

REGAL ENTERTAINMENT GROUP
Form DEF 14A
April 18, 2008

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

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))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

REGAL ENTERTAINMENT GROUP

(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):

- 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 transaction applies:

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

(3) Per unit price or other underlying value of 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):

Edgar Filing: REGAL ENTERTAINMENT GROUP - Form DEF 14A

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o 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:

Notice of Annual Meeting of Stockholders

To Be Held on May 7, 2008

DEAR STOCKHOLDERS:

We cordially invite you to attend the Annual Meeting of Stockholders of Regal Entertainment Group, which will be held on May 7, 2008 at 8:30 a.m. (Eastern Time) at our Pinnacle Stadium 18 at Turkey Creek theatre, located at 11240 Parkside Drive, Knoxville, Tennessee 37922 for the following purposes:

1. To elect three Class III directors to serve for three-year terms on our board of directors;
2. To approve the material terms for payment of the Company's executive incentive compensation;
3. To ratify the Audit Committee's selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending January 1, 2009; and
4. To transact such other business as may properly come before the Annual Meeting of Stockholders or any adjournments or postponements thereof.

These items of business are more fully described in the Proxy Statement accompanying this notice.

Our board of directors has fixed the close of business on Wednesday, March 12, 2008 as the record date for determining the stockholders entitled to notice of and to vote at the Annual Meeting of Stockholders or at any adjournment or postponement thereof. Therefore, stockholders who owned shares of our Class A or Class B common stock at the close of business on that date are entitled to notice of and to vote at the meeting. A list of these stockholders will be available at the time and place of the meeting and, during the ten days prior to the meeting, at the office of the Secretary of Regal Entertainment Group at 7132 Regal Lane, Knoxville, Tennessee 37918.

Only stockholders and persons holding proxies from stockholders may attend the meeting. If your shares are registered in your name, you should bring your proxy card and a proper form of identification such as your driver's license to the meeting. If your shares are held in the name of a broker, trust, bank or other nominee, you will need to bring a proxy or letter from that broker, trust, bank or other nominee that confirms you are the beneficial owner of those shares.

In order that your shares may be represented at the meeting if you are not personally present, you are urged to vote your shares by telephone or Internet, or by completing, signing and dating the enclosed proxy card and returning it promptly in the accompanying postage prepaid (if mailed in the U.S.) return envelope.

**ALL STOCKHOLDERS ARE EXTENDED A CORDIAL INVITATION
TO ATTEND THE ANNUAL MEETING OF STOCKHOLDERS**

By Order of the Board of Directors,

Knoxville, Tennessee
April 18, 2008

Peter B. Brandow
Executive Vice President,
General Counsel and Secretary

**Important Notice Regarding Availability of Proxy Materials for the Annual
Meeting of Stockholders to be Held on May 7, 2008.**

**The Notice of Annual Meeting, Proxy Statement and the Summary Annual Report are available at
*<http://ww3.ics.adp.com/streetlink/RGC>***

TABLE OF CONTENTS

	<u>Page</u>
<u>GENERAL INFORMATION</u>	1
<u>THE PROXY</u>	1
<u>VOTING AT THE ANNUAL MEETING</u>	1
<u>PROPOSAL 1. ELECTION OF CLASS III DIRECTORS</u>	2
<u>Nominees for Director - Class III</u>	3
<u>Continuing Directors - Class I</u>	4
<u>Continuing Directors - Class II</u>	4
<u>CORPORATE GOVERNANCE</u>	5
<u>Corporate Governance Guidelines</u>	5
<u>Code of Business Conduct and Ethics</u>	5
<u>Board and Committee Information</u>	5
<u>Communications with the Board</u>	5
<u>Stockholder Recommendations of Candidates for Director</u>	6
<u>Independence</u>	6
<u>Executive Sessions</u>	7
<u>Attendance at Annual Meetings</u>	7
<u>Committees</u>	7
<u>Audit Committee</u>	8
<u>Compensation Committee</u>	8
<u>Nominating and Corporate Governance Committee</u>	9
<u>Executive Committee</u>	9
<u>Director Compensation During Fiscal 2007</u>	10
<u>BENEFICIAL OWNERSHIP OF VOTING SECURITIES</u>	12
<u>AUDIT COMMITTEE REPORT</u>	14
<u>Independent Registered Public Accounting Firm</u>	14
<u>Audit Committee Pre-Approval Policy</u>	15
<u>EXECUTIVE COMPENSATION</u>	16
<u>Compensation Discussion and Analysis</u>	16
<u>Compensation Committee Report</u>	23
<u>2007 Summary Compensation Table</u>	24
<u>2007 Grants of Plan-Based Awards</u>	26
<u>Outstanding Equity Awards Fiscal 2007 Year End</u>	27
<u>Option Exercises and Stock Vested During Fiscal 2007</u>	28
<u>Potential Payments Upon Termination or Change in Control</u>	28
<u>Compensation Committee Interlocks and Insider Participation</u>	31
<u>Equity Compensation Plan Information</u>	31
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	31
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	32
<u>Related Person Transaction Policy</u>	32
<u>Related Party Transactions</u>	32
<u>Employment Agreements</u>	33
<u>Indemnification Agreements</u>	33
<u>PROPOSAL 2. APPROVAL OF THE MATERIAL TERMS FOR PAYMENT OF THE COMPANY'S EXECUTIVE INCENTIVE COMPENSATION</u>	33
<u>PROPOSAL 3. RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	36
<u>OTHER BUSINESS</u>	36
<u>OTHER INFORMATION</u>	36

Edgar Filing: REGAL ENTERTAINMENT GROUP - Form DEF 14A

<u>Costs of Proxy Statement</u>	36
<u>Important Notice Regarding Delivery of Stockholder Documents</u>	37
<u>STOCKHOLDER PROPOSALS</u>	37
<u>AVAILABILITY OF REPORT ON FORM 10-K</u>	38
<u>APPENDIX A: MATERIAL TERMS FOR PAYMENT OF THE COMPANY'S EXECUTIVE INCENTIVE COMPENSATION</u>	A-1
<u>APPENDIX B: SUMMARY ANNUAL REPORT INFORMATION</u>	B-1

PROXY STATEMENT

GENERAL INFORMATION

This proxy statement is provided in connection with the solicitation of proxies by the board of directors of Regal Entertainment Group, a Delaware corporation (the "Company" or "Regal"), for use at the Annual Meeting of Stockholders of the Company, to be held on May 7, 2008 at 8:30 a.m. (Eastern Time), or any adjournment or postponement thereof, at our Pinnacle Stadium 18 at Turkey Creek theatre, located at 11240 Parkside Drive, Knoxville, Tennessee 37922 (the "Annual Meeting").

Pursuant to new rules promulgated by the Securities and Exchange Commission (the "SEC"), we are providing access to our proxy materials, which include our notice of annual meeting, proxy statement and summary annual report over the Internet at <http://ww3.ics.adp.com/streetlink/RGC>. These proxy materials are available free of charge.

This proxy statement and the accompanying proxy are first being sent or given to stockholders beginning on or about April 18, 2008. The costs of this proxy solicitation will be borne by the Company, which maintains its principal executive offices at 7132 Regal Lane, Knoxville, Tennessee 37918.

THE PROXY

A stockholder giving the electronic proxy by telephone or over the Internet or by the enclosed proxy may revoke it at any time before it is used by giving written notice of revocation to the Secretary of the Company, by delivering to the Secretary of the Company a duly executed proxy bearing a later date or by voting in person at the Annual Meeting. Attendance at the Annual Meeting will not, in and of itself, revoke a proxy. Proxies provided by telephone or over the Internet or in the form enclosed, unless revoked, will be voted at the Annual Meeting as directed by you, or, in the absence of such direction, in favor of Proposals 1, 2 and 3 at the Annual Meeting.

VOTING AT THE ANNUAL MEETING

The only voting securities of the Company are its shares of Class A and Class B common stock (collectively, the "Common Stock"). Only stockholders of record of our Common Stock at the close of business on March 12, 2008, the date selected as the record date by our board of directors, are entitled to vote at the Annual Meeting. The holders of Class A common stock are entitled to one vote per share and the holders of Class B common stock are entitled to ten votes per share on each matter submitted to a vote of stockholders. The shares of Class A and Class B common stock will vote together as a single class on all matters to be considered at the Annual Meeting. At the close of business on March 12, 2008, 129,766,135 shares of Class A common stock and 23,708,639 shares of Class B common stock were outstanding and entitled to vote.

The holders of a majority of the voting power of the Common Stock entitled to vote at the Annual Meeting and who are present, in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting or any adjournment or postponement thereof. Directors are elected by a plurality of the affirmative votes cast by the stockholders present at the Annual Meeting in person or by proxy, and entitled to vote. Cumulative voting is not permitted in the election of directors. The affirmative vote of the holders of a majority of the voting power of the Common Stock present at the Annual Meeting, in person or by proxy, and entitled to vote, is necessary for either approval of the

proposal on the approval of the material terms for payment of our executive incentive compensation and for ratification of the Company's auditors. If ratification of the auditors is not approved, our Audit Committee of the board of directors will review its future selection of auditors.

Abstentions and broker non-votes are not relevant to the election of directors. Abstentions for the proposal on the approval of the material terms for payment of our executive incentive compensation and for the ratification of Company's auditors will have the effect of votes against those proposals. Broker non-votes will have no effect on the vote for the proposal on our executive compensation or for the ratification of auditors. A "broker non-vote" occurs if you do not provide the record holder of your shares (usually a bank, broker, or other nominee) with voting instructions on a matter and the holder is not permitted to vote on the matter without instructions from you under the New York Stock Exchange (the "NYSE") rules.

Unless you indicate otherwise on your proxy card, the persons named as your proxies will vote your shares: FOR all of the nominees for director named in this proxy statement; FOR approval of the material terms for payment of the Company's executive incentive compensation and FOR ratification of KPMG LLP as our independent registered public accounting firm for the fiscal year ending January 1, 2009.

PROPOSAL 1. ELECTION OF CLASS III DIRECTORS

Regal's business and affairs are managed under the direction of our board of directors, which is currently comprised of nine members. The size of our board of directors may be fixed from time to time by our board of directors as provided in our bylaws. Pursuant to our amended and restated certificate of incorporation, our board of directors is divided into three classes, designated as Class I, Class II and Class III, and the members of each class are elected to serve a three-year term, with the terms of office of each class ending in successive years.

On September 5, 2007, Mr. Charles E. Brymer was appointed to the board of directors as a Class I director. Mr. Brymer was recommended for consideration to the Nominating and Corporate Governance Committee by Mr. Thomas D. Bell, Jr., a non-management director and the Chairman of the Nominating and Corporate Governance Committee.

At this Annual Meeting, there are three nominees for election to the board of directors, each of whom, if elected, will serve as a Class III director. The Class III directors, each of whom were recommended for reelection by the Nominating and Corporate Governance Committee, will serve on the board of directors for a three-year term expiring on the date of our Annual Meeting of Stockholders to be held in 2011. The names of each nominee and continuing director, their respective ages (as of March 12, 2008), class of the board of directors and the year during which each director's current term expires, periods during which they have served the Company as a director, position (if any) with the Company, business experience during at least the past five years and directorships of other publicly-held corporations appear below. There are no family relationships among any director, executive officer, or any person nominated or chosen by us to become a director.

Each nominee is an incumbent director and each nominee has consented to be named herein and to serve on the board of directors if elected. If any of these director nominees should be unavailable

Edgar Filing: REGAL ENTERTAINMENT GROUP - Form DEF 14A

for election at the time of the Annual Meeting, which is not anticipated, the proxies will be voted for such other person as may be recommended by the board of directors in place of each such nominee.

Name	Age	Class or Nominee Class	Expiration of Current Term
Charles E. Brymer	49	I	2009
Michael L. Campbell	54	I	2009
Alex Yemenidjian	52	I	2009
Thomas D. Bell, Jr.	58	II	2010
David H. Keyte	51	II	2010
Lee M. Thomas	63	II	2010
Stephen A. Kaplan*	49	III	2008
Jack Tyrrell*	61	III	2008
Nestor R. Weigand, Jr.*	69	III	2008

*

Director nominee

Nominees for Director Class III For a Three-Year Term Expiring 2011

Stephen A. Kaplan has served as a director since March 2002 and is the Chairman of our Compensation Committee and a member of our Nominating and Corporate Governance Committee and our Executive Committee. Mr. Kaplan is a principal of Oaktree Capital Management, LLC. Since 1995, Mr. Kaplan has managed Oaktree's Principal Investment Activities Group, which invests in controlling and minority positions in private and public companies. Prior to joining Oaktree Capital Management, LLC, Mr. Kaplan was a Managing Director of Trust Company of the West. Prior to his work with Trust Company of the West, Mr. Kaplan was a partner with the law firm Gibson, Dunn & Crutcher. Mr. Kaplan currently serves as a director of Genco Shipping and Trading Limited, Cannery Casino Resorts, LLC and Alliance Imaging, Inc.

Jack Tyrrell has served as a director since May 2006 and is a member of our Compensation Committee. Mr. Tyrrell has been a founder of five venture capital funds since 1985 and currently serves as managing partner of Richland Ventures L.P., Richland Ventures II, L.P. and Richland Ventures III, L.P. Mr. Tyrrell also serves as a member of the board of directors of e+ healthcare, a privately-held company.

Nestor R. Weigand, Jr. has served as a director since October 2005 and is a member of our Compensation Committee and Nominating and Corporate Governance Committee. Since 1961, Mr. Weigand has been employed by J. P. Weigand & Sons, Inc., a residential, commercial, industrial and investment real estate firm, and served as its President from 1983 to 2001. Since 2001, Mr. Weigand has served as Chairman and Chief Executive Officer of J. P. Weigand & Sons, Inc. Mr. Weigand has served as a member of the International Real Estate Federation ("FIABCI") since 1985 and served as the World President of FIABCI from 2001 to 2002. Mr. Weigand has over 46 years of experience in the real estate industry and has served in a variety of key roles in domestic and international real estate organizations.

The board of directors unanimously recommends a vote "FOR" the election of each of the three nominees to serve as a Class III Director.

**Continuing Directors Class I
Term Expires 2009**

Charles E. Brymer has served as a director since September 2007. Mr. Brymer has served as President and Chief Executive Officer of DDB Worldwide Communications Group, Inc. since April 2006. DDB Worldwide is a leading advertising and communications company and is part of the Omnicom Group. From 1994 to 2006, Mr. Brymer served as Chairman and Chief Executive Officer of Interbrand Group, a leading branding and design firm.

Michael L. Campbell has served as our Chairman and Chief Executive Officer since May 2005. Mr. Campbell has served as a director since March 2002 and is a member of our Executive Committee. Mr. Campbell served as our Co-Chairman and Co-Chief Executive Officer from March 2002 through May 2005. Mr. Campbell founded Regal Cinemas, Inc. in November 1989, and has served as Chief Executive Officer of Regal Cinemas, Inc. since its inception. Prior thereto, Mr. Campbell was the Chief Executive Officer of Premiere Cinemas Corporation, which he co-founded in 1982, and served in such capacity until Premiere was sold in October 1989. Mr. Campbell currently serves as a director of National CineMedia, Inc. and the National Association of Theatre Owners and serves on its executive committee of the board of directors.

Alex Yemenidjian has served as a director since October 2005 and is the Chairman of our Audit Committee. Mr. Yemenidjian has served as the Chairman of the Board and Chief Executive Officer of Armenco Holdings, LLC since January 2005. He served as Chairman of the Board and Chief Executive Officer of Metro-Goldwyn-Mayer Inc. from April 1999 to April 2005 and was a director thereof from November 1997 to April 2005. Mr. Yemenidjian also served as a director of MGM MIRAGE (formerly MGM Grand, Inc.) from 1989 to 2005. From July 1995 through December 1999, Mr. Yemenidjian served as President of MGM MIRAGE. He also served MGM MIRAGE in other capacities during such period, including as Chief Operating Officer from June 1995 until April 1999 and as Chief Financial Officer from May 1994 to January 1998. In addition, Mr. Yemenidjian served as an executive of the Tracinda Corporation, the majority owner of Metro-Goldwyn-Mayer Inc., and of MGM MIRAGE from January 1990 to January 1997 and from February 1999 to April 1999. Prior to 1990, Mr. Yemenidjian was the Managing Partner of Parks, Palmer, Turner & Yemenidjian, Certified Public Accountants. Mr. Yemenidjian currently serves as a director of Guess?, Inc., Baron Investment Funds Trust, The Lincy Foundation, The United Armenian Fund, USC Marshall School of Business Board of Leaders, and Co-Chair of The Imagine the Arts Campaign at California State University, Northridge.

**Continuing Directors Class II
Term Expires 2010**

Thomas D. Bell, Jr. has served as a director since March 2002 and is the Chairman of our Nominating and Corporate Governance Committee and a member of our Audit Committee. Mr. Bell is the Chairman and Chief Executive Officer of Cousins Properties Incorporated, a real estate investment trust. Mr. Bell served as the Vice Chairman of the board of directors and Chairman of the Executive Committee of Cousins Properties Incorporated from January 2001 until December 2006, at which time he assumed the role of Chairman of the Board. Prior to joining Cousins Properties Incorporated, Mr. Bell served as a senior advisor at Credit Suisse First Boston Corporation, overseeing real estate activities. Prior thereto, Mr. Bell spent ten years with Young & Rubicam and retired as Chairman and Chief Executive Officer. Mr. Bell currently serves as a director of AGL Resources, Inc.

David H. Keyte has served as a director since September 2006. Mr. Keyte has served as the Executive Vice President and Chief Financial Officer of Forest Oil Corporation since November 1997. Mr. Keyte served as Forest Oil Corporation's Vice President and Chief Financial Officer from December 1995 to November 1997 and its Vice President and Chief Accounting Officer from December 1993 until December 1995.

Edgar Filing: REGAL ENTERTAINMENT GROUP - Form DEF 14A

Lee M. Thomas has served as a director since May 2006 and is a member of our Audit Committee. Since March 2007, Mr. Thomas has served as President and Chief Executive Officer of Rayonier, Inc. Mr. Thomas served as President and Chief Operating Officer of Georgia-Pacific Corporation through December 31, 2005. Mr. Thomas held this and other senior executive positions within Georgia-Pacific Corporation since 1993. Prior to that, he was Chairman and Chief Executive Officer of Law Companies Environmental Group Inc. and has held numerous federal and state government positions, including positions with the U.S. Environmental Protection Agency, the Federal Emergency Management Agency and the Office of the Governor of South Carolina. Mr. Thomas also serves as a member of the board of directors of the Federal Reserve Bank of Atlanta and Airgas, Inc., and as the Chairman of the Board of Rayonier, Inc.

CORPORATE GOVERNANCE

Corporate Governance Guidelines

Our board of directors adopted Corporate Governance Guidelines that reflect the principles by which the Company operates and set forth the Company's director qualification standards, responsibilities, compensation, evaluation, orientation and continuing education, board committee structure, Chief Executive Officer performance review, management succession planning and other policies for the governance of the Company. Copies of the Corporate Governance Guidelines are available on our website at www.regalentertainmentgroup.com under "Investor Relations," "Corporate Governance" or in print, without charge, to any stockholder who sends a request to the office of the Secretary of Regal Entertainment Group at 7132 Regal Lane, Knoxville, Tennessee 37918.

Code of Business Conduct and Ethics

Our board of directors adopted the Code of Business Conduct and Ethics applicable to the Company's directors, officers and employees. The Code of Business Conduct and Ethics sets forth the Company's conflict of interest policy, records retention policy, insider trading policy and policies for the protection of the Company's property, business opportunities and proprietary information. The Code of Business Conduct and Ethics requires prompt disclosure to stockholders of any waiver of the Code of Business Conduct and Ethics for executive officers or directors made by the board of directors or any committee thereof. Copies of the Code of Business Conduct and Ethics are available on our website at www.regalentertainmentgroup.com under "Investor Relations," "Corporate Governance" or in print, without charge, to any stockholder who sends a request to the office of the Secretary of Regal Entertainment Group at 7132 Regal Lane, Knoxville, Tennessee 37918.

Board and Committee Information

The board of directors held eight meetings during our fiscal year ended December 27, 2007. Each of our incumbent directors other than Mr. Kaplan attended at least 75% of the total number of meetings held by the board of directors and by the committees of the board of directors on which they served for the period during which he was a member.

Communications with the Board

Interested parties, including our stockholders, desiring to communicate with our board members, including our presiding director or non-management directors as a group, may do so by mailing a request to Secretary, Regal Entertainment Group, at 7132 Regal Lane, Knoxville, Tennessee 37918. Pursuant to the instruction of the Company's non-management directors, the Secretary will review inquiries and if they are relevant to, and consistent with our operations, policies and procedures, they will be forwarded to the director or directors to whom it is addressed. Inquiries not forwarded will be retained by the Company and will be made available to any director on request.

Stockholder Recommendations of Candidates for Director

Stockholders wishing to recommend candidates to the Nominating and Corporate Governance Committee for consideration as directors should submit a written recommendation to the office of the Secretary of Regal Entertainment Group at 7132 Regal Lane, Knoxville, Tennessee 37918. The Nominating and Corporate Governance Committee employs a process for evaluating all candidates for director, including those recommended by stockholders. See the discussion under the heading "Corporate Governance Nominating and Corporate Governance Committee."

Independence

Our board of directors has determined that each of Messrs. Bell, Brymer, Kaplan, Keyte, Thomas, Tyrrell, Weigand and Yemenidjian qualify as independent directors under the applicable listing standards of the NYSE and the categorical standards for independence adopted by our board of directors as set forth below. Pursuant to the NYSE listing standards, a director shall be considered independent if the board of directors makes an affirmative determination after a review of all relevant information that the director has no material relationship with the company. Under the categorical standards for independence established by our board of directors, a director will not be considered independent if the director:

is, or has been within the last three years, employed by the Company;

has an immediate family member (which, for purposes of these independence standards, shall include such person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home) who is, or has been within the last three years, employed as an executive officer of the Company;

received, during any twelve-month period within the last three years, more than \$100,000 in direct compensation from the Company other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent on continued service);

has an immediate family member who received, during any twelve-month period within the last three years, more than \$100,000 in direct compensation as an executive employee of the Company other than pension or other forms of deferred compensation (provided such compensation is not contingent on continued service);

is a current partner or employee of the Company's auditor, or was within the last three years a partner or employee of the Company's auditor, and personally worked on the Company's audit within that time;

has an immediate family member who is a partner of the Company's auditor, an employee of the Company's current auditor who participates in the auditor's audit, assurance or tax compliance (but not tax planning) practice, or was within the last three years a partner or employee of the Company's auditor and personally worked on the Company's audit within that time;

is, or within the last three years has been, employed as an executive officer of another company where any of the Company's present executives at the same time serve, or within the last three years have served, on such other company's compensation committee;

has an immediate family member who is, or within the last three years has been, employed as an executive officer of another company where any of the Company's present executives at the same time serve, or within the last three years have served, on such other company's compensation committee;

Edgar Filing: REGAL ENTERTAINMENT GROUP - Form DEF 14A

is a current employee of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues; or

has an immediate family member who is a current executive officer of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

The following factor is also considered by our board of directors in making an independence determination. However, the board of directors is not precluded from finding a director to be independent if the director:

is an executive officer of a tax exempt organization that received within the preceding three years, contributions from the Company in an amount which, in any single fiscal year, exceeds the greater of \$1 million or 2% of such tax exempt organization's consolidated gross revenues.

Executive Sessions

Our non-management directors meet in an executive session at least once per year and rotate serving as the presiding director for each executive session. We intend to hold an executive session including only our independent directors at least once a year.

Attendance at Annual Meetings

We encourage, but do not require, our board members to attend our annual stockholders meetings. Last year, seven of our directors serving at the time of the annual meeting attended the annual stockholders meeting.

Committees

Our board of directors has established four standing committees. The standing committees consist of an Audit Committee, a Compensation Committee, an Executive Committee, and a Nominating and Corporate Governance Committee. The standing committees, except for the Executive Committee, are comprised entirely of our non-management directors as provided in the table below.

Board Member	Audit	Compensation	Executive	Nominating and Corporate Governance
Thomas D. Bell, Jr.	X			X
Charles E. Brymer				
Michael L. Campbell			X	
Stephen A. Kaplan		X	X	X
David H. Keyte				
Lee M. Thomas	X			
Jack Tyrrell		X		
Nestor R. Weigand, Jr.		X		X
Alex Yemenidjian	X			
Meetings Held in 2007	8	3	0	1

The functions performed by each of the committees are briefly described below:

Audit Committee

The primary purposes of the Audit Committee are to assist the board of directors' oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the qualifications and independence of the registered public accounting firm engaged to be the independent auditor of the Company, the performance of the Company's internal audit function and the independent registered public accounting firm, and to prepare the report required to be included in our annual meeting proxy statements. The Audit Committee operates under an Audit Committee Charter, adopted by our board of directors, which is available on our website at www.regalentertainmentgroup.com under "Investor Relations," "Corporate Governance," or in print, without charge, to any stockholder who sends a request to the office of the Secretary of Regal Entertainment Group at 7132 Regal Lane, Knoxville, Tennessee 37918.

Each of the three individuals serving on our Audit Committee satisfies the standards for independence of the NYSE and the SEC as they relate to audit committees. Our board of directors believes each of the members of the Audit Committee is financially literate and that Mr. Yemenidjian qualifies as an "audit committee financial expert" within the meaning of the regulations of the SEC.

Compensation Committee

The Compensation Committee is responsible for reviewing and making recommendations to the board of directors regarding compensation of the Company's directors and executive officers and administering and implementing the Company's incentive compensation plans and equity-based plans. The Compensation Committee's duties and responsibilities include reviewing and approving corporate goals and objectives relevant to the compensation of the Company's executive officers, evaluating their performance in light of such goals and objectives, and as a committee, determining and approving our executive officers' compensation level based on such evaluation. The Compensation Committee also reviews and discusses the Compensation Discussion and Analysis with our management, and based on such review and discussions, recommended to the board of directors that the Compensation Discussion and Analysis be included in this proxy statement.

The Compensation Committee operates under a Compensation Committee Charter, adopted by our board of directors, which is available on our website at www.regalentertainmentgroup.com under the links to "Investor Relations," "Corporate Governance," or in print, without charge, to any stockholder who sends a request to the office of the Secretary of Regal Entertainment Group at 7132 Regal Lane, Knoxville, Tennessee 37918. Under our Compensation Committee Charter, the Compensation Committee has the authority to retain and terminate any compensation consultant and has the sole authority to approve the consultant's fees and other retention terms. In the past, the Compensation Committee has engaged an outside compensation consultant, Mellon Human Resources & Investor Services, which we refer to in this proxy statement as an outside compensation consultant, to review and make recommendations to our executive compensation program. Certain elements of our executive compensation program have been developed, based in part, on the recommendations of the outside compensation consultant. See the discussion under the heading "Compensation Discussion and Analysis" for further information regarding these recommendations.

In addition, the Compensation Committee has the authority to obtain advice and assistance from our executives, internal or outside legal, accounting or other advisors as it determines necessary to carry out its duties. Under the Compensation Committee Charter, however, none of our executives shall be involved in the Compensation Committee's determination of their own compensation. The Compensation Committee has the ability to delegate its authority to its members or a subcommittee as it deems appropriate, provided that any delegate or subcommittee shall report any actions taken by

him, her or it to the whole Compensation Committee at the Compensation Committee's next regularly scheduled Compensation Committee meeting.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee was established to identify qualified nominees for our board of directors, to develop and recommend to our board of directors a set of corporate governance principles to assist the board of directors in fulfilling its corporate governance responsibilities and to oversee an annual evaluation of the board of directors and our management. This committee has the ability to consider nominees recommended by stockholders and other interested parties. The Nominating and Corporate Governance Committee does not distinguish between nominees recommended by our stockholders and those recommended by other parties.

The committee operates under the Nominating and Corporate Governance Committee Charter, adopted by our board of directors, a copy of which is available on our website at www.regalentertainmentgroup.com under the links to "Investor Relations," "Corporate Governance," or in print, without charge, to any stockholder who sends a request to the office of the Secretary of Regal Entertainment Group at 7132 Regal Lane, Knoxville, Tennessee 37918. The charter of the committee sets forth certain criteria for the Nominating and Corporate Governance Committee to consider in evaluating potential director nominees. In considering potential director nominees, the committee selects individuals who demonstrate the highest personal and professional integrity, who have demonstrated exceptional ability and judgment and who are expected to be most effective, in conjunction with the other members of the board of directors, in collectively serving the long-term interests of the Company and our stockholders.

The committee identifies director candidates based on input provided by a number of sources, including members of the committee, other directors, our stockholders, our Chief Executive Officer and third parties. The committee also has the authority to consult with or retain advisors or search firms to assist in the identification of qualified director candidates. As part of the identification process, the committee takes into account each nominee's skills, knowledge, perspective, broad business judgment and leadership, relevant industry knowledge, business creativity and vision, experience, age and diversity, all in the context of the perceived needs of the board of directors at that time. Incumbent directors who are being considered for re-nomination are re-evaluated both on their performance as directors and their continued ability to meet the required qualifications.

Executive Committee

Our Executive Committee is generally authorized to act on behalf of our board of directors between scheduled meetings of our board of directors on matters already approved in principle by the board of directors and on matters specifically delegated by the board of directors from time to time as permitted under Delaware corporate law.

Director Compensation During Fiscal 2007

Directors who are our or our subsidiaries' employees receive no additional cash or equity compensation for service on our board of directors. All of our directors are reimbursed for reasonable out-of-pocket expenses related to attendance at board of directors and committee meetings. In the fiscal year ended December 27, 2007, we provided the following annual compensation to directors who are not employed by us or our subsidiaries:

Name	Fees Earned or Paid in Cash(1)	Stock Awards(2)	Option Awards(3)	All Other Compensation(4)	Total
Thomas D. Bell, Jr.	\$ 45,000	\$ 100,571	\$ 5,144	\$ 26,794	\$ 177,509
Charles E. Brymer	\$ 13,333	\$ 26,550		\$ 2,277	\$ 42,160
Stephen A. Kaplan	\$ 40,000	\$ 33,065		\$ 2,431	\$ 75,496
David H. Keyte	\$ 40,000	\$ 143,324		\$ 26,160	\$ 209,484
Lee M. Thomas	\$ 45,000	\$ 120,917		\$ 26,333	\$ 192,250
Jack Tyrrell	\$ 40,000	\$ 120,917		\$ 26,333	\$ 187,250
Nestor R. Weigand, Jr.	\$ 40,000	\$ 100,571		\$ 26,794	\$ 167,365
Alex Yemenidjian	\$ 50,000	\$ 100,571		\$ 26,794	\$ 177,365

(1)

Unless otherwise waived by the directors, non-employee directors received an annual cash retainer for service on our board of directors of \$40,000 (prorated in the case of Mr. Brymer based on the date at which he was appointed to the board of directors) during fiscal 2007. During fiscal 2007, Mr. Yemenidjian, the Chairman of the Audit Committee, received an additional \$10,000 annual cash retainer and the other directors who serve on the Audit Committee (Messrs. Bell and Thomas) received an additional \$5,000 annual cash retainer for service on the Audit Committee. Directors do not receive additional cash or equity compensation for service on any other committees of the board of directors.

(2)

During fiscal 2007, directors who were not employees of the Company, received a grant of restricted Class A common stock having, at the time of grant, a fair market value of approximately \$85,000. Such shares of restricted stock vest on the first anniversary of the date of grant. On January 10, 2007, Messrs. Bell, Keyte, Thomas, Tyrrell, Weigand and Yemenidjian each received a grant of 3,820 shares of restricted stock, based on the closing market price of the Company's Class A common stock of \$22.25 per share on such date. In the fiscal year ended December 28, 2006 and certain years prior thereto, OCM Principal Opportunities Fund II, L.P. ("OCM") was the beneficial owner of over 5 percent of either the Company's Class A common stock or Class B common stock and because Mr. Kaplan is a principal of OCM's general partner, at his election, in such years Mr. Kaplan did not receive a cash retainer or a restricted stock grant. OCM disposed of its interest in the Company on March 9, 2007. As a result, on August 8, 2007, Mr. Kaplan received a grant of 4,051 shares of restricted stock, based on the closing market price of the Company's Class A common stock of \$20.98 per share on such date. On September 5, 2007, Mr. Brymer received a grant of 3,795 shares of restricted stock, based on the closing market price of the Company's Class A common stock of \$22.40 per share on such date. The amounts presented in the table above represent the portion of the fair value of the restricted shares recognized as expense during fiscal 2007 (before estimated forfeitures related to service-based vesting conditions) for financial statement reporting purposes in accordance with SFAS No. 123R, "Share Based Payment," ("FAS 123R"), and does not represent cash payments made to the directors or amounts realized. Under FAS 123R, the fair value of restricted shares granted to directors is recognized ratably over the vesting period. See details of the assumptions used in valuation of the options in Note 9 to the Company's audited consolidated financial statements, which have been reproduced

Edgar Filing: REGAL ENTERTAINMENT GROUP - Form DEF 14A

in Appendix B to this proxy statement and are included in the annual report on Form 10-K filed for the fiscal year ending December 27, 2007 filed with the SEC on February 26, 2008.

- (3) On June 5, 2002, Mr. Bell was granted approximately 9,092 options at an exercise price of \$12.7802 per share (after giving effect to the antidilution adjustments made in connection with our payment of extraordinary cash dividends on April 13, 2007, June 2, 2004 and July 1, 2003). The amount presented in the table above represents the portion of the fair value of the options recognized as expense during fiscal 2007 (before estimated forfeitures related to service-based vesting conditions) for financial statement reporting purposes in accordance with FAS 123R, and does not represent cash payments made to the directors or amounts realized. Under FAS 123R, the fair value of options granted to Mr. Bell is recognized ratably over the vesting period. See details of the assumptions used in valuation of the options in Note 9 to the Company's audited consolidated financial statements, which have been reproduced in Appendix B to this proxy statement and are included in the annual report on Form 10-K filed for the fiscal year ending December 27, 2007 filed with the SEC on February 26, 2008.
- (4) Represents dividends paid on the shares of restricted stock held by our non-employee directors during fiscal 2007.

BENEFICIAL OWNERSHIP OF VOTING SECURITIES

The following table shows information with respect to beneficial ownership of our Common Stock, as of April 4, 2008, for:

each of our directors and our executive officers listed in the 2007 Summary Compensation Table provided below, who we refer to as our named executive officers;

all of our directors and executive officers as a group; and

each person known by us, based upon our review of documents filed by them with the SEC in respect of the ownership of our shares of Common Stock, to beneficially own five percent or more of either class of our Common Stock.

We have calculated the percentage of beneficial ownership based on 129,771,029 shares of Class A common stock and 23,708,639 shares of Class B common stock outstanding as of the close of business on April 4, 2008.

Name of Beneficial Owner	Class A common stock		Class B common stock		Percent of Voting Power(2)
	Amount and Nature of Beneficial Ownership(1)	Percent of Class	Amount and Nature of Beneficial Ownership(1)	Percent of Class	
<i>Directors</i>					
Thomas D. Bell, Jr.(3)	24,445	*			*
Charles E. Brymer(4)	8,775	*			*
Stephen A. Kaplan(4)	9,031	*			*
David H. Keyte(5)	13,155	*			*
Lee M. Thomas(5)	13,209	*			*
Jack Tyrrell(5)	13,209	*			*
Nestor R. Weigand, Jr.(5)					