salary Review), the payout amount for annual cash bonus awards with respect to the immediately preceding year (Annual Bonus Review), and annual long-term incentive (LTI) awards (Annual LTI Review) for our executive officers. This annual process includes a review of the following factors, designed to align the compensation actions with our compensation principles and objectives:

- executive compensation market data from the Company s peer group (discussed below);
- relevant employment contract requirements;
- self-evaluation of each NEO s annual performance;
- the CEO s evaluation of each NEO s annual performance (other than the CEO himself);
- achievement of annual quantitative goals for the Incentive Compensation Plan (ICP), the annual cash bonus program that applies to Messrs. Perrette and Campbell and Ms. Alpert Romm;
- achievement of quantitative and qualitative goals that are set by the Committee each year for the annual bonuses for Messrs. Zaslav and Warren; and

Discovery s Total Shareholder Return (TSR) and other comparative financial measures relative to the peer companies, as discussed below.

These factors are considered as a whole, with no specific weight given to a particular factor or factors.

Additional detail about the factors considered in our compensation decisions is below.

Table of Contents

Peer Group Analysis and Comparative Financial Review

The Committee annually reviews data from a group of publicly-traded peer companies to support compensation decisions for the NEOs. The peer companies are chosen to best match our Company s scope of business in terms of revenues, free cash flow, market capitalization and enterprise value, complexity of operations and global scope, and proximity to the sectors of the media and entertainment industry in which we operate. The peer group also represents meaningful competition for us in the executive labor market. The Committee reassesses this list annually and considers the inclusion of new, relevant peers, and the elimination of companies from the peer group that no longer provide a strong basis for comparison. The Committee used the following peer group for 2015 after concluding that the group provided a good mix of companies with a strong focus on content and international reach.

The peer group used in 2015 consisted of:

AMC Networks Inc.

Cablevision Systems Corporation

CBS Corporation

Charter Communications, Inc.

DIRECTV

Netflix, Inc.

Scripps Networks Interactive, Inc.

Viacom Inc.

Yahoo! Inc.

Market data for the peer group was used in determining base salary adjustments for each of the NEOs other than Mr. Zaslav in the March 2015 salary review cycle (Mr. Zaslav s employment agreement provides for a flat salary across the term, without annual increases). With respect to Ms. Alpert Romm, the Committee also considered market data from the Towers Watson Entertainment Survey.

In December 2014, the Committee reviewed comparative TSR and other financial measures for the peer group and determined that the Company had performed well as compared to its peers in the industry.

Comparative Financial Measures, FY 2011 FY 2013

	Affiliate Revenues CAGR(1)	Advertising Revenues CAGR(1)	Total Revenues CAGR(1)	OIBDA CAGR(1)	Free Cash Flow CAGR(1)	Enterprise Value CAGR(1)	TSR 3 Year
Median (excluding Discovery)	10%	4%	8%	5%	10%	17%	105%
Discovery Communications, Inc.	**10%**	**18%**	**14%**	**7%**	**3%**	**19%**	**91%**
Discovery Percentile Rank Among Peers	29%	98%	82%	84%	75%	76%	21%

(1) CAGR = Compound Annual Growth Rate. Utilizes December 31, 2011 data for starting data point and the Trailing Twelve Months (TTM) (October 1, 2013 September 30, 2014) for the ending data point. TTM was utilized because year end 2014 data was not yet available.

The Committee used this review as a reference point in determining that it was appropriate to make equity awards in the 2015 Annual LTI Review and in determining whether to adjust downward, in accordance with their terms, the payout amount of PRSU awards made to

Messrs. Campbell and Perrette and Ms. Alpert Romm in 2012 that vested in 2015. At the time of the review, full-year data for 2014 was not available.

In late December 2014, as part of the process to prepare and review market data for use in the Annual Bonus Review, Annual LTI Review, and Annual Base Salary Review, the Committee determined that it would continue to be appropriate to review a broader set of measures to compare Company performance to the peer group, and reviewed revenue, Adjusted OIBDA, free cash flow, and enterprise value for the Company (the Comparative Financial Measures) as compared to the peer group. Adjusted OIBDA is defined as revenues less costs of revenues and selling, general and administrative expenses excluding: (i) mark-to-market equity-based compensation, (ii) depreciation and amortization, (iii) amortization of deferred launch incentives, (iv) restructuring and other charges, (v) certain impairment charges, and (vi) gains and losses on business and asset dispositions. See Note 21 to our Annual Report on Form 10-K for information regarding our Adjusted OIBDA.

Comparative Financial Measures, September 2012 September 2015[(1)(2)(3)]

	Revenue Change		OIBDA Change		Free Cash Flow		Enterprise Value Change		TSR	
	1 Year	3 Year CAGR	1 Year	3 Year CAGR	1 Year	3 Year CAGR	1 Year	3 Year CAGR	1 Year	3 Year
Median (excluding Discovery)	6%	7%	4%	4%	11%	0%	-2%	16%	14%	105%
Discovery Communications, Inc.	**18%**	**14%**	**12%**	**7%**	**32%**	**3%**	**-16%**	**19%**	**-7%**	**91%**
Discovery Rank Among Peers	80%	82%	88%	84%	65%	75%	Min	76%	6%	21%

(1) 1 Year change based on change from 2013 TTM (October 1 2012 September 30, 2013) and 2014 TTM (October 1 2013 September 30, 2014). TTM was utilized because year end 2014 data was not yet available.

(2) TSR = (Stock Price End Date Stock Price Start Date + (Dividends / Share)) / (Stock Price Start Date). One year TSR for 2014. Three year TSR for 2011 2014. Sources Yahoo! Finance and SEC filings. Stock price was adjusted to reflect the 2014 Share Dividend, where relevant.

(3) Enterprise Value (Discovery definition) = Market capitalization + long-term debt cash + marketable securities.

In this review, the Committee noted that the Company was lagging peers with respect to TSR, but based on an overall review of the Comparative Financial Measures, concluded that the Company had performed well as compared to its peers. The CEO s recommendations to the Committee, and the Committee s approvals, generally made the compensation actions more conservative for our NEOs with respect to 2015 in consideration of the Company s performance against some of the Comparative Financial Measures.

Target Pay Positioning

The Committee generally targets executive compensation to be between the median and 75th percentile of the compensation paid by our peer group companies, which are identified above under Peer Group Analysis. The Committee uses the peer group benchmark and survey data as a reference rather than as a strict guide for compensation decisions and retains flexibility in setting individual target total direct compensation.

Table of Contents

In December 2014 and again in February 2015, the Committee reviewed market data for each NEO as compared to our peer group with respect to 2014 total direct compensation, both at target and actual, spreading the value of any one-time contractual equity award over the term of the applicable contract. The Committee undertook the review in setting total direct compensation for 2015, and at that time, the comparison to our peer group was as follows:

NEO	Target Pay Against Peer Group (Before 2015 Compensation Actions)	Actual Pay Against Peer Group (Before 2015 Compensation Actions)
Mr. Zaslav	Above 75th percentile	Above 75th percentile
Mr. Warren	Above 75th percentile	Above 75th percentile
Mr. Campbell	Between median and 75th	At 75th percentile
Mr. Perrette	Below median	Below median
Ms. Alpert Romm	Above 75th percentile	Above 75th percentile

The Committee used the peer group data as a reference point in determining base salary and long-term incentive awards for Messrs. Warren, Campbell, and Perrette, and Ms. Alpert Romm, in February 2015.

After the Committee increased the base salaries of and made annual long-term incentive awards to Messrs. Warren, Campbell, and Perrette, and Ms. Alpert Romm, in the first quarter of 2015, their compensation as compared to the peer group was as follows:

NEO	Actual Pay Against Peer Group (After Annual Salary Increase and 2015 Long-Term Incentive Award)
Mr. Warren	Above the 75th percentile
Mr. Campbell	Between the median and the 75th percentile
Mr. Perrette	Below median
Ms. Alpert Romm	Above the 75th percentile

With respect to the CEO, CFO, Chief Development, Distribution & Legal Officer, and Chief Human Resources and Global Diversity Officer, the Committee compared each executive s compensation to that of the corresponding position in the peer group, with an adjustment to the General Counsel analysis initially to reflect Mr. Campbell s expanded role as Chief Development Officer and Chief Digital Officer. (Mr. Campbell s portfolio of responsibilities was changed in October 2015 to add responsibility for our U.S. distribution group and to realign digital media responsibilities to another executive; the benchmarking for the 2015 compensation decisions, however, was based on his legal, development, and digital media responsibilities.) The Committee compared Ms. Alpert Romm s compensation to that of peer group executives classified as most senior Human Resources officer. The Committee compared Mr. Perrette s compensation to that of peer group executives classified as Division Presidents, although the Committee determined this was not an exact match because of the broad scope of Mr. Perrette s international responsibilities.

Tally Sheets

The Committee regularly reviews tally sheets prepared for each of the NEOs to allow consideration of both current and historical compensation. The tally sheets allow the Committee to review an integrated snapshot of the individual and aggregated elements of each NEO s compensation.

Tax Deductibility of Executive Compensation

We consider the tax deductibility of compensation to be paid to the NEOs. Internal Revenue Code Section 162(m) (Section 162(m)) generally limits the tax deductibility of compensation paid by a public company to its CEO and certain other highly compensated executive officers to $1 million in the year the

32

compensation becomes taxable to the executive. There is an exception to this limit on deductibility for qualifying performance-based compensation.

Although we do not require all compensation paid to executives to be deductible, the Committee considers the impact of deductibility under Section 162(m) when making decisions about the amount and forms of executive compensation. These considerations were a factor in determining the general long-term incentive program for our senior executives and the use of PRSU and SAR awards for our senior executives.

NEO Responsibilities and Accomplishments

Company performance and/or individual achievements play a strong role in many of the compensation decisions for our NEOs, as further described below. The Committee considered Discovery s overall strong results as well as each of the NEOs responsibilities and 2015 accomplishments in making compensation decisions. We have summarized each NEO s overall performance and accomplishments below.

Mr. Zaslav: Mr. Zaslav serves as CEO and reports directly to the Board. In 2015, Mr. Zaslav led the Company in achieving our overall strong performance. In addition to operating performance, other significant accomplishments included driving significant growth on our U.S. networks and investing in brand-defining content that led to viewership and ratings growth on our flagship Discovery Channel as well as the Investigation Discovery, Velocity, and OWN networks, securing affiliate sales growth, driving international growth, including through effective management of the Eurosport acquisition and acquiring the exclusive European television and multiplatform broadcast right to the Olympic Games from 2018 to 2024. In 2015, Mr. Zaslav also implemented a new senior executive structure for our U.S. networks and commercial functions, geared toward attracting and retaining top executive and creative talent across our platforms.

Mr. Warren: Mr. Warren is our CFO, and reports to our CEO. Mr. Warren made solid contributions in 2015, including leadership of our first-ever Investor Day, execution of several debt offerings, extensive engagement with investors in Europe, sponsorship of several initiatives to enhance operational effectiveness, and successful integration of two major acquisitions into our Sarbanes-Oxley controls procedures.

Mr. Campbell: Mr. Campbell is our Chief Development, Distribution & Legal Officer, and reports to our CEO. In October 2015, Mr. Campbell expanded his role to include oversight of our U.S. distribution activities and realigned responsibility for digital media to another executive. Mr. Campbell s performance in 2015 was outstanding. He successfully led a number of significant acquisitions and other transactions and investments in 2015, including the acquisition of a free to air channel in Turkey and a restructuring of our Russia business in the wake of changes in foreign ownership restrictions. Under Mr. Campbell s leadership, our digital media team dramatically increased our TV Everywhere penetration, launched the DiscoveryGo application, and achieved strong operational and revenue results for the Discovery Digital Networks. Mr. Campbell also provided outstanding legal support for the Company, including the execution of the legal strategy on key distribution agreement renewals, as well as leadership of business affairs, production management, and our internal studios.

Mr. Perrette: Mr. Perrette serves as President of Discovery Networks International, and reports to our CEO. Mr. Perrette drove outstanding financial and organizational results in 2015, including revenue growth, expansion of international viewership, and increases in subscribers for our international over the top /TV Everywhere offerings. Mr. Perrette realigned our international regions, recruited and hired a strong new leader for Asia Pacific, and successfully integrated our Eurosport acquisition. In addition, Mr. Perrette was a key leader in the negotiation of the acquisition of rights to the Olympic Games and other strategic sports rights acquisitions in international markets. Mr. Perrette created a highly motivated and cohesive leadership team focused on delivering strategic growth and outstanding operational effectiveness.

Ms. Alpert Romm: Ms. Alpert Romm is our Chief Human Resources and Global Diversity Officer. Ms. Alpert Romm made significant contributions in 2015, including leading an assessment of our senior

Table of Contents

executive structure that led to the creation of the Chief Commercial Officer role. Ms. Alpert Romm then successfully recruited and hired an outstanding candidate for the new role, designed the new organization to accommodate the realignment, and implemented a smooth realignment of the U.S. advertising sales, digital media, and global enterprises groups under a new leader. Ms. Alpert Romm also led the implementation of changes to our U.S. networks portfolios, bringing Discovery Channel, Animal Planet, and Science Channel together under a new portfolio president. Ms. Alpert Romm personally led a robust and well-managed organizational talent review process, including direct engagement of our Board on senior executive succession planning. Ms. Alpert Romm also oversaw the continuing integration of significant acquisitions in our international division, completing the harmonization of compensation and benefits across the organization.

2015 Compensation Decisions

The following chart summarizes the compensation decisions for 2015 with respect to each NEO s base salary, annual cash bonus and long-term incentive awards. Detailed discussion of the decisions made with respect to each element is contained in the discussions immediately below the chart.

Element of Compensation	2015 Compensation Decisions
Base Salary	Maintained base salary for Mr. Zaslav, consistent with the provision of his employment agreement, which keeps his base salary for its six-year term.
	Maintained base salary for Messrs. Warren and Campbell, in recognition of salary increases implemented in mid-2014 in conjunction with entering into new employment agreements with each.
	Increased base salary for Mr. Perrette and Ms. Alpert Romm, in the Annual Base Salary Review described above.
Annual Cash Bonus	Paid annual bonuses to each of the NEOs, under a program intended to exempt the bonus from the deduction limits of Section 162(m), in the Annual Bonus Review. The bonus payouts reflected strong Company performance in 2015, as well as the assessment of each NEO s individual performance.
Long-Term Incentive Awards	Made equity awards to Mr. Zaslav, in amounts as agreed in his employment agreement.
	Awarded stock options and PRSUs to Messrs. Warren, Perrette, and Campbell, and Ms. Alpert Romm, in the Annual LTI Review described above.

Base Salary

Mr. Zaslav: Under the terms of Mr. Zaslav s agreement, Mr. Zaslav s base salary was set at $3 million for 2014 and remains flat for the remainder of the six-year term of the agreement. The employment agreement is further described in Executive Compensation Executive Compensation Arrangements, below.

Mr. Warren: The Committee did not increase Mr. Warren s base salary in the 2015 Annual Base Salary Review, in recognition of the base salary increase implemented as part of entering into a new employment agreement with Mr. Warren in September 2014. For more information about Mr. Warren s employment agreement, please see Executive Compensation Executive Compensation Arrangements, below.

Mr. Campbell: The Committee did not increase Mr. Campbell s base salary in the 2015 Annual Base Salary Review, in recognition of the base salary increase implemented as part of entering into a new employment agreement with Mr. Campbell in August 2014. For more information about Mr. Campbell s employment agreements, please see Executive Compensation Executive Compensation Arrangements, below.

Mr. Perrette: The Committee increased Mr. Perrette s base salary from $1,000,000 to $1,065,000, in March 2015 as part of the Annual Base Salary Review. The Committee considered the CEO s recommendation, market data, and Mr. Perrette s strong performance, as well as its desire to compensate Mr. Perrette, in part, for the loss of eligibility to participate in our U.S. nonqualified deferred compensation plan that resulted from his international assignment.

Ms. Alpert Romm: The Committee increased Ms. Alpert Romm s base salary from $750,000 to $776,250 in March 2015 as part of the Annual Base Salary Review. The Committee considered the CEO s recommendation, market data, and Ms. Alpert Romm s strong performance in determining the amount of the increase.

Annual Cash Bonus Awards

We made annual cash bonus awards to each of the NEOs with respect to 2015 in the Annual Bonus Review in February 2016. The annual bonus target amount for each NEO other than Mr. Zaslav is set as a percentage of base salary. This percentage generally is set in the negotiation of each executive s employment agreement and is determined by the Committee based on external market data, internal equity, and, if the executive is leaving other employment to join our Company, an assessment of what level of compensation is needed to encourage the individual to accept our offer of employment.

Messrs. Perrette and Campbell and Ms. Alpert Romm participate in the ICP, our annual bonus plan that applies broadly to employees around the world. As discussed below, the determination of the actual cash bonus under the ICP is based on achievement of annual financial targets and individual performance, as applied to the target value.

The bonus structure for Messrs. Zaslav and Warren was designed by the Committee to meet specific objectives and is unique to them. As discussed below, the annual bonus for the CEO and CFO is based 50% on achievement of financial targets and 50% on qualitative goals. Unlike the ICP design, which is calculated first based on performance against financial measures and then finalized based on assessment of individual performance, the bonus for Messrs. Zaslav and Warren is based 50% on qualitative goals determined without reference to the Company s performance against financial targets. Given the CEO s and CFO s roles in setting the annual financial targets used for the ICP, the Committee concluded that it would be appropriate to have a substantial part of their bonus based on separate qualitative measures. This design allows the Committee to incentivize and reward appropriate setting of financial targets by executives in these key roles; the Committee adopted this design as a result of its ongoing risk assessment of our executive compensation programs.

The annual bonus target may be changed in the course of an executive s employment or in the negotiation of a new or extended employment agreement. The following chart summarizes the 2015 bonus target amount and actual payout for each NEO:

NEO	2015 Target Amount	2015 Metrics	2015 Bonus Award
David M. Zaslav, CEO	$7.2 million	50% qualitative goals	$6,906,878, based on achievement of 99.9% of the quantitative goals and 92% of the qualitative goals. The aggregate payout amount was 96% of target after application of the Committee s downward discretion.
	(equivalent of 240% of base salary)	50% quantitative goals	
Andrew Warren, CFO	$1,410,000	50% qualitative goals	$1,257,720, based on achievement of 99.9% of quantitative goals and 78.5% of the qualitative goals. The aggregate payout amount was 89.2% of target after application of the Committee s downward discretion.
	(equivalent of 120% of base salary)	50% quantitative goals	

Table of Contents

NEO	2015 Target Amount	2015 Metrics	2015 Bonus Award
Bruce L. Campbell, Chief Development, Distribution & Legal Officer	$1,950,000 130% of base salary	100% ICP calculation 75% of ICP assigned to achievement of Company-wide financial metrics and 25% to achievement of the digital media division (over which Mr. Campbell had responsibility for the majority of 2015) Individual performance factored into ICP calculation with individual multiplier and allocation of performance pool	$2,767,765, based on calculation of the ICP payout. ICP calculation based on Company and digital media division performance, individual multiplier, and allocation of the performance pool. The aggregate payout amount was 142% of target, reflecting Mr. Campbell s strong individual performance and contributions in 2015.
Jean-Briac Perrette, President, Discovery Networks International	$1,171,500 110% of base salary	100% ICP calculation 80% of ICP assigned to achievement of international division financial metrics and 20% to Company-wide financial metrics Individual performance factored into ICP calculation with individual multiplier and allocation of performance pool	$2,012,522, based on calculation of the ICP payout. ICP calculation based on Company and international division performance, individual multiplier, and allocation of the performance pool. The aggregate payout amount was 172% of target, reflecting the outstanding performance of Mr. Perrette and the international division in 2015.
Adria Alpert Romm, Chief Human Resources and Global Diversity Officer	$621,000 80% of base salary	100% ICP calculation 100% of ICP assigned to achievement of Company-wide financial metrics Individual performance factored into ICP calculation with individual multiplier and	$830,633, based on calculation of the ICP payout. ICP calculation based on Company performance and an individual multiplier at target. The aggregate payout amount was 134% of target, reflecting Ms. Alpert Romm s strong individual performance in 2015.

allocation of performance
pool

Annual bonus compensation for the NEOs is paid under the Discovery Communications, Inc. 2013 Incentive Plan (the 2013 Stock Plan) and is intended to qualify as performance-based compensation under

Table of Contents

Section 162(m). At the beginning of 2015, the Committee set a Company performance criterion and a maximum annual bonus amount for each NEO and certain other senior executives as the initial step in structuring the bonus awards as performance-based under Section 162(m). If the performance criterion for the year is met, the actual bonus award for each NEO is subject to the Committee s negative discretion (downward discretion). Mr. Zaslav s annual bonus opportunity was capped at a maximum of 300% of base salary, and each of the remaining NEOs annual bonus opportunity was capped at a maximum of 250% of base salary (using base salary determined as of the first day of the year).

The Committee exercises its downward discretion based on each executive s individual performance and Company performance, calculated against target bonus amounts for each executive that are expressed as a percentage of salary. With respect to Messrs. Zaslav and Warren, the Committee considered each executive s achievement of quantitative and qualitative goals set by the Committee. For Messrs. Perrette and Campbell and Ms. Alpert Romm, the Committee considered the achievement of the applicable financial metrics of the ICP.

For 2015, the Committee set the performance threshold at $1,233 million of Adjusted OIBDA for purposes of determining eligibility to receive payouts of the annual cash bonus opportunity for all NEOs.

In the Annual Bonus Review, the Committee determined that this performance threshold was met for 2015 and exercised its downward discretion to determine each NEO s specific bonus payment amount as discussed below.

Annual Cash Bonus Awards for Messrs. Zaslav and Warren

The annual cash bonus for Messrs. Zaslav and Warren is based on achievement of Company financial and individual qualitative goals. The Committee approved goals for each of them in March 2015, with goals based 50% on quantitative financial achievement and 50% on qualitative goals related to individual accomplishments.

The quantitative goals for both were the same and were based on:

- Net Revenue;
- Adjusted Free Cash Flow (as defined in the next table); and
- Further Adjusted OIBDA (as defined in the next table).

The Committee determined that including all three measures was appropriate for the roles of CEO and CFO given the scope of their responsibilities and direct impact on resource allocation decisions.

The Committee annually reviews potential adjustments to performance against these measures. The principle applied in deriving the adjustments is to ensure that the calculation reflects the impact of operational decisions taken by management, excludes the impact of events over which management has little or no influence, and excludes the impact of items that were not considered at the time the targets were set. Adjustments for currency fluctuations are made to ensure that the results are currency-neutral. The Committee groups adjustments into three categories:

- unplanned acquisitions (and related expenses);
- unplanned programming or new business investments; and
- corporate transactions and legal expenses (including corporate debt transactions, accounting or legal changes that resulted in unforeseen changes, and significant legal and consulting fees for unbudgeted matters).

Table of Contents

The table below provides the definition of each of the three financial metrics and describes at a high level the 2015 adjustments:

Financial Metric	Definition	2015 Adjustments
Net Revenue	Revenue from ordinary business operations.	Adjustments in the following two areas: acquisitions (and related expenses), based on international and domestic acquisitions and divestitures in 2015, and unplanned new programming or new business investments (including adjustments for unplanned investment and localization expenses for our Eurosport business).
Adjusted Free Cash Flow	Cash provided by operations less acquisitions of property and equipment, adjusted for long-term incentive payments.	Adjustments on the same bases described above, as well as adjustments for cash flows associated with the acquisition of certain Olympics rights and legal fees incurred in several litigation and compliance matters.
Further Adjusted OIBDA	Revenues less costs of revenues and selling, general and administrative expenses excluding: (i) mark-to-market share-based compensation, (ii) depreciation and amortization, (iii) amortization of deferred launch incentives, (iv) exit and restructuring charges, (v) impairment charges and (vi) gains (losses) on business and asset dispositions.	Adjustments on the same bases described above for Adjusted Free Cash Flow.

The quantitative goals were weighted to reflect equal emphasis on the three measures. The Committee approved the targets in early 2015. For 2015, the quantitative targets, weighting and results were:

	Weighting	Threshold	Target	Actual Achievement
Net Revenue ($ in millions)	33.3%	$ 5,277	$ 6,596	$ 6,590
Adjusted Free Cash Flow ($ in millions)	33.3%	$ 990	$ 1,237	$ 1,282
Further Adjusted OIBDA ($ in millions)	33.3%	$ 1,973	$ 2,466	$ 2,488

The Committee set the individual qualitative goals for Messrs. Zaslav and Warren related to areas of strategic priority for the Company. The Committee sets new goals each year based on the changing priorities of the Company, and there is significant variation from year to year in annual goals and weighting. For 2015, Mr. Zaslav s goals, with weighting, were:

- outperform peers in growth across domestic and international networks through brand defining content investment with worldwide application (20%);

- continue to drive revenue through strong affiliate sales on cable, free-to-air, and digital platforms to outperform peers in domestic and international markets (20%);

- further drive international expansion (20%);

- develop strong management succession plans for key operational roles, and continue to attract, retain, differentiate and reward exceptional talent (20%); and

Table of Contents

develop and refine present and emerging technologies for content distribution (20%).

The weighting was based on the Committee s determination of the relative priority of each of these goals and reflects areas of focus for the year. The Committee historically has set Mr. Zaslav s goals with a significant degree of stretch and has evaluated his achievement against the goals by requiring a significant degree of over-performance to meet the goal.

Mr. Warren s goals, with weighting, were to:

enhance capital structure (50%);

improve operational effectiveness (30%); and

drive effective deal integrations (20%).

The weighting was based on the Committee s determination of the relative priority of each of these goals, and was consistent with the CEO s recommendation. As with Mr. Zaslav s goals, the Committee evaluated achievement by requiring a significant degree of over-performance to meet the goal.

In early 2016, the Committee reviewed the achievement of the goals, considering each executive s assessment and, with respect to Mr. Zaslav, the input of the Board. The Committee determined that the Company achieved 99.9% of the Net Revenue metric, 103.6% of the Adjusted Free Cash Flow metric, and 100.9% of the Further Adjusted OIBDA metric. The metrics were designed to provide 100% performance only upon 100% performance for each of the three goals. The threshold for a payout was achievement of more than 80% of the metric (performance at 80% or less would result in no pay out based on the scale), and for prorated payout for performance between 80% and 100% of the metrics. Based on the performance against the three metrics, the overall calculation of the payout amount was 99.9% of the target amount.

With respect to the qualitative goals, the Committee, in consultation with the Board, determined that Mr. Zaslav had achieved his qualitative goals at the 92% level, and determined that Mr. Warren had achieved his qualitative goals at the 78.5% level. This level of achievement reflected the stretch quality of the goals and the Committee s desire to incentivize outstanding performance with goals that require significant over-achievement.

Based on these assessments, the Committee certified achievement of the performance criteria and exercised its downward discretion from the maximum bonus to determine that bonus payments of $6,906,878 to Mr. Zaslav (96% of the overall target amount, based on achievement of 99.9% of the quantitative and 92% of the qualitative goals), and $1,257,720 to Mr. Warren (89.2% of the overall target amount, based on achievement of 99.9% of the quantitative and 78.5% of the qualitative goals) were appropriate.

Annual Cash Bonus Payments for Messrs. Perrette and Campbell and Ms. Alpert Romm

The 2015 annual cash bonus for Messrs. Perrette and Campbell and Ms. Alpert Romm was based on the terms of the ICP. The ICP specifies various financial metrics depending on an employee s role and business alignment. The financial metrics that applied to Mr. Perrette s bonus were based 80% on the results of the Discovery Networks International line of business and 20% on overall Company results. The financial metrics for Mr. Campbell s bonus were based 75% on the Company s overall results and 25% on the results of the Digital Media line of business. The financial metrics that applied to Ms. Alpert Romm s bonus were based 100% on the results of overall Company results. The Committee did not adjust Mr. Campbell s metrics when his responsibilities were changed to include the Company s Distribution division and remove Digital Media in October 2015; the Committee determined to update the line of business assignment for the 2016 bonus year.

The aggregate amount payable to an individual under the ICP is calculated by:

first, determining the target bonus of each employee (the pre-established percentage of the employee s base salary);

second, establishing the amount payable due to the achievement of Discovery as a whole and any applicable line of business performance measures, as applied to the target bonus amount;

third, multiplying that amount by an individual multiplier (ranging from 0 to 1.5) that reflects individual performance; and

fourth, adding to the total payout amount a specific dollar amount that is an allocation of the performance pool. The performance pool is a total amount of money that is available to allocate to high performers if the applicable financial metrics are achieved at a level higher than 100% of target.

The calculation of the amount of the ICP award for each of the participating NEOs was as follows:

(Base salary) X (Target bonus percentage) X (percentage based on achievement of applicable financial metrics) X (individual performance multiplier) + (allocation of any available performance pool funds based on individual performance)

2015 ICP, Paid in March 2016

In the first quarter of 2015, the Committee established threshold (20% payout), target (100% payout) and maximum (125% payout) amounts for each of the ICP financial metrics, a ceiling beyond which higher payments would only be made relating to such metric at the Company s discretion and a scale that determined the amount payable for achievement of results in between the minimum and the over-achievement amounts.

The 2015 ICP performance targets for the Company as a whole are set forth in the following table:

Discovery Communications	Weighting	Threshold	Target	Maximum	Actual Achievement
Net Revenue ($ in millions)	40%	$ 5,936	$ 6,596	$ 7,256	$ 6,590
Adjusted Free Cash Flow ($ in millions)	60%	$ 822	$ 1,237	$ 1,653	$ 1,282

The 2015 ICP performance targets for Discovery Networks International (the metric used for 80% of Mr. Perrette s 2015 bonus) are set forth in the following table:

Discovery Networks International	Weighting	Threshold	Target	Maximum	Actual Achievement
Net Revenue ($ in millions)	40%	$ 2,990	$ 3,323	$ 3,655	$ 3,321
Further Adjusted OIBDA ($ in millions)	60%	$ 744	$ 1,043	$ 1,342	$ 1,046

The 2015 ICP performance targets for Digital Media (the metric used for 25% of Mr. Campbell s 2015 bonus) are set forth in the following table:

Digital Media	Weighting	Threshold	Target	Maximum	Actual Achievement
Net Revenue ($ in millions)	40%	$ 97	$ 122	$ 146	$ 115
Further Adjusted OIBDA ($ in millions)	60%	$ -17	$ 2.9	$ 22	$ 5.7

The Net Revenue and Adjusted Free Cash Flow measures for the Company-wide metrics are the same measures used with respect to the annual cash bonus for Messrs. Zaslav and Warren, and were subject to the same adjustments discussed above. The Committee also adjusted the performance against the metrics specifically with respect to Digital Media, within the same categories used for the adjustments to the annual cash bonus for Messrs. Zaslav and Warren, and specifically addressing the divestiture of a radio business in Europe, a royalty payment that should have been captured in 2014, and movement of a part of the U.S. Digital Media organization into our U.S. networks division, with accompanying movement of cost and revenue.

Table of Contents

The determination as to whether the 2015 financial performance measures were met was made in the Annual Bonus Review during the first quarter of 2016, following review of the full-year 2015 financial statements. Based on the Adjusted Free Cash Flow performance, a performance pool was available for allocation for the NEOs covered by the ICP. In the cases of Messrs. Perrette and Campbell and Ms. Alpert Romm, Mr. Zaslav recommended an individual performance multiplier to be applied to the ICP calculation and allocation of the performance pool. The Committee reviewed this recommendation, each of the NEOs self-assessment of individual performance for 2015, and Mr. Zaslav s review of each executive s 2015 performance. The Committee certified achievement of the Section 162(m) performance criterion and exercised its downward discretion from the maximum bonus to determine a bonus payment of $2,767,765 for Mr. Campbell (142% of the target amount), $2,012,522 for Mr. Perrette (172% of the target amount and $830,633 for Ms. Alpert Romm (134% of target amount).

Please refer to the Estimated Future Payouts Under Non-Equity Incentive Plan Awards column of the Grants of Plan Based Awards Table for more information regarding the range of 2015 payouts available to these NEOs and the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table for the actual amounts paid to them with respect to their 2015 awards.

Long-Term Incentive Compensation

We believe that delivering a substantial portion of an executive s total direct compensation in equity or equity-type awards helps to align our executives interests with those of our stockholders. In 2015, we made long-term equity or equity-type awards to each of the NEOs, which we believe serve to focus their attention on increasing the Company s value over time.

Annual LTI Review. The Committee considers annual LTI awards for executive-level employees early each year in the Annual LTI Review. Each of the NEOs other than Mr. Zaslav is eligible for consideration in this annual review. (Mr. Zaslav s LTI awards for each year are specified in his employment agreement, although the Committee determines financial metrics for each performance-based award at the time the award is made.) As an initial matter, the Committee reviews market data for similar roles in the peer group and determines a target amount for the LTI awards that is expressed as a dollar value. With respect to each NEO other than the CEO, the CEO then reviews the target value approved by the Committee and recommends a dollar value for the award based on each NEO s individual performance. The Committee approves the overall award value, which is then converted into a number of units, as further described below.

For 2015, as in prior years, the awards to the NEOs other than Mr. Zaslav in the Annual LTI Review were in the form of stock options and PRSUs (50% of the target value in stock options with respect to the Company s Series A common stock, 50% in PRSUs with respect to the Company s Series A common stock (as described under Stock Plan, below)). The approved value is converted into a number of stock options based on the Black-Scholes value of the stock option and PRSUs using the closing price of Discovery Series A common stock on the Nasdaq Global Select Market. In 2015, the Committee continued the practice of using the Black-Scholes valuation of the stock options as of the last trading day of the month prior to the date of grant and the closing price of the PRSUs as of the trading day before the date of grant with respect to these calculations. This administrative practice allows more efficient processing of equity grants and, with respect to stock options, the ability of the Committee to review the actual number of units at the time the grant is made.

Timing of Awards. The Committee s intent is to make equity awards annually in late February or early March of each year, with new hire, promotion, and contract grants made throughout the year in the Committee s regular meetings, generally on or about the 15th of each month. In 2015, this resulted in the practice of holding regularly-scheduled Committee meetings on or about the 15th day of each month and making awards at each meeting, with the exercise price based on the closing price per share of the Company s Series A common stock on the Nasdaq Global Select Market on the date the awards were granted. On occasion for administrative convenience, we may make a grant with a future effective date, with the grant price set on the future effective date.

Our practice of setting fixed equity award grant dates is designed to avoid the possibility that the Company could grant stock awards prior to the release of material, non-public information which is likely to result in an increase in its stock price, or to delay the grant of stock awards until after the release of material, non-public information that is likely to result in a decrease in the Company s stock price.

Stock Plan. The Committee makes LTI awards under the 2013 Stock Plan, an equity-based long-term incentive plan that was approved by our shareholders in 2013. The prior plan, the 2005 Stock Plan, was the primary vehicle for long-term incentive compensation for Company employees after we became a public company and until the 2013 Stock Plan was approved. The terms of the 2005 and 2013 Stock Plans are generally consistent and equity awards under the two plans have the same vesting schedules and similar terms.

2015 LTI Awards

The following chart summarizes the equity awards made in 2015 to each NEO. Because the awards for Mr. Zaslav were specified in his employment agreement as a number of units rather than an overall target value, we have included the fair market value as of the date of grant for that award in the column that specifies the 2014 target amount for the other NEOs. In addition, because the number of units was specified in Mr. Zaslav s employment agreement, which predated our 2014 Share Dividend, the PRSU award for Mr. Zaslav was made in Series A and Series C, to preserve the intrinsic value of the award as contemplated by the agreement. Mr. Zaslav s employment agreement is further described in Executive Compensation Executive Compensation Arrangements, below.

NEO	2015 Target Amount or FMV	2015 LTI Awards
David M. Zaslav,	$22 million (fair market value at time of grant)	179,876 Series A PRSUs
CEO		179,876 Series C PRSUs
		925,665 SARs Series A
		925,665 SARs Series C
Andrew Warren,	$2.3 million	148,280 stock options
CFO		37,181 PRSUs
Bruce L. Campbell,	$2.3 million	148,280 stock options
Chief Development, Distribution & Legal Officer		37,181 PRSUs
Jean-Briac Perrette,	$2.7 million	174,068 stock options
President, Discovery Networks International		43,647 PRSUs
Adria Alpert Romm,	$750,000	48,353 stock options
Chief Human Resources		12,125 PRSUs
and Global Diversity Officer		

LTI Awards to NEOs other than the CEO

Stock Options. The stock option awards have a four-year vesting schedule, become exercisable (while the holder remains employed) in equal tranches of 25% on the first four anniversaries of the date of grant, expire on the seventh anniversary of the date of grant, assuming continued employment, and are otherwise consistent with the terms of the applicable plan and award agreement.

PRSUs. The PRSU awards made to the NEOs other than Mr. Zaslav also have a four-year vesting schedule, but vest in two equal tranches, the first 50% on the third anniversary of the date of grant and the remaining 50%

on the fourth anniversary, assuming continued employment, and are otherwise consistent with the terms of the applicable plan and award agreement. Vesting of the PRSU awards is contingent on meeting Company financial performance metrics for Net Revenue, Adjusted OIBDA, and Adjusted Free Cash Flow, for a three-year performance period.

The Committee adopted the long-term incentive design for NEOs after reviewing market trends and best practices and concluding that the awards would:

- provide appropriate incentives;
- link the interests of our senior executives to our stockholders, focusing our senior executives on longer-term Company financial goals;
- serve as a retention tool; and
- allow for tax deductibility of the equity awards as performance-based.

The PRSU awards are intended to qualify as performance-based compensation under Section 162(m) and follow a similar structure to that of the annual bonus design. At the beginning of each year, the Committee sets a Company performance criterion and a maximum number of PRSUs for each NEO and certain other senior executives as the initial step in structuring the awards as performance-based under Section 162(m). If the performance criterion for the three-year performance period is met, the actual number of PRSUs distributed to each NEO is subject to the Committee s downward discretion. The maximum amount of the PRSU award is the target amount. There is no upside for over-performance, which the Committee determined was appropriate to discourage excessive risk-taking by our senior executives.

Once the Committee determines the performance criterion is met, the Committee exercises its downward discretion based on Company performance against the Net Revenue, Adjusted OIBDA, and Adjusted Free Cash Flow targets. As part of the Committee s downward discretion, the awards also provided that the Committee may determine, for awards to NEOs other than Mr. Zaslav, and based on the Company s performance relative to peers, to (i) reduce the number of vesting shares by up to 25% or (ii) increase the number of vesting shares by up to 25% (but not beyond 100% of the target amount for each PRSU award).

The performance metrics to be used by the Committee in its exercise of downward discretion are based on Net Revenue, Adjusted OIBDA, and Adjusted Free Cash Flow. Over-performance on the Adjusted OIBDA or Adjusted Free Cash Flow measures may offset under-performance by any of the other two metrics, but over-performance on the Net Revenue metric cannot offset under-performance on the other two metrics. The metrics and weighting for the awards of PRSUs made in 2015 are as follows:

		Performance Against Target ($ in millions)							
	Weight	**120%**	**110%**	**100%**	**95%**	**90%**	**85%**	**81%**	**80%**
Revenue	20%	22,540	20,661	18,783	17,844	16,905	15,966	15,120	15,026
Adjusted OIBDA	40%	8,260	7,571	6,883	6,539	6,195	5,851	5,541	5,506
Adjusted Free Cash Flow	40%	4,487	4,113	3,739	3,552	3,365	3,178	3,010	2,991
Maximum Vesting		100%	100%	100%	95%	90%	75%	50%	0%

Zaslav PRSUs and Special SARs.

The Committee made special awards of PRSUs and stock appreciation rights (Special SARs) to Mr. Zaslav as provided by his employment agreement. The agreement provided for the following awards in 2015, each of which was made early in the year:

an award of 179,876 PRSUs in Series A common stock and 179,876 in Series C common stock, which vest after two years, assuming achievement of two-year performance metrics; and a grant of 925,665 Special SARs in Series A common stock and 925,665 in Series C common stock.

The awards were made in Series A and Series C common stock because the awards were specified as a number of units in Mr. Zaslav s employment agreement and the Committee adjusted the awards and units to preserve the intrinsic value of the awards contemplated by the employment agreement following the 2014 Share Dividend.

One-half of the PRSUs will be distributed in the year after the end of the performance period, and the remaining one-half will be distributed in two equal parts in the second and third years after the end of the performance period, unless Mr. Zaslav has validly elected to further defer distribution of the shares.

The Special SARs mature and pay out in four equal tranches, 25% each year, as of the first four anniversaries of the date of grant. The Special SARs are 25% stock-settled and 75% cash-settled. The amount of the payout for the Special SARs, if any, is based on the appreciation in our stock price from the grant date to the applicable anniversary. Both the base price and the exercise price are calculated based on a 20-day average closing price, for the ten trading days preceding and including the date for which valuation is occurring and the ten trading days following the date for which valuation is occurring. These Special SARs are designed to auto-exercise; Mr. Zaslav does not choose the timing of exercise and each tranche exercises automatically on the relevant anniversary grant date. All of the units are exercised by the fourth anniversary of the date of grant.

The design of Mr. Zaslav s compensation in the new employment agreement emphasizes shareholder alignment through requiring substantial stock holdings. Under the employment agreement, Mr. Zaslav is required to hold at least 60% of the net shares delivered to him under the PRSU awards and the stock-settled portion of the Special SAR award until the end of the term of the agreement. In addition, Mr. Zaslav is required to purchase shares in the Company with 35% of the net cash proceeds of the cash-settled Special SAR award, and similarly to hold the shares purchased until the end of the term of the agreement.

The Committee determined that these awards were appropriate as part of the overall agreement to secure Mr. Zaslav s services in a long-term agreement, to structure an agreement under which the vast majority of compensation is performance-based compensation, primarily in the form of LTI awards, tie his compensation to increases in shareholder value, and require Mr. Zaslav to hold the majority of the equity distributed to him to the end of the term of the agreement.

Payouts under PRSU Awards for Measurement Period 2013-2015

In February 2016, the Committee reviewed achievement of the performance thresholds for the measurement period that ran from January 1, 2013 through December 31, 2015, with respect to the awards made in 2013 to Messrs. Warren, Perrette and Campbell, and Ms. Alpert Romm. For the 2013 PRSU awards, the performance threshold was set at $4.184 billion in Adjusted OIBDA over the three-year performance period. The Committee determined that the Company had met or exceeded the performance threshold for these awards.

As an initial matter, as discussed above, the Committee reviewed the Company s performance relative to the peer group during the three-year performance and determined that the Company s performance had been strong relative to its peers. Accordingly, the Committee decided not to exercise discretion to reduce the number of shares payable upon settlement of these awards.

The Committee then reviewed the Company s performance against the three financial metrics and concluded that the Company had met or exceeded the Net Revenue, Adjusted OIBDA, and Adjusted Free Cash Flow during the performance period when measured on a currency-neutral basis. The three-year performance metrics are set based on foreign exchange rates prevailing at the time the metrics are established. In 2016, the Committee determined to measure the results using the same constant foreign exchange rates, so that the comparison would not be influenced by fluctuations in the foreign exchange environment. The Committee

Table of Contents

concluded that it was appropriate to measure performance without the effect of currency fluctuation as management has little or no control over the impact of foreign exchange. The adjustment increased the performance calculation by less than 1%.

For each of the PRSU awards, 50% of the shares vested and were distributed, and 50% will be distributed in 2017 based on each executive s continued employment and the other terms and conditions of the award. The performance against each of the three metrics was as follows:

	Target		Performance					Payout Schedule
	Target Weighting	Cumulative PRSU Target	2013	2014	2015	Cumulative	Perfor-mance against Target	
Revenue *($ in millions)*	20%	17,876	5,601	6,440	7,113	19,154	107.1%	100%
Adjusted OIBDA *($ in millions)*	40%	7,428	2,456	2,600	2,757	7,813	105.2%	100%
Adjusted Free Cash Flow *($ in millions)*	40%	3,779	1,253	1,355	1,447	4,055	107.3%	100%

Retirement Benefits

The NEOs generally participate in the same benefit plans and on the same terms as are offered to other U.S.-based full-time employees. We offer a 401(k) defined contribution plan as well as a non-qualified Supplemental Deferred Compensation Plan (the SRP) that is available to U.S.-based senior employees, including all of the NEOs other than Mr. Perrette. The eligible NEOs participate in these plans on the same terms and conditions as other eligible employees.

To encourage participation in the 401(k) plan, the Company makes a matching contribution of (i) 100% of the employee s first 3% of salary contributions to the defined contribution plans and (ii) 50% of the employee s next 3% of salary contributions, up to a maximum amount of 4.5% of eligible base salary in the form of Company matching contributions, subject to certain limits under applicable tax regulations. We also make a supplemental contribution into the SRP for those employees whose base salary exceeds the IRS compensation limit under the 401(k) regulations. This Company contribution uses the same formula applied for the 401(k) match (4.5%) and that is applied to the base salary in excess of the IRS limit (for 2015, this was $265,000), up to a maximum of $1 million in base salary. In addition to base salary deferrals, participants in the SRP are also permitted to defer portions of ICP awards into their SRP accounts. These amounts are not included in the calculation of the supplemental Company contribution into the SRP. The 401(k) and SRP accounts offer the same investment options, with the amounts actually invested for the 401(k) plan and with earnings measured hypothetically for the SRP.

We believe the SRP is necessary to allow employees who would otherwise be limited by IRS restrictions on the amount of compensation that may be considered in participation in the Company s 401(k) plan to:

- save a proportionate amount for retirement;
- provide the same Company contribution amount to these employees that they would have received absent the Internal Revenue Code compensation limits in the 401(k) plan; and
- support the goals of providing competitive compensation packages to our employees.

U.S.-based employees on international assignment, including Mr. Perrette, are not eligible to make new elections to participate in the SRP, or to receive Company contributions, after the commencement of the international assignment.

For more information about the SRP, please refer to the Non-Qualified Deferred Compensation Table below.

Table of Contents

Health, Welfare and Other Personal Benefits

The NEOs are eligible to participate in the health, welfare and fringe benefits generally made available by the Company to its U.S.-based regular full-time employees, such as basic and supplemental life insurance, short and long-term disability, commuter reimbursement, fitness reimbursement and access to legal resources. Mr. Perrette remains eligible to participate in the U.S. plans during his international assignment, other than SRP (as discussed above). The medical plan options for Mr. Perrette are based on his physical location in the United Kingdom. Employees at the level of vice president and above, including the NEOs, are also eligible to participate in executive-level long-term disability and long-term care plans.

In addition, we provide the following perquisites and other personal benefits to our NEOs:

Relocation Expenses and International Assignment Benefits; Related Gross-Up. Consistent with our objective to attract and retain a high-performing executive management team for senior roles in our global business, we place top-notch executives on international assignments to fill key roles in the places where we do business. We provide relocation and international assignment benefits consistent with our international long-term assignment policies, including reimbursing relocation costs, offering education and other allowances, providing tax equalization benefits, which are intended to maintain the executive s out of pocket tax liabilities at the same level they would have been had the executive not been assigned to foreign jurisdiction and, for some benefits, paying the executive an amount equal to the tax resulting from the reimbursement or allowance (a gross-up). Mr. Perrette agreed to become the President of Discovery Networks International in early 2014 and relocated to our London office in May 2014. He is employed pursuant to a U.S. fixed term employment agreement and paid via U.S. payroll, with certain assignment and other benefits and allowances provided locally. We provided Mr. Perrette s assignment-related benefits and allowances in accordance with and subject to the limitations of our international long-term assignment policy. The relocation and assignment expenses, and related gross-ups, incurred with respect to 2015 are reflected in the Summary Compensation Table.

Aircraft Usage; Related Gross-Up. We lease a dedicated corporate aircraft and also have an agreement with NetJets Inc. pursuant to which we lease the right to a specified amount of travel each calendar year on NetJets aircraft. We allow Mr. Zaslav to use a portion of our allotted travel time on our corporate aircraft, or NetJets aircraft, for personal use.

Mr. Zaslav is permitted to use up to 200 hours of flight time for personal use. The first 100 hours are provided to him by the Company; with respect to the second 100 hours, Mr. Zaslav is required to reimburse the Company at a rate of two times fuel cost, under a time sharing agreement entered into simultaneously with Mr. Zaslav s employment agreement. For details regarding Mr. Zaslav s employment agreement, please see Executive Compensation Arrangements Zaslav Employment Agreement.

Family members may accompany Mr. Zaslav on authorized business flights on corporate aircraft or NetJets flights at no aggregate incremental cost to the Company. For 2015, we provided a gross-up to Mr. Zaslav to cover taxes for imputed income arising when a family member accompanied him on business travel at the request of the Company (e.g., when Mr. Zaslav s spouse accompanied him to a business event in which attendance by a spouse is customary and serves our business interests).

Mobile Access. We reimburse Mr. Zaslav for limited home office expenses, including Internet access.

Car Allowance. We provide Mr. Zaslav with a monthly car allowance as provided in his employment agreement.

For more information regarding the perquisites provided in 2015 to each NEO, please refer to the All Other Compensation column of the Summary Compensation Table.

Table of Contents

Executive Stock Ownership Policy

In 2012, the Committee adopted an executive stock ownership policy that applies to the NEOs and certain other senior executives. The policy requires each covered executive to hold a specified amount of our stock, calculated as a multiple of the executive s base salary, as described in the table below. In 2015, the Committee increased the stock ownership requirement for Mr. Zaslav from five times base salary to six times base salary.

Position	Requirement (multiple of base salary)	Timeframe to reach (from later of effective date or becoming covered by policy)
CEO and Chairman	6X	5 years
Covered executive with LTI target grant value > 1X of base salary	2X	5 years
Covered executive with LTI target grant value <1X of base salary	1X	6 years

The Committee determined that any shares of our stock beneficially owned by the covered executive, as well as unvested awards of PRSUs and RSUs, but not shares underlying unvested stock options, would be counted for purposes of meeting the stock holding target. Once an executive meets the target, the executive is expected to maintain holdings at the target for as long as he or she remains in a role that is identified as a covered executive under the policy.

The Committee may consider failure to meet the requirements of the policy in making compensation decisions for a covered executive and may take any other action appropriate to support the intent of the policy, including requiring an executive to retain a percentage of shares pursuant to stock option exercises or vesting events in future years.

In mid-2015, the Committee reviewed the NEOs progress toward meeting the executive stock ownership policy as adopted in 2012. Each of the NEOs had already met the stock holding requirement.

Clawback Policy

All employees are subject to a clawback policy, adopted by the Committee in 2010. Under this policy, in addition to any other remedies available to the Company (but subject to applicable law), if the Board, or the Committee, determines that any employee has engaged in fraud or misconduct that resulted in a financial restatement, the Company may recover, in whole or in part, any bonus or other incentive-based or equity-based compensation, received by the employee from the Company in the 12 months after the filing of the financial statement that was found to be non-compliant. The Committee determined that it was appropriate to adopt the policy to provide a further deterrent to fraudulent activity.

Hedging

Hedging of Company stock is permitted with the prior approval of our General Counsel. However, our Insider Trading policy prohibits short sales and transactions in puts, calls, or other derivative securities on an exchange or in any other organized market. In 2015, none of our NEOs had engaged in any hedging transactions.

CFO Transition

On February 22, 2016, Mr. Warren notified us that he was resigning from employment and agreed to remain with the Company until the end of 2016. We entered into a transition agreement with Mr. Warren, described in Executive Compensation Executive Compensation Arrangements, below. As a result of Mr. Warren s resignation, the Committee did not make an equity award to him in the 2016 Annual LTI Review. The Committee also decided not to establish qualitative goals for the 2016 bonus for Mr. Warren and will use the Company-wide performance metrics under the ICP for Mr. Warren s 2016 bonus.

Table of Contents

EXECUTIVE COMPENSATION

The following tables set forth compensation information for our Chief Executive Officer, our Chief Financial Officer and our three other most highly compensated executive officers (computed in accordance with the SEC s rules) who were serving as executive officers as of December 31, 2015.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	All Other Compensation ($)(5)	Total ($)
David M. Zaslav	2015	3,115,385	11,274,628	10,487,784	6,906,878	592,671[6]	32,377,346
President and Chief Executive Officer	2014	3,000,000	94,555,285	50,504,282	6,082,359	1,935,986	156,077,912
	2013	3,000,000		22,538,835	5,799,000	2,011,963	33,349,798