

**NATIONAL CINEMEDIA, INC.**

**AUDIT COMMITTEE CHARTER**

There will be a committee of the Board of Directors (the “Board”) of National CineMedia, Inc. (the “Corporation”) that will be called the Audit Committee. Under the terms of the Amended and Restated Operating Agreement of National CineMedia, LLC (“NCM LLC”), the Corporation is the manager of NCM LLC. NCM LLC is currently a reporting company with the U.S. Securities and Exchange Commission as it has issued publicly traded debt securities. The Corporation takes action as manager of NCM LLC through its Board and its committees, including the Audit Committee.

**1. Statement of Purpose**

The purpose of the Audit Committee is to provide assistance to the Board in fulfilling the Board’s responsibilities by overseeing the accounting and financial reporting process and the audit of the Corporation’s and NCM LLC’s financial statements. To that end, the Audit Committee will oversee management’s processes and activities relating to the following:

- (a) maintaining the reliability and integrity of the Corporation’s and NCM LLC’s accounting policies, financial reporting practices and financial statements;
- (b) the independent auditor’s qualifications and independence;
- (c) the performance of the Corporation’s and NCM LLC’s internal audit function and independent auditor; and
- (d) confirming compliance with laws and regulations, and the requirements of any stock exchange or quotation system on which the Corporation’s securities may be listed.

**2. Committee Membership**

The Audit Committee will consist of no fewer than three members. The Audit Committee will be composed of directors who satisfy the independence, experience, and financial expertise requirements set forth in the rules of the Nasdaq Stock Market (“Nasdaq”) and Section 10A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), including the rules and regulations promulgated thereunder, provided that the Board may determine that the Corporation will avail itself of the exemptions from such requirements provided under the Nasdaq rules and the Exchange Act.

Each member of the Audit Committee must be able to read and understand fundamental financial statements, including balance sheets, income statements and cash flow statements. In addition, at least one member of the Audit Committee will have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual’s financial sophistication, including a current or past position as a chief executive or financial officer or other senior officer with financial oversight responsibilities. At least one member of the Audit Committee shall be an

“audit committee financial expert” as defined by the U.S. Securities and Exchange Commission (the “Commission”).

The members of the Audit Committee will be appointed annually, and may, from time to time, be removed by the Board. The Board will take into account any recommendations of the Nominating and Governance Committee in making such appointments.

Generally, it is expected that Audit Committee members will not simultaneously serve on more than two other audit committees of public companies in addition to the Audit Committee. If the Board determines that a Committee member’s simultaneous service on more than two other public company audit committees does not impair the member’s service to the Corporation, it will state so in the Corporation’s annual proxy statement. All Audit Committee members shall notify the Chairman of the Board and the Chairman of the Nominating and Governance Committee before accepting membership on another audit committee.

### **3. Meetings; Executive Sessions**

The Audit Committee will meet on a regular basis, but no less frequently than four times per year, and shall hold special meetings as required. Periodically, but no less frequently than once per year, the Audit Committee will meet with management, the internal auditors (or other personnel responsible for the internal audit), and the independent auditor in separate executive sessions.

The Board will designate one member of the Audit Committee to serve as its chair (the “Chair”). Meetings of the Audit Committee may be called by or at the request of the Board, any member of the Audit Committee or the Chief Executive Officer.

### **4. Functions and Responsibilities**

In furtherance of the purposes set forth above, the Audit Committee will perform the functions and responsibilities described in this Charter as appropriate and will have all powers of the Board necessary or desirable to perform such functions and responsibilities as may be delegated to a committee of the Board under Delaware law. Notwithstanding the enumeration of specific functions and responsibilities herein, the Audit Committee believes that its policies and procedures should remain flexible, in order to best respond to changing circumstances and conditions in fulfilling its responsibilities.

(a) The Audit Committee will prepare the report required by the rules of the Commission to be included in the Corporation’s annual proxy statement.

(b) The Audit Committee will have the sole authority to appoint, retain or replace the independent auditor. The Audit Committee will set compensation of the independent auditor and for oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services. The independent auditor will report directly to the Audit Committee.

(c) All auditing services, internal control-related services, and permitted non-audit services (including the fees and terms thereof) to be performed for the Corporation and NCM LLC by the independent auditor must be approved by the Audit Committee in advance.

(d) The Audit Committee will make regular reports to the Board. The Audit Committee will review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Audit Committee will annually review the Audit Committee's own performance.

(e) In addition, the Audit Committee will have the following responsibilities:

(i) Financial Statement and Disclosure Matters

(1) Review and discuss with management and the independent auditor the Corporation's and NCM LLC's annual audited financial statements and the independent auditor's report thereon, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Audit Committee will recommend to the Board whether the audited financial statements should be included in the Corporation's and NCM LLC's Annual Reports on Form 10-K, respectively.

(2) Review and discuss with management and the independent auditor the Corporation's and NCM LLC's annual report on internal control over financial reporting and the independent auditor's report thereon, including disclosures made in "Controls and Procedures," and the annual certifications of the Chief Executive Officer and the Chief Financial Officer made pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(3) Review and discuss with management and the independent auditor the Corporation's and NCM LLC's quarterly financial statements, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to the filing of the Form 10-Q and the results of the independent auditor's review of the quarterly financial statements.

(4) Review and discuss with management and the independent auditor the certifications of the Chief Executive Officer and the Chief Financial Officer made pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002, including the disclosures made in "Controls and Procedures," prior to the filing of its Form 10-Q.

(5) Review and discuss with management and the independent auditor, as applicable, (A) significant issues regarding accounting principles and financial statement presentations, including any significant changes in selection or application of accounting principles, major issues as to the adequacy or effectiveness of the internal controls, and any special audit steps adopted in light of material control deficiencies; (B) analyses prepared by management or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative generally accepted accounting principles ("GAAP") methods on the financial statements; (C) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation and NCM LLC; (D) effects of changes in accounting standards that may materially affect financial

reporting practices; and (E) earnings press releases as well as financial information and earnings guidance (generally or on a case-by-case basis) provided to analysts and rating agencies.

(6) Hold meetings on a quarterly basis to review and discuss quarterly reports from the independent auditor on (A) all critical accounting policies and practices to be used; (B) all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and treatments preferred by the independent auditor; and (C) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

(7) Discuss with management the Corporation's and NCM LLC's major financial risk exposures and the steps management has taken to monitor and control such risk exposures, including risk assessment and risk management policies or guidelines.

(8) Review and discuss with the independent auditor the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board (the "PCAOB"), relating to the conduct of the audit or any review services, including, without limitation, any difficulties encountered in the course of the audit or review work, the auditors' evaluation of the quality of the Corporation's and NCM LLC's financial reporting, and any significant disagreements with management.

(9) Review disclosures made to the Audit Committee by the Corporation's Chief Executive Officer and Chief Financial Officer during their certification process for the Annual Report on Form 10-K and Quarterly Report on Form 10-Q about any significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Corporation's or NCM LLC's internal control over financial reporting.

(ii) Oversight of the Relationship with the Independent Auditor

(1) (A) Obtain and review a formal written statement from the independent auditor at least annually regarding (i) the audit firm's internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by an inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (iii) any steps taken to deal with such issues, and (iv) all relationships between the independent auditor and the Corporation or NCM LLC (consistent with applicable requirements of the PCAOB regarding the independent auditor's communications with the Audit Committee); (B) evaluate the qualifications, performance, and independence of the independent auditor, including a review and evaluation of the lead partner of the independent auditor, considering whether the auditor's internal quality-controls are adequate, considering whether the provision of permitted non-audit services is compatible with maintaining the auditor's independence and actively engaging in a dialogue with the auditors with respect to any disclosed relationship or services that may impact the objectivity and independence of the independent auditor, taking into account the opinions of management and the internal auditors; and (C) present its conclusions and consequent recommendations with respect to the independent auditor to the Board.

(2) Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit, the concurring audit partner responsible for reviewing the audit, and any other partners subject to rotation, as required by law.

(3) Establish policies for the Corporation's and NCM LLC's hiring of employees or former employees of the independent auditor.

(4) Discuss with the independent auditor any accounting or auditing issues with respect to which the Corporation's and NCM LLC's audit team consulted with the independent auditor's national office.

(5) Review with the independent auditor any audit problems or difficulties and management's response.

(6) Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.

(7) Establish appropriate policies as necessary from time to time to facilitate these functions.

(iii) Oversight of the Internal Audit Function

(1) Ensure the Corporation and NCM LLC maintain an internal audit function and at least annually evaluate the performance of the internal audit function.

(2) Review and discuss with the independent auditor, the internal auditor, and management, as appropriate, the internal auditor function's responsibilities, budget, and staffing and any recommendations or suggested changes in the planned scope of the internal audit.

(3) Review with the internal auditor, on a periodic basis as appropriate, the results of specified projects assigned to the internal auditor, and coordinate with management to ensure that any significant findings or control weaknesses are addressed and resolved.

(iv) Compliance Oversight Responsibilities

(1) Review any reports of the independent auditor mandated by Section 10A of the Exchange Act and obtain from the independent auditor any information with respect to illegal acts in accordance with Section 10A.

(2) Establish procedures for the receipt, retention, and treatment of complaints received by the Corporation or NCM LLC regarding accounting, internal accounting controls, or audit matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

(3) Review the Corporation's and NCM LLC's compliance with applicable laws and regulations.

(4) Take actions it considers necessary to enforce the Code of Business Conduct and Ethics adopted by the Board, including the establishment of procedures to consider alleged violations of such codes or any other matters pertaining to the integrity of management. This should include regular reviews of the compliance processes and reporting and disclosure of any violations and any waivers granted by the Board under such codes.

(5) In its discretion, conduct or authorize investigations into matters within its scope and responsibility.

(6) Periodically review the insider trading policy.

(7) Review all “Related Party Transactions,” as such terms is defined under Nasdaq rules and the Statement of Policy with Respect to Related Party Transactions.

(v) Other Responsibilities

The Audit Committee shall review and evaluate management policies and procedures with respect to the use of hedging transactions to manage the exposure to interest rates and any other material usage by the Corporation or NCM LLC of other hedges, options, futures, swaps or other derivative products or securities. The Audit Committee will review proposed hedging and other derivative transactions submitted to it by management and, if requested, consider such matters for recommendation to the Board, or for approval by the Audit Committee if such transaction involves a matter delegated to it by the Board.

## **5. Limitation on Audit Committee’s Role**

The members of the Audit Committee are not employees of the Corporation and while the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to, and the Audit Committee will not, (a) plan or conduct audits, (b) prepare the Corporation’s or NCM LLC’s financial statements, or (c) determine or certify that the Corporation’s or NCM LLC’s financial statements and disclosures are complete and accurate and are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

## **6. Outside Advisors**

In the performance of the functions and responsibilities of the Audit Committee, the Audit Committee may, to the extent it deems necessary or appropriate to carry out its functions and responsibilities, retain independent legal, accounting, or other advisors. The Audit Committee shall set the compensation and oversee the work of any outside counsel or other advisor. The Corporation will provide for appropriate funding, as determined by the Audit Committee, for the payment of compensation (i) to any accounting firm for the purpose of preparing or issuing an audit report or related work or performing other audit, review, or attest services, including the independent auditor, (ii) to any advisors employed by the Audit Committee, and (iii) for ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

**7. Delegation of Duties**

The Audit Committee is authorized to form and delegate responsibility to subcommittees of the Audit Committee as it deems necessary or appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided, however, that any such subcommittees shall meet all applicable independence requirements and that all decisions to grant pre-approvals pursuant to such delegated authority will be presented to the entire Audit Committee at its next scheduled meeting.

**APPROVED** by the Board this 23<sup>rd</sup> day of January, 2019.