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CHARTER COMMUNICATIONS INC /MO/
Form DEF 14A
June 24, 2003

SCHEDULE 14A
(RULE 14a-101)

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934

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 Under Rule 14a-12

Charter Communications, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than 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.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

[CHARTER COMMUNICATIONS LOGO]

June 25, 2003

Dear Shareholder:

You are cordially invited to attend the annual meeting of shareholders of Charter Communications, Inc. ("the Company"), which will be held at the W Seattle Hotel, 1112 Fourth Avenue, Seattle, Washington on Wednesday, July 23, 2003 at 10:00 a.m. (Pacific Daylight Time).

All shareholders of record on May 27, 2003 are invited to attend the meeting. For security reasons, however, to gain admission to the meeting you may be required to present identification containing a photograph and to comply with other security measures. Parking at the W Hotel for the Annual Meeting will be complimentary. Please inform the attendant you are attending the Charter Annual Meeting.

Details of the business to be conducted at the annual meeting are given in the attached Notice of Annual Meeting and Proxy Statement.

Whether or not you attend the annual meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to sign, date, and promptly return the enclosed proxy in the postage-paid envelope that is provided. If you decide to attend the annual meeting, you will have the opportunity to vote in person.

On behalf of the Board of Directors, I would like to express our appreciation for your continued interest in the affairs of the Company.

Sincerely,

/s/ CARL E. VOGEL
Carl E. Vogel
President and Chief Executive Officer

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CHARTER PLAZA
12405 POWERSCOURT DRIVE
ST. LOUIS, MISSOURI 63131

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

OF
CHARTER COMMUNICATIONS, INC.

DATE: Wednesday, July 23, 2003
TIME: 10:00 a.m. (Pacific Daylight Time)
PLACE: W Seattle Hotel
1112 Fourth Avenue
Seattle, Washington

MATTERS TO BE VOTED ON:

1. Election of directors, including:
 - One Class A/Class B director
 - Eight Class B directors
2. An amendment to the Company's 2001 Stock Incentive Plan to increase by 30,000,000 shares the number of shares of Class A common stock authorized for issuance under the plan.
3. Amendments to the 1999 Option Plan and the 2001 Stock Incentive Plan to authorize the repricing of outstanding stock options, including any exchange of options to reduce the exercise price.
4. Ratification of the appointment of KPMG LLP as independent public accountants.
5. Any other matters properly brought before the shareholders at the meeting.

By order of the Board of Directors,

/s/ CURTIS S. SHAW

CURTIS S. SHAW
Secretary

June 25, 2003

CHARTER COMMUNICATIONS, INC.

PROXY STATEMENT

Your vote at the annual meeting is important to us. Please vote your shares of common stock by completing the enclosed proxy card and returning it to us in the envelope provided. This proxy statement was first mailed to shareholders on or about June 25, 2003.

GENERAL INFORMATION ABOUT VOTING AND THE MEETING

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WHAT ARE YOU VOTING ON AT THE MEETING?

As a holder of Class A common stock, you are being asked to vote, together with the holder of Class B common stock, "FOR" the following:

- election of Nancy B. Peretsman as the one director to serve as the Class A/Class B director on the Board of Directors of the Company (the "Class A/Class B director");
- an amendment to the 2001 Stock Incentive Plan to increase by 30,000,000 shares the number of shares of Class A common stock authorized for issuance under the plan;
- amendments to the 1999 Charter Communications Option Plan and the 2001 Stock Incentive Plan to authorize the repricing of outstanding stock options, including any exchange of options to reduce the exercise price; and
- ratification of the appointment of KPMG LLP as independent public accountants.

WHY ARE WE VOTING ON ONLY ONE DIRECTOR?

There currently are a total of eight directors on the Board of Directors. The Company's Certificate of Incorporation provides that all but one of the directors will be elected by vote of the holder of the Class B shares voting alone (the "Class B directors"), and that the sole remaining director, the Class A/Class B director, will be elected by the holders of the Class A and Class B shares voting together.

WHO HAS BEEN NOMINATED FOR ELECTION AS A DIRECTOR AT THE ANNUAL MEETING?

The Company's Board of Directors has nominated seven of the eight current directors for re-election and has also nominated David C. Merritt as the eighth nominee. Ronald Nelson has declined to stand for reelection due to time commitments required in connection with his new employment. As noted above, however, the holders of Class A shares will be voting for only one director. The Class A/Class B director nominee who is up for election by vote of the Class A and Class B shares voting together at the annual meeting is Nancy B. Peretsman.

The other seven directors who have been nominated by the Board of Directors are: Paul G. Allen, David C. Merritt, Marc B. Nathanson, William D. Savoy, John H. Tory, Carl E. Vogel and Larry W. Wangberg.

WHO CAN VOTE?

For all matters except the election of the seven Class B directors, a total of 294,527,595 shares of Class A common stock, representing approximately 8% of the total voting power of all of the issued and outstanding stock of the Company, and 50,000 shares of Class B common stock, representing approximately 92% of the total voting power, can vote. Each share of Class A common stock is entitled to one vote. Paul Allen, as the sole holder of Charter Communications, Inc. Class B common stock, is entitled to ten votes per share of Class B common stock held by Mr. Allen and his affiliates plus ten votes per share of Class B Common Stock for which membership units in Charter Communications Holding Company, LLC held by Mr. Allen

and its affiliates are exchangeable. Accordingly, each outstanding share of

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Class B common stock was entitled to 67,836.4 votes at May 27, 2003.

You can vote your Class A shares if our records show that you owned the shares at the close of business on May 27, 2003. The enclosed proxy card indicates the number of Class A shares that our records show you are entitled to vote.

You will not have a vote in the election of the Class B directors. Paul G. Allen, the sole holder of Class B shares, will be the only person voting in that election.

WHAT IS THE QUORUM REQUIRED FOR THE MEETING?

We will hold the annual meeting if holders of shares having a majority of the combined voting power of the Class A and Class B common stock as of the Record Date either sign and return their proxy cards or attend the meeting. If you sign and return your proxy card, your shares will be counted to determine whether we have a quorum, even if you fail to indicate your vote.

Abstentions and broker "non-votes" will be counted as present for purposes of determining whether a quorum exists at the annual meeting.

WHAT IS A BROKER "NON-VOTE"?

A broker "non-vote" occurs when a nominee holding shares for a beneficial owner votes on one proposal but does not vote on another proposal because the nominee does not have discretionary voting power for that particular proposal and has not received voting instructions from the beneficial owner.

WHAT IS THE VOTE REQUIRED FOR THE PROPOSALS ON THE AGENDA?

A plurality of Class A and Class B votes cast, voting together as a single class, is required for the election of the Class A/Class B director.

The affirmative vote of a majority of Class A and Class B votes cast at the meeting, voting together as a single class, is required for all other proposals set forth herein.

Under the Certificate of Incorporation and Bylaws of the Company, for purposes of determining whether votes have been cast, abstentions and broker "non-votes" will not be counted, and therefore will have the same effect as votes against the proposal, except with respect to the election of directors where abstentions and broker non-votes will result in the respective nominee receiving fewer votes but will have no effect on the outcome of the vote.

A stockholder may vote to "abstain" on proposals to amend the 1999 Stock Option Plan and the 2001 Stock Incentive Plan, and on the ratification of the appointment of KPMG LLP as the Company's independent auditors and the other proposals which may properly come before the Annual Meeting. If a stockholder votes to "abstain," such stockholder's shares will be counted as present at the meeting for purposes of determining a quorum on all matters and for purposes of calculating the vote, but will not be considered to be votes cast with respect to such matters. If an executed proxy is returned by a broker holding shares in street name that indicates that the broker does not have discretionary authority as to certain shares to vote on one or more matters, such shares will be considered present at the meeting for purposes of determining a quorum on all matters, but will not be considered to be votes cast with respect to such matters. Therefore, abstentions and broker non-votes will have no effect on the outcome of the election of directors, the approvals of the amendments to the 1999 Stock Option Plan and the 2001 Stock Incentive Plan or the ratification of the appointment of KPMG LLP as the Company's independent auditors. In addition, in the election of directors, a stockholder may withhold such stockholder's

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vote. Withheld votes will be excluded from the vote and will have no effect on the outcome of such election.

We have been advised by Paul G. Allen, the sole holder of Class B shares, that he intends to vote "FOR" all of the eight nominees identified above, including the Class A/Class B director nominee, which would result in the election of the Class A/Class B nominee. We have also been advised by Paul G. Allen, the sole holder

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of the Class B shares, that he intends to vote "FOR" each of the other proposals on the agenda, which would result in the approval of each those proposals.

WHAT ARE MY CHOICES IN THE PROPOSALS ON THE AGENDA?

You can vote your shares "FOR," or you can withhold your vote, for the Class A/Class B director nominee, Nancy B. Peretsman. On the proposals not involving the election of directors, you can either (1) vote for the proposal, (2) withhold your vote for the proposal, or (3) abstain from voting.

HOW DO I VOTE BY PROXY?

Follow the instructions on the enclosed proxy card. Sign and date the proxy card and mail it back to us in the enclosed envelope. If you receive more than one proxy card it may mean that you hold shares in more than one account. Sign and return all proxy cards to ensure that all of your shares are voted. The proxy holder named on the proxy card will vote your shares as you instruct. If you sign and return the proxy card but do not indicate your vote, the proxy holder will vote on your behalf "FOR" the named Class A/Class B director nominee or her substitute, and "FOR" each of the other proposals on the agenda.

CAN I VOTE BY TELEPHONE OR VIA THE INTERNET?

If your shares are registered in the name of a brokerage firm or bank (i.e., held in "street name"), you may be able to vote by telephone or via the Internet. A number of brokerage firms and banks are participating in a program that offers telephone and Internet voting options. If your shares are held in an account at a brokerage firm or bank participating in such a program, you may vote those shares telephonically by calling the telephone number referenced on your voting form or you may vote via the internet at www.proxyvote.com. Votes submitted via the telephone or Internet must be received by 11:59 p.m. (EDT) on July 22, 2003. If you vote this year's proxy via the Internet, you may also elect to receive future proxy and other materials electronically by following the instructions when you vote.

WHAT IF OTHER MATTERS COME UP AT THE ANNUAL MEETING?

The items listed on the Notice of Annual Meeting of Shareholders are the only matters that we know will be voted on at the annual meeting. On such other business as may properly come before the meeting, your shares will be voted in the discretion of the proxy holder.

CAN I CHANGE MY VOTE AFTER I RETURN MY PROXY CARD?

Yes. At any time before the vote at the annual meeting, you can change your vote either by giving the Company's Secretary a written notice revoking your proxy card, or by signing, dating and submitting a new proxy card. We will honor the latest dated proxy card, which has been received. You may also attend the meeting and vote in person.

CAN I VOTE IN PERSON AT THE ANNUAL MEETING RATHER THAN BY COMPLETING THE PROXY

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CARD?

Although we encourage you to complete and return the proxy card to ensure that your vote is counted, you can attend the annual meeting and vote your shares in person.

WHAT DO I DO IF MY SHARES ARE HELD IN "STREET NAME"?

If your shares are held in the name of your broker, a bank or other nominee, you should return your proxy in the envelope provided by such broker, bank or nominee or instruct the person responsible for holding your shares to execute a proxy on your behalf. In either case, your shares will be voted according to your instructions.

If you wish to attend the annual meeting and vote your shares in person, you should obtain from your broker, bank or other nominee prior to the annual meeting, the documents required to vote your shares in person at the annual meeting.

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If your shares are held in the name of a broker, and you do not provide instructions on how to vote your shares, the nominee may be able to vote them as it sees fit, but only as to "routine" matters. Rules 451 and 452 of the New York Stock Exchange, Inc. (the "NYSE") permit a member firm to vote for the directors and/or for the proposal to ratify the selection of independent public accountants, as well as other "routine" matters, if the member firm holds the shares of the Class A common stock for a beneficial owner and receives no instructions to the contrary by the tenth day before the annual meeting. Rules 76 and 577 of the American Stock Exchange LLC (the "AMEX") are substantially similar to the foregoing NYSE Rules. Rule 2260(c)(2) of the National Association of Securities Dealers, Inc. (the "NASD") permits a NASD member firm to deliver a proxy, with respect to shares of the Class A common stock held by the NASD member firm for a beneficial owner pursuant to the rules of a national securities exchange (such as the NYSE and the AMEX) to which the NASD member firm is also responsible provided that the records of the member firm clearly indicate which procedure it is following. As a result, if your broker is an exchange member of either NYSE or AMEX and you do not indicate your preference on your proxy, your nominee will be free to use its discretion to vote for or withhold your vote for "routine" matters such as election of directors and ratification of public accountants, but such nominee will be precluded from casting a vote on the two stock option proposals, which are deemed "non-routine" under the NYSE and AMEX rules. Nevertheless, even for the routine proposals, the Company urges each beneficial owner to instruct the member firm which holds of record the shareholder's shares of the Class A common stock to vote in favor of the two proposals submitted to the shareholders for a vote even though such instruction is not required.

WHO IS SOLICITING MY VOTE?

The Board of Directors is soliciting your vote.

WHO PAYS FOR THIS PROXY SOLICITATION?

The Company pays for the proxy solicitation. We will ask banks, brokers and other nominees and fiduciaries to forward the proxy material to the beneficial owners of the Class A common stock and to obtain the authority of executed proxies. The Company will reimburse them for their reasonable expenses.

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PROPOSAL NO. 1: ELECTION OF CLASS A/CLASS B DIRECTOR (ITEM 1 ON PROXY CARD)

We currently have eight directors, each of whom is elected on an annual basis. In accordance with the Company's Bylaws, the number of directors has been fixed at eight. The Certificate of Incorporation of the Company provides that the holders of the Class B common stock elect all but one of the directors. The holders of the Class A common stock and Class B common stock, voting together, elect one director (the Class A/Class B director). This election of one Class A/Class B director by the holders of Class A and Class B common stock voting together is scheduled to take place at the annual meeting of the Company's shareholders. The Board of Directors is soliciting your vote for the Class A/Class B director to be elected at the annual meeting of shareholders. Once elected, the Class A/Class B director will hold office until his or her successor is elected, which should occur at next year's annual meeting of shareholders. You do not have a vote, and your vote is not being solicited, with respect to the election of the seven Class B directors who will be elected at the meeting.

NOMINATIONS. At the annual meeting, Nancy B. Peretsman will be nominated for election as the Class A/Class B director. Although we don't know of any reason why Ms. Peretsman might not be able to serve, the Board of Directors will propose a substitute nominee to serve if Ms. Peretsman is not available for election for any reason.

Generally, shareholders can nominate persons to be directors. If a shareholder wants to nominate someone, he or she must follow the procedures set forth in the Company's Bylaws. In short, these procedures require the shareholder to timely deliver a notice to the Company's Secretary at the Company's principal executive offices. That notice must contain the information required by the Bylaws about the shareholder proposing the nominee and about the nominee.

No shareholder nominees have been proposed for this year's meeting.

GENERAL INFORMATION ABOUT THE CLASS A/CLASS B DIRECTOR NOMINEE

Nancy B. Peretsman is the director nominee proposed for election by the holders of our Class A and Class B common stock. Ms. Peretsman has agreed to be named in this proxy statement and to serve as a director if elected. Further information as of May 27, 2003 about the nominee is set forth below.

NANCY B. PERETSMAN, 49, has been a director of Charter Communications, Inc. since November 1999. Ms. Peretsman has been a managing director and executive vice president of Allen & Company, LLC (formerly known as Allen & Company Incorporated), an investment bank unrelated to Paul G. Allen, since 1995. From 1983 to 1995, she was an investment banker at Salomon Brothers Inc., where she was a managing director since 1990. She is a director of Priceline.com Incorporated and several privately held companies. She has a B.A. degree from Princeton University and an M.B.A. degree from Yale University.

THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS VOTING "FOR" THE CLASS A/CLASS B DIRECTOR NOMINEE.

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PROPOSAL: ELECTION OF CLASS B DIRECTORS

INFORMATION ABOUT THE COMPANY'S CLASS B DIRECTOR NOMINEES

The following information as of May 27, 2003 concerns the seven individuals

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who have been nominated by the Board of Directors for election by the Class B holder, voting as a separate class. Six of these individuals (Messrs. Allen, Nathanson, Savoy, Tory, Vogel and Wangberg) currently serve as Class B directors.

PAUL G. ALLEN, 50, has been Chairman of the Board of Directors of Charter Communications, Inc. since July 1999, and Chairman of the Board of Directors of Charter Investment (a predecessor to, and currently an affiliate of, Charter Communications, Inc.) since December 1998. Mr. Allen, co-founder of Microsoft Corporation, has been a private investor for more than 15 years, with interests in over 50 technology, telecommunications, content and biotech companies. Mr. Allen's investments include Vulcan Inc., Vulcan Productions, Inc., the Portland Trail Blazers NBA and Seattle Seahawks NFL franchises, and investments in TechTV Inc., DreamWorks LLC, and Oxygen Media Corporation. In addition, he is a director of TechTV Inc., Vulcan Programming Inc., Vulcan Ventures, Vulcan Inc. (f/k/a Vulcan Northwest), Vulcan Cable III and numerous privately held companies.

DAVID C. MERRITT 48, has been nominated to become a director of Charter Communications, Inc. Mr. Merritt was a Managing Director in the Entertainment Media Advisory Group at Gerard Klauer Mattison & Co., Inc., a company that provides financial advisory services to the entertainment media industries from January 2001 through April 2003. He has also served as a director of Laser-Pacific Media Corporation since January 2001 and is currently a member of its Audit Committee. Prior to that, he served as Chief Financial Officer of CKE Associates, Ltd., a privately held company with interests in talent management, film production, television production, music and new media from 1999 to 2001. Before joining CKE Associates in 1999, Mr. Merritt was an audit and consulting partner of KPMG LLP for 14 years. During that time, he served as national partner in charge of the media and entertainment practice. Mr. Merritt joined KPMG LLP in 1975 and served in a variety of capacities during his years with the firm. Mr. Merritt holds a B.S. degree in business and accounting from California State University - Northridge.

MARC B. NATHANSON, 58, has been a director of Charter Communications, Inc. since January 2000. Mr. Nathanson is the chairman of Mapleton Investments LLC, an investment vehicle formed in 1999. He also founded and served as chairman and chief executive officer of Falcon Holding Group, Inc., a cable operator, and its predecessors, from 1975 until 1999. He served as chairman and chief executive officer of Enstar Communications Corporation, a cable operator, from 1988 until November 1999. Prior to 1975, Mr. Nathanson held executive positions with Teleprompter Corporation, Warner Cable and Cypress Communications Corporation. In 1995, he was appointed by the President of the United States to the Broadcasting Board of Governors, and from 1998 through September 2002, served as its chairman. Mr. Nathanson served as Vice-Chairman and as a director of Charter Communications, Inc. pursuant to a letter agreement that expired in November 2002. See "Executive Compensation -- Employment Arrangements."

WILLIAM D. SAVOY, 38, has been a director of Charter Communications, Inc. since July 1999 and a director of Charter Investment since December 1998. Since 1990, Mr. Savoy has been an officer and a director of many affiliates of Mr. Allen, including president and a director of Vulcan Ventures Incorporated, and president of Vulcan Inc., Vulcan Programming Inc. and Vulcan Cable III Inc, each of which is an investment vehicle owned by Mr. Allen. He is currently President and CEO, Portfolio and Asset Management Division, of Vulcan Inc. Mr. Savoy also serves on the advisory board of DreamWorks LLC and as a director of drugstore.com, RCN Corporation, TechTV Inc., Digeo, Inc. and Oxygen Media Corporation. Mr. Savoy holds a B.S. degree in computer science, accounting and finance from Atlantic Union College.

JOHN H. TORY, 48, has been a director of Charter Communications, Inc. since December 2001. Mr. Tory is the Chairman and Co-Chief Executive Officer of Rogers

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Cable Inc., Canada's largest broadband cable operator, and has been the Chief Executive Officer of Rogers Cable since April 1999. From 1995 to 1999 Mr. Tory was President and Chief Executive Officer of Rogers Media Inc., a broadcasting and publishing company. Prior to joining Rogers, Mr. Tory was a managing partner and member of the executive committee at Tory Tory DesLauriers & Binnington, one of Canada's largest law firms. Mr. Tory serves on the board of a

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number of Canadian companies, including Rogers Cable Inc., Rogers Media Inc., Cara Operations Limited and the Toronto Blue Jays Baseball Club. Mr. Tory was educated at University of Toronto Schools, Trinity College (University of Toronto) and Osgoode Hall Law School.

CARL E. VOGEL, 45, has been a director, President and Chief Executive Officer of Charter Communications, Inc. since October 2001. Mr. Vogel has more than 20 years experience in telecommunications and the subscription television business. Prior to joining Charter, he was a senior vice president of Liberty Media Corp. from November 1999 until October 2001, and chief executive officer of Liberty Satellite and Technology, a distributor of Internet data and other content via satellite, from April 2000 until October 2001. Prior to joining Liberty, Mr. Vogel was an executive vice president and chief operating officer of field operations for AT&T Broadband and Internet Services with responsibility for managing operations of all of AT&T's cable broadband properties from June 1999 until November 1999. From June 1998 to June 1999, when the business of Primestar Inc. was sold, Mr. Vogel served as chief executive officer of Primestar Inc., a national provider of subscription television services, and from 1997 to 1998, he served as chief executive officer of Star Choice Communications. From 1994 through 1997, Mr. Vogel served as the President and Chief Operating Officer of EchoStar Communications. He began his career at Jones Intercable in 1983. Mr. Vogel serves as a director and member of the Executive Committee of the National Cable Television Association, CableLabs and Digeo, Inc. and serves as a director of Women in Cable and Telecommunications. Mr. Vogel holds a B.S. degree in finance and accounting from St. Norbert College. His employment agreement provides that he will serve on the Board of Directors of Charter Communications, Inc. See "Executive Compensation -- Employment and Consulting Arrangements."

LARRY W. WANGBERG, 60, has been a director of Charter Communications, Inc. since January 2002. Mr. Wangberg has been a director of TechTV Inc., a cable television network, since 1997, and also served as Chairman and Chief Executive Officer through July 2002. Prior to joining TechTV Inc., Mr. Wangberg was chairman and Chief Executive Officer of StarSight Telecast Inc., an interactive navigation and program guide company which later merged with Gemstar International, from 1994 to 1997. Mr. Wangberg was chairman and Chief Executive Officer of Times Mirror Cable Television and senior vice president of its corporate parent, Times Mirror Co., from 1983 to 1994. He currently serves on the boards of TechTV Inc., Autodesk Inc., and ADC Telecommunications. Mr. Wangberg holds a bachelor's degree in mechanical engineering and a master's degree in industrial engineering, both from the University of Minnesota.

INFORMATION ABOUT DIRECTORS NOT STANDING FOR RE-ELECTION.

RONALD L. NELSON, 50, has been a director of Charter Communications, Inc. since November 1999. Mr. Nelson is currently the Chief Financial Officer and a Director of Cendant Corp., a New York-based travel and real estate conglomerate, which Mr. Nelson joined in 2003. Prior to joining Cendant, Mr. Nelson was a founding member of DreamWorks LLC, an entertainment production company, where he served in executive management from 1994 through January 1, 2003. Prior to that time, during his 15 years at Paramount Communications Inc., he served in a variety of operating and executive positions. He currently serves as a member of

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the board of directors of Advanced Tissue Sciences, Inc. and Centre Pacific, L.L.C., a registered investment advisor. Mr. Nelson has a B.S. degree from the University of California at Berkeley and an M.B.A. degree from the University of California at Los Angeles.

COMMITTEES OF THE BOARD

During 2002, the standing committees of the Board of Directors were: the Audit Committee, the Compensation Committee, the Option Plan Committee and the Executive Committee.

The Audit Committee oversees the Company's internal accounting and auditing procedures; reviews audit and examination scope, scope, results and procedures with independent public accountants; oversees reporting of financial information including review of quarterly and annual financial information prior to filing with the Securities and Exchange Commission ("SEC"); determines the objectivity and independence of the independent public accountants; and selects the independent public accountants. The members of the Audit Committee during 2002 were (and are) Ronald L. Nelson, Nancy B. Peretsman and John H. Tory. However, Mr. Nelson has decided not to stand for reelection to the Board due to the time commitments required in connection with his new employment. We anticipate that, if elected to the Board, Mr. David Merritt will be

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appointed to the Audit Committee at the first board meeting following the Annual Meeting as a replacement for Mr. Nelson. The Audit Committee operates under a written charter, revised and adopted by the Board of Directors in January 2003, a copy of which is attached as Appendix A. Ms. Peretsman, Mr. Nelson and Mr. Tory are "independent" as defined under Rule 4200(a)(14) of the Nasdaq National Market's qualification requirements. The Audit Committee held four regular and seven special meetings in 2002.

The Compensation Committee reviews and approves the Company's compensation and benefits programs and approves compensation for senior management of the Company and its subsidiaries. The members of the Compensation Committee are Paul G. Allen, Marc B. Nathanson and William D. Savoy. The Compensation Committee met four times in 2002.

The Option Plan Committee administers the 1999 Option Plan and the 2001 Stock Incentive Plan and authorize grants and awards under the 2001 Stock Incentive Plan to any eligible individuals. The Option Plan Committee determines the terms of each stock option grant, restricted stock grant or other award at the time of grant. The Option Plan Committee also has the power to accelerate the vesting of any grant or extend the term thereof. The Option Plan Committee, which consists of directors Ms. Peretsman and Mr. Nelson, met four times in 2002 and acted once by written consent.

The Executive Committee may act in place of the full Board of Directors and exercise such powers of the full Board as the Board may delegate to such Committee from time to time. The Executive Committee consists of directors Messrs. Allen, Savoy, Vogel and Nathanson. The Executive Committee meets on an informal basis.

The Board of Directors does not have a standing Nomination Committee.

In 2002, the full Board of Directors had six meetings and acted once by written consent. No director attended fewer than 75% of the total number of meetings of the Board and of committees on which he or she served.

DIRECTOR COMPENSATION

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Each director of Charter Communications, Inc. is entitled to reimbursement for costs incurred in connection with attendance at board and committee meetings. Except as set forth below with respect to Mr. Nathanson, directors who were not employees did not receive additional compensation in 2002 or the first half of 2003. Mr. Vogel, who acted as President and Chief Executive Officer in 2002, was the only director who was also an employee during 2002. He did not receive any additional compensation for serving as a director or attending any meeting of the board of directors during 2002. Under the Amended and Restated By-laws of Charter Communications, Inc., all directors are entitled to indemnification from Charter Communications, Inc. to the maximum extent permitted by law from and against any claims, damages, liabilities, losses, costs or expenses incurred in connection with or arising out of the performance by them of their duties for Charter Communications, Inc. and/or its subsidiaries.

Mr. Vogel is party to an employment agreement with Charter Communications, Inc., which is summarized in "Executive Compensation -- Employment Arrangements."

Marc B. Nathanson entered into a letter agreement with Charter Communications, Inc. for a term that expired in November 2002. Under this agreement, Mr. Nathanson served as Vice-Chairman and as a director of Charter Communications, Inc. During the term of this agreement, Mr. Nathanson received a benefit equal to approximately \$200,000 per year, which Charter Communications, Inc. paid to a company controlled by Mr. Nathanson.

Commencing in July 2003, it is expected that each member of the board will receive an annual retainer of \$40,000 in cash plus restricted stock (vesting over one year) valued at \$50,000. In addition, the audit committee chair would receive \$25,000 and each other committee chair (if applicable) would receive \$10,000. All committee members will also receive \$1,000 for attendance at each committee meeting.

EXECUTIVE OFFICERS

Unless otherwise noted below, our executive officers were elected to their positions, and became employees of the Company in November 1999. Prior to that time, they were employees of our affiliate,

Charter Investment. The executive officers are elected by the Board of Directors annually following the Annual Meeting of Shareholders, and each serves until his or her successor is elected and qualified or until his or her earlier resignation or removal.

EXECUTIVE OFFICERS

POSITION

Paul G. Allen.....	Chairman of the Board of Directors
Carl E. Vogel.....	President and Chief Executive Officer
Margaret A. Bellville.....	Executive Vice President -- Chief Operating Officer
Paul E. Martin.....	Senior Vice President and Principal Accounting Officer
Steven A. Schumm.....	Executive Vice President -- Chief Administrative Officer Interim Chief Financial Officer
Curtis S. Shaw.....	Senior Vice President, General Counsel and Secretary
Stephen E. Silva.....	Executive Vice President and Chief Technology Officer

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Information regarding our executive officers who do not also act as directors as of May 27, 2003 is set forth below.

MARGARET A. BELLVILLE, 49, Executive Vice President and Chief Operating Officer. Before joining Charter in December, 2002, Ms. Bellville was President and Chief Executive Officer of Incanta Inc., a technology-based streaming content company from 2001 to 2002. Incanta Inc. filed for bankruptcy in April 2002. Prior to that, she worked for six years at Cox Communications, beginning in 1995 as Vice President of Operations, she advanced to Executive Vice President of Operations. Ms. Bellville joined Cox from Century Communications, where she served as Senior Vice President. Before that, Ms. Bellville served seven years with GTE Wireless in a variety of management and executive-level roles. A graduate of the State University of New York in Binghamton, Ms. Bellville is also a graduate of Harvard Business School's Advanced Management Program. She currently serves on the Cable and Television Association for Marketing Education Foundation.

PAUL E. MARTIN, 42, Senior Vice President -- Principal Accounting Officer. Prior to his promotion to his current position on April 22, 2002, Mr. Martin was Vice President and Corporate Controller of Charter from March 2000. Prior to joining Charter in March 2000, Mr. Martin was Vice President and Controller for Operations and Logistics for Fort James Corporation, a manufacturer of paper products. From 1995 to February 1999, Mr. Martin was Chief Financial Officer of Rawlings Sporting Goods Company, Inc. Mr. Martin received a B.S. degree in accounting from the University of Missouri -- St. Louis.

STEVEN A. SCHUMM, 50, Executive Vice President, Chief Administrative Officer and Interim Chief Financial Officer. Prior to joining Charter Investment, Inc. (a predecessor of, and currently an affiliate of, Charter Communications, Inc.) in 1998, Mr. Schumm was a partner of Ernst & Young LLP for 14 years. Mr. Schumm joined Ernst & Young in 1974 and served in a variety of capacities during his years with the firm. At the time he left to join Charter Investment, Inc. he was managing partner of Ernst & Young's St. Louis office and a member of the Ernst & Young National Tax Committee. Mr. Schumm earned a B.S. degree from Saint Louis University.

CURTIS S. SHAW, 54, Senior Vice President, General Counsel and Secretary. Prior to joining Charter Investment in 1997, Mr. Shaw served as corporate counsel to NYNEX from 1988 through 1996. Since 1973, Mr. Shaw has practiced as a corporate lawyer, specializing in mergers and acquisitions, joint ventures, public offerings, financings, and federal securities and antitrust law. Mr. Shaw received a B.A. degree from Trinity College and a J.D. degree from Columbia University School of Law.

STEPHEN E. SILVA, 43, Executive Vice President and Chief Technology Officer. Mr. Silva joined Charter Investment in 1995, as director, billing services. Prior to his promotion to Executive Vice President and Chief Technology Officer in October 2001, he was Senior Vice President -- Corporate Development and Technology since September 1999. Mr. Silva previously served in various management positions at U.S. Computer Services, Inc., a billing service provider specializing in the cable industry. He is a member of the board of directors of TV Gateway, LLC.

EXECUTIVE COMPENSATION

The following report and the performance graph on page 21 do not constitute soliciting materials and are not considered filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Securities

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Exchange Act of 1934, unless we state otherwise.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee of the Board of Directors is responsible for reviewing and approving the annual salaries and other compensation of the executive officers of the Company and its subsidiaries and providing assistance and recommendations with respect to compensation plans.

Mr. Vogel serves as President and Chief Executive Officer, pursuant to an Employment Agreement that provides for a base salary of \$1,000,000, and a bonus of up to \$500,000. The Compensation Committee approved a bonus for Mr. Vogel for 2002 in the amount of \$330,000 based on the following factors: (a) his formula bonus entitlement provisions under his employment agreement; (b) the Committee's evaluation of Mr. Vogel's overall performance, taking into account the Company's current operational and financial condition and other factors deemed relevant to the Committee. The Committee took similar factors into account, along with the recommendation of Mr. Vogel, in setting the bonus levels for other executive officers.

In order to attract and retain well qualified executives, which the Compensation Committee believes is crucial to the Company's success, the Committee's general approach to compensating executives is to pay cash salaries which are commensurate with the executives' experience and expertise and, where relevant, are competitive with the salaries paid to executives in the cable or competitive telecommunications industries. In addition, to align executive compensation with the Company's business strategies, values and management initiatives, both short-term and long-term, the Compensation Committee may recommend to the Board of Directors or authorize the payment of discretionary bonuses based upon an assessment of each executive's contributions to the Company and the Company's performance during the period covered by the bonus consideration. In general, executive officer compensation determinations are made based upon the recommendations of the Company's President and Chief Executive Officer. The Board's practices in determining executive compensation reflect subjective criteria, and in large part are influenced by reported operating results.

The Compensation Committee believes that stock ownership by key executives provides a valuable and important incentive for their continued best efforts and diligence, and helps align their interests with those of the shareholders. To facilitate these objectives, in 2002, additional options were granted to executives (as well as other employees). The Company's stock benefit plans are administered by the Option Plan Committee, which makes the grants under the plans. The Option Plan Committee was comprised of directors Nancy B. Peretsman and Ronald L. Nelson during 2002.

PAUL G. ALLEN
MARC B. NATHANSON
WILLIAM D. SAVOY

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COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

In 2002, the Compensation Committee of Charter Communications, Inc. was comprised of Messrs. Paul G. Allen, William D. Savoy, and Marc B. Nathanson. In 2002, Nancy B. Peretsman and Ronald L. Nelson served as the Option Plan Committee that administered the 1999 Charter Communications Option Plan and the Charter Communications, Inc. 2001 Stock Incentive Plan.

No member of the Compensation Committee or the Option Plan Committee was an

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officer or employee of Charter Communications, Inc. or any of its subsidiaries except for Mr. Allen, who served as a non-employee chairman. Also, Mr. Nathanson was an officer of certain subsidiaries of Charter prior to their acquisition by Charter in 1999. Transactions between Charter Communications, Inc. and members of the Compensation Committee are more fully described in "-- Director Compensation" and in "Certain Relationships and Related Transactions -- Other Relationships."

None of the executive officers of Charter Communications, Inc. serve on the compensation committee of any other company that has an executive officer currently serving on the board of directors, Compensation Committee or Option Plan Committee of Charter Communications, Inc. None of the executive officers of Charter Communications, Inc. served as a director of another entity, one of whose executive officers served on the Compensation Committee or Option Plan Committee of Charter Communications, Inc. or any of its affiliates. Mr. Allen is a director of DreamWorks LLC (which employed Mr. Nelson as an executive officer through January 1, 2003, and thereafter engaged Mr. Nelson as a non-exclusive consultant) and is the 100% owner and a director of Vulcan Inc. and certain of its affiliates, which employ Mr. Savoy as an executive officer. Mr. Allen also is a director of and indirectly owns 98% of TechTV, of which Mr. Wangberg, one of our directors, is a director.

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SUMMARY COMPENSATION TABLE

The following table sets forth information regarding the compensation paid for services rendered to executive officers of Charter Communications, Inc. for the fiscal years ended December 31, 2000, 2001 and 2002, including the Chief Executive Officer during 2002, each of the other four most highly compensated executive officers as of December 31, 2002, and two other highly compensated executive officers who served during 2002 but were not executive officers on December 31, 2002.

NAME AND PRINCIPAL POSITION	YEAR ENDED DEC. 31	ANNUAL COMPENSATION			RESTRICTED STOCK AWARDS (\$) (3)	COMPENSATION A
		SALARY (\$)	BONUS (\$) (1)	OTHER ANNUAL COMPENSATION (\$) (2)		
Carl E. Vogel(5).....	2002	980,769	330,000 (7)	214,961 (13)	--	1,
President and Chief Executive Officer	2001	207,692	546,000 (7)	--	513,000	3,
Steven A. Schumm.....	2002	436,058	588,000 (8)	--	--	
Executive Vice President, Chief Administrative Officer and Interim Chief Financial Officer	2001	435,000	402,000 (8)	--	--	
	2000	410,000	444,000 (8)	--	--	
David L. McCall(6).....	2002	314,423	181,500 (9)	--	--	
Senior Vice President of Operations -- Eastern Division	2001	300,000	413,150 (9)	--	366,450	
	2000	225,000	283,625 (9)	--	--	
Curtis S. Shaw.....	2002	249,711	281,500 (10)	--	--	
Senior Vice President, General Counsel and Secretary	2001	245,000	236,000 (10)	--	--	
	2000	225,000	240,500 (10)	--	--	
Stephen E. Silva.....	2002	294,231	196,000 (11)	--	--	
Executive Vice President	2001	235,385	381,000 (11)	--	347,760	

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and Chief Technology Officer	2000	185,000	177,000 (11)	--	--	
David G. Barford(6).....	2002	343,269	181,500 (12)	--	--	
Executive Vice President and Chief Operating Officer	2001	330,769	495,875 (12)	91,739 (14)	449,625	1,
	2000	255,000	250,500 (12)	--	--	
Kent D. Kalkwarf(6).....	2002	350,000	181,500 (12)	86,233 (15)	--	
Executive Vice President and Chief Financial Officer	2001	330,769	495,875 (12)	--	449,625	1,
	2000	225,000	250,500 (12)	--	--	

-
- (1) For the officers specified in footnote 3 below, the bonus amount for 2001 includes the value of the vested portion of grants of restricted stock during 2001 under the Charter Communications 2001 Stock Incentive Plan, calculated based on the fair market values of the vested shares on the grant date, which pursuant to the terms of the plan is the average of the high and low price. These restricted stock grants made in 2001 were immediately vested as to twenty-five percent (25%) of the shares, with the remaining shares vesting in 36 equal monthly installments commencing approximately 15 months from the grant date. Also, where indicated, includes "stay" bonus in form of principal and interest forgiven under employee's promissory note, as more fully described in "-- Employment and Consulting Arrangements." Unless otherwise indicated, includes only bonus for services rendered in the applicable fiscal year. For 2002, the bonus amount shown includes a "stay" bonus representing the principal and interest forgiven under employee's promissory note.
- (2) Includes other non-cash compensation, unless the aggregate amount does not exceed the lesser of \$50,000 or 10% of such officer's total annual salary and bonus shown in the table.
- (3) Includes the unvested portion of grants of restricted stock during 2001 under the Charter Communications 2001 Stock Incentive Plan, calculated based on the closing market price of the vested shares on the grant date. The total grant amounts, including both vested and unvested portions, were as follows: (i) Carl E. Vogel, 50,000 shares as of October 8, 2001, (ii) David C. McCall, 35,000 shares as of September 28, 2001, (iii) Stephen E. Silva, 36,000 shares as of October 18, 2001, (iv) David G. Barford, 50,000 shares as of September 28, 2001, (v) Kent D. Kalkwarf, 50,000 shares as of September 28, 2001. The restricted shares were immediately vested as to twenty-five percent (25%) of

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the shares, with the remaining shares vesting in 36 equal monthly installments commencing approximately 15 months from the grant date. Pursuant to the terms of these employees' restricted stock agreement, each is entitled to any cash and/or stock dividends on the unvested restricted shares. The value as of the date of grant based on the closing market price of those shares that were vested immediately is disclosed in the "Bonus" column of the table. At December 31, 2002 based on a per share closing market price of \$1.18 for Charter Communications, Inc. Class A common stock, the aggregate number (and value) for each of the officers holding outstanding unvested restricted stock was: Mr. Vogel: 36,459 shares (\$43,022); Mr. McCall: 25,521 shares (\$30,115); Mr. Silva: 26,250 shares (\$30,975); Mr. Barford: 35,417 shares (\$41,792); and Mr. Kalkwarf: 35,417 shares (\$41,792).

- (4) Except as noted for Mr. Vogel below, in note 16, these amounts consist

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solely of matching contributions under Charter Communications, Inc.'s 401(k) plan, except the 2002 amounts also include \$255 for each person paid as premiums for supplemental life insurance available to executives.

- (5) Mr. Vogel became the Chief Executive Officer of Charter Communications, Inc. in October 2001.
- (6) Mr. McCall terminated his employment, January 31, 2003. As of December 31, 2002, neither Mr. Barford nor Mr. Kalkwarf served as an executive officer, and in January 2003, their employment was terminated. See "-- Employment and Consulting Arrangements" for additional information.
- (7) Includes: (i) \$171,000, representing the value based on the fair market value on October 8, 2001, the original grant date, of 12,500 shares of Class A common stock, the vested portion of Mr. Vogel's restricted stock grant; (ii) a one-time signing bonus of \$250,000; and (iii) \$330,000 and \$125,000 awarded as a bonus for services performed in 2002 and 2001, respectively.
- (8) Includes a "stay" bonus representing the principal and interest forgiven under employee's promissory note, amounting to \$363,000, \$342,000 and \$321,000, respectively for 2002, 2001 and 2000; and \$225,000, \$60,000 and \$123,000 awarded as a bonus for services performed in 2002, 2001 and 2000, respectively.
- (9) Includes: (i) \$122,150 for 2001, representing the value based on the fair market value on October 30, 2001, the original grant date, of 8,750 shares of Class A common stock, the vested portion of Mr. McCall's restricted stock grant; (ii) a "stay" bonus representing the principal and interest forgiven under employee's promissory note, amounting to \$181,500, \$171,000 and \$160,500, respectively for 2002, 2001 and 2000; and (iii) \$120,000 and \$123,125 awarded as a bonus for services performed in 2001 and 2000, respectively.
- (10) Includes a "stay" bonus representing the principal and interest forgiven under employee's promissory note, amounting to \$181,500, \$171,000 and \$160,500 for 2002, 2001 and 2000, respectively; and \$100,000, \$65,000 and \$80,000 awarded as a bonus for services performed in 2002, 2001 and 2000, respectively.
- (11) Includes: (i) \$116,000 for 2001, representing the value based on the fair market value on October 18, 2001, the original grant date, of 9,000 shares of Class A common stock, the vested portion of Mr. Silva's restricted stock grant; (ii) a "stay" bonus representing the principal and interest forgiven under employee's promissory note, amounting to \$121,000, \$114,000 and \$107,000, respectively for 2002, 2001 and 2000; and (iii) \$75,000, \$150,000 and \$70,000 awarded as a bonus for services performed in 2002, 2001 and 2000, respectively.
- (12) Includes: (i) \$149,875 for 2001, representing the value based on the fair market value on September 28, 2001, the original grant date, of 12,500 shares of Class A common stock, the vested portion of the employee's restricted stock grant; (ii) a "stay" bonus representing the principal and interest forgiven under employee's promissory note, amounting to \$181,500, \$171,000 and \$160,500, respectively for 2002, 2001 and 2000; and (iii) \$175,000 and \$90,000 awarded as a bonus for services performed in 2001 and 2000, respectively.
- (13) Includes \$100,000 attributed to personal use and commuting in the corporate airplane and \$114,961 for purchase of a car.

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- (14) Includes \$12,000 attributed to personal use of corporate airplane and \$79,739 for purchase of a car.
- (15) Includes \$3,000 attributed to personal use of corporate airplane and \$83,233 for purchase of a car.
- (16) Includes (i) for 2002, \$255 paid as premiums for supplemental life insurance available for executives and \$10,000 as reimbursement for tax advisory services; and (ii) for 2001, \$7,500 as reimbursement for legal expenses and \$1,486 paid by us for COBRA expenses.

2002 OPTION GRANTS

The following table shows individual grants of options made to individuals named in the Summary Compensation Table during 2002. All such grants were made under the 2001 Stock Incentive Plan and the exercise price was based upon the fair market value of the Class A common stock.

NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED (#) (1)	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN 2002	EXERCISE PRICE (\$/SH)	EXPIRATION DATE	POTENTIAL REALI VALUE AT ASSU ANNUAL RATE STOCK PRICE APPRE FOR OPTION TER	
					5% (\$)	10% (\$)
Carl E. Vogel.....	1,000,000	7.62%	\$2.85	07/23/12	\$1,792,350	\$4,705
Steven A. Schumm.....	300,000	2.29%	2.85	07/23/12	537,705	1,705
David L. McCall.....	300,000 (3)	2.29%	2.85	07/23/12	537,705	1,705
Curtis S. Shaw.....	100,000	0.76%	2.85	07/23/12	179,235	537,705
Stephen E. Silva.....	150,000	1.14%	2.85	07/23/12	268,852	1,705
David G. Barford.....	200,000 (3)	1.52%	2.85	07/23/12	288,835	1,705
Kent D. Kalkwarf.....	300,000 (3)	2.29%	2.85	07/23/12	537,705	1,705

- (1) Options are transferable under limited conditions, primarily to accommodate estate planning purposes. These options vest annually in five equal installments commencing on the first anniversary following the grant date of July 23, 2002. For additional terms of these options, see pages 41-48 for a description of options and other awards granted or eligible for grant under the 2001 Stock Incentive Plan.
- (2) This column shows the hypothetical gains on the options granted based on assumed annual compound price appreciation of 5% and 10% over the full ten-year term of the options. The assumed rates of 5% and 10% appreciation are mandated by the SEC and do not represent our estimate or projection of future prices.
- (3) These employees have terminated employment, and as a result we believe that their options have expired and these options have no potential realizable value to these individuals. Mr. Barford and Mr. Kalkwarf have disputed that their options have expired.

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2002 AGGREGATED OPTION EXERCISES AND OPTION VALUE TABLE

The following table sets forth, for the individuals named in the Summary Compensation Table, information concerning options, including the number of securities for which options were exercised during 2002 and for which options were held at December 31, 2002, the value of unexercised "in-the-money" options (i.e., the positive spread between the exercise price of outstanding options and the market value of Charter Communications, Inc. Class A common stock on December 31, 2002) and the value of unexercised options as of December 31, 2002:

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED (\$)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT DECEMBER 31, 2002 (#) (1)		VALUE
			EXERCISABLE	UNEXERCISABLE	IN-THE- MONEY DECEMBER 31, 2002
Carl E. Vogel.....	--	--	920,833	3,479,167	--
Steven A. Schumm.....	--	--	654,350	593,331	--
Curtis S. Shaw.....	--	--	208,082	265,918	--
Stephen E. Silva.....	--	--	224,416	420,584	--
David L. McCall.....	--	--	245,832	579,168	--
David G. Barford.....	--	--	494,332	1,080,668	--
Kent D. Kalkwarf.....	--	--	500,582	1,199,418	--

(1) Options granted prior to 2001 and under the 1999 Charter Communications Option Plan, when vested, are exercisable for membership units of Charter Communications Holding Company, LLC, which are immediately exchanged on a one-for-one basis for shares of Charter Communications, Inc. Class A common stock. Options granted under the 2001 Stock Incentive Plan and after 2000 are exercisable for shares of Charter Communications, Inc. Class A common stock.

(2) Based on a per share market value (closing price) of \$1.18 as of December 31, 2002, for Charter Communications, Inc. Class A common stock, no options held by the named persons were "in-the-money."

EMPLOYMENT ARRANGEMENTS

Employment Agreements. Messrs. Vogel and Silva each are currently employed by Charter Communications, Inc. under separate employment agreements that were executed in 2001 and terminate on December 31, 2005. Of the other individuals named in the Summary Compensation Table, Messrs. McCall, Barford and Kalkwarf are no longer employees of Charter Communications, Inc., but each of them served in 2002 under the terms of an employment agreement executed in 2001.

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The following table lists the position, salary and bonus of each employee and the stock options and restricted stock shares received by each employee under his agreement (all of which options and shares were received in 2001):

ANNUAL BASE	STOCK OPTIONS	RESTRICTED SHARES
-------------	------------------	----------------------

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NAME	POSITION	SALARY	RECEIVED	RECEIVED	ANNUAL BONUS
Carl E. Vogel.....	President and Chief Executive Officer	\$1,000,000	3,400,000	50,000	Up to \$500,000
Stephen E. Silva.....	Executive Vice President and Chief Technology Officer	\$ 300,000	--	36,000	50% of base, according to Executive Bonus Policy; Discretionary Bonus
David L. McCall.....	Former Senior Vice President, Operations -- Eastern Division	\$ 300,000	--	35,000	40% of base, according to Executive Bonus Policy; Discretionary Bonus
David G. Barford.....	Former Executive Vice President and Chief Operating Officer	\$ 350,000	750,000	50,000	50% of base, according to Executive Bonus Policy; Discretionary Bonus
Kent D. Kalkwarf.....	Former Executive Vice President and Chief Financial Officer	\$ 350,000	750,000	50,000	50% of base, according to Executive Bonus Policy

The options and restricted shares generally vested 25% on the grant date, with the remainder to vest in 36 equal monthly installments beginning on or about the 15th month after the grant date. Generally, the agreements provide that if the employee is terminated without cause, then a specified portion of the remaining unvested options and restricted stock will vest immediately.

The agreements provide that the employee is entitled to participate in any disability insurance, pension or other benefit plan afforded to employees generally or to executives of Charter Communications, Inc. Mr. Vogel's agreement provides that he will be reimbursed by Charter Communications, Inc. for the cost of term life insurance in the amount of \$5 million, although he declined this reimbursement in 2001 and 2002. The other four agreements provide that, to the extent Charter Communications, Inc. does not provide life insurance in an amount at least equal to the unpaid amount of the employee's base salary through the end of the term of his agreement, Charter Communications, Inc. will continue to pay his estate an amount equal to his base salary in installments through the end of the term. Each of the agreements contain non-solicitation and confidentiality provisions applicable to each employee. Mr. Vogel is entitled to reimbursement of the cost of a car in accordance with his agreement. Mr. Vogel's agreement provides that he is entitled to the reimbursement of fees and dues for his membership in a country club of his choice, which he declined in 2001 and 2002, and reimbursement for up to \$10,000 per year for tax, legal and financial planning services. The base salary of any employee may be increased at the discretion of the board of directors of Charter Communications, Inc.

Each agreement provides that, if it is terminated by Charter Communications, Inc. without cause or by the employee for good reason (including due to a change in control of Charter Communications, Inc.), Charter Communications, Inc. will pay to the applicable employee an amount equal to the aggregate base salary due to the employee for the remaining term and a full prorated bonus for the year in which the termination occurs. Also, in addition to the indemnification provisions which apply to all employees under our Bylaws,

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each agreement provides that Charter Communications, Inc. will indemnify and hold harmless each employee to the maximum extent permitted by law from and against any claims, damages, liabilities, losses, costs or expenses in connection with or arising out of the performance by the applicable employee of his duties.

Mr. Vogel's agreement provides for automatic one-year renewals and that Charter Communications, Inc. will cause him to be elected to the Charter Communications, Inc. board of directors without any additional compensation.

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STAY BONUSES

Certain of our executive officers have received "stay bonuses" in the form of three-year or two-year promissory notes. For the three-year notes, one-third of the original outstanding principal amount of each of these notes and interest was forgiven at the end of each of the first three anniversaries of the issue date, as long as the employee was still employed; for the two-year notes, the principal and interest was forgiven at the first two anniversaries. Generally, the promissory notes provided for interest at 7% per year. The amount forgiven during any year has been included as "bonus" compensation to the employee and is reflected in the "bonus" column of the "Summary Compensation Table." In 2002, all the remaining principal and accrued interest on these notes was forgiven in accordance with the terms of the notes, so that at December 31, 2002, these notes were no longer outstanding.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of Charter Communications, Inc.'s Class A common stock as of May 27, 2003 by:

- each of the directors of Charter Communications, Inc.
- the current chief executive officer and the other individuals named in the Summary Compensation Table;
- all directors and current executive officers of Charter Communications, Inc. as a group; and
- each person known by us to own beneficially 5% or more of the outstanding Charter Communications, Inc. Class A common stock.

With respect to the percentage of voting power set forth in the following table:

- each holder of Charter Communications, Inc. Class A common stock is entitled to one vote per share; and
- each holder of Charter Communications, Inc. Class B common stock is entitled to ten votes per share of Class B common stock held by such holder and its affiliates and ten votes per share of Class B Common Stock for which membership units in Charter Communications Holding Company, LLC held by such holder and its affiliates are exchangeable.

	CLASS A
	SHARES
UNVESTED	RECEIVABLE

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NAME AND ADDRESS OF BENEFICIAL OWNER (1)	NUMBER OF CLASS A SHARES (VOTING AND INVESTMENT POWER) (2)	RESTRICTED CLASS A SHARES (VOTING POWER ONLY) (3)	ON EXERCISE OF VESTED OPTIONS OR OTHER CONVERTIBLE SECURITIES (4)	CLASS A SHARES RECEIVABLE ON EXERCISE OF CONVERTIBLE SR. NOTES	NUMBER OF CLASS B SHARES OWNED
Paul G. Allen(8)..... Charter Investment(9)..... Vulcan Cable III(10).....	21,668,673		10,000		50,000
Carl E. Vogel..... John H. Tory..... Marc B. Nathanson(11)..... Ronald L. Nelson(12)..... Nancy B. Peretsman..... William D. Savoy(13)..... Larry W. Wangberg..... David C. Merritt..... Steven A. Schumm(14)..... Curtis S. Shaw..... Stephen E. Silva.....	70,833 4,300 7,802,085 55,000 60,000 60,000 3,000 12,440 5,000 57,000	29,167	1,616,666 40,000 50,000 50,000 50,000 50,000 40,000 811,912 270,583 300,833	34,786 231,911 46,382 115,955 4,638	

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NAME AND ADDRESS OF BENEFICIAL OWNER (1)	NUMBER OF CLASS A SHARES (VOTING AND INVESTMENT POWER) (2)	UNVESTED RESTRICTED CLASS A SHARES (VOTING POWER ONLY) (3)	CLASS A SHARES RECEIVABLE ON EXERCISE OF VESTED OPTIONS OR OTHER CONVERTIBLE SECURITIES (4)	CLASS A SHARES RECEIVABLE ON EXERCISE OF CONVERTIBLE SR. NOTES	NUMBER OF CLASS B SHARES OWNED
All current directors and executive officers as a group (13 persons)..... David G. Barford(16)..... Kent D. Kalkwarf(17)..... David L. McCall(15)..... Comcast Corporation(18)...	29,744,331	50,167	3,574,493	435,991	50,000
Mark Cuban(19)..... FMR Corp.(20)..... Wallace R. Weitz & Company(21).....	19,000,000 25,964,516 42,005,509		24,273,943	1,396,668 1,576,994	

* Less than 1%.

(1) Except where noted below, the address for each person is Charter Plaza, 12405 Powerscourt Drive, St. Louis, Missouri 63131.

(2) Includes shares for which the named person has:
- sole voting and investment power; or

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- shared voting and investment power with a spouse.

Does not include shares that may be acquired through exercise of options.

- (3) Includes unvested shares of restricted stock issued under the 2001 Stock Incentive Plan, as to which the applicable employee has sole voting power but not investment power.
- (4) Includes shares of Class A common stock issuable upon exercise of options vested on or before July 26, 2003 under the 1999 Charter Communications Option Plan and the 2001 Stock Incentive Plan.
- (5) Beneficial ownership is determined in accordance with Rule 13d-3 under the Exchange Act. The beneficial owners at May 27, 2003 of Charter Communications, Inc. Class B common stock, Charter Communications Holding Company, LLC membership units, CC VIII, LLC membership units and convertible senior notes of Charter Communications, Inc. are deemed to be beneficial owners of an equal number of shares of Charter Communications, Inc. Class A common stock because such holdings are or were either convertible into Class A shares (in the case of Class B shares and convertible senior notes) or exchangeable (directly or indirectly) for Class A shares (in the case of the membership units) on a one-for-one basis. Unless otherwise noted, the named holders have or had sole investment and voting power with respect to the shares listed as beneficially owned. An issue has arisen as to whether the documentation for the Bresnan transaction was correct and complete with regard to the ultimate ownership of the CC VIII, LLC membership interests following the consummation of the Bresnan put transaction on June 6, 2003. See "Certain Relationships and Related Transactions -- Transactions Arising Out of Our Organizational Structure and Mr. Allen's Investment in Charter Communications, Inc. and Its Subsidiaries -- Equity Put Rights -- Bresnan."
- (6) The calculation of this percentage assumes for each person that:
 - 294,527,595 shares of Class A common stock are issued and outstanding as of May 27, 2003;
 - 50,000 shares of Class B common stock held by Mr. Allen have been converted into shares of Class A common stock;
 - the acquisition by such person of all shares of Class A common stock that such person or affiliates of such person has the right to acquire upon exchange of membership units in subsidiaries or conversion of Series A Convertible Redeemable Preferred Stock or 5.75% or 4.75% convertible senior notes;
 - the acquisition by such person of all shares that may be acquired upon exercise of options to purchase shares or exchangeable membership units that have vested or will vest by July 26, 2003; and

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- that none of the other listed persons or entities has received any shares of Class A common stock that are issuable to any of such persons pursuant to the exercise of options or otherwise. A person is deemed to have the right to acquire shares of Class A common stock with respect to options vested under the 1999 Charter Communications Option Plan. When vested, these options are exercisable for membership units of Charter Communications Holding Company, LLC which are immediately exchanged on a one-for-one basis for shares of Charter Communications, Inc. Class A common stock. A person is also deemed to have the right to acquire shares of Class A common stock issuable upon the exercise of vested options under the 2001 Stock Incentive Plan.

- (7) The calculation of this percentage assumes that Mr. Allen's equity

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interests are retained in the form that maximizes voting power (i.e., the 50,000 shares of Class B common stock held by Mr. Allen have not been converted into shares of Class A common stock; that the membership units of Charter Communications Holding Company, LLC owned by each of Vulcan Cable III and Charter Investment have not been exchanged for shares of Class A common stock).

- (8) The total listed includes:
- 222,818,858 membership units in Charter Communications Holding Company, LLC held by Charter Investment; and
 - 116,313,173 membership units in Charter Communications Holding Company, LLC held by Vulcan Cable III.

The listed total excludes 24,273,943 shares of Class A common stock issuable upon exchange of units of Charter Communications Holding Company, LLC, which may be issuable to Mr. Allen as a consequence of the closing of his purchase of the membership interests in CC VIII, LLC that were "put" to Mr. Allen and were purchased by him on June 6, 2003. An issue has arisen regarding the ultimate ownership of such CC VIII, LLC membership interests following the consummation of such put transaction. See "Certain Relationships and Related Transactions -- Transactions Arising Out of Our Organizational Structure and Mr. Allen's Investment in Charter Communications, Inc. and Its Subsidiaries -- Equity Put Rights -- Bresnan."

The address of this person is: 505 Fifth Avenue South, Suite 900, Seattle, WA 98104.

- (9) Includes 222,818,858 membership units in Charter Communications Holding Company, LLC which are exchangeable for shares of Class B common stock on a one-for-one basis, which are convertible to shares of Class A common stock on a one-for-one basis.
- (10) Includes 116,313,173 membership units in Charter Communications Holding Company, LLC which are exchangeable for shares of Class B common stock on a one-for-one basis, which are convertible to shares of Class A common stock on a one-for-one basis. The address of this person is: 505 Fifth Avenue South, Suite 900, Seattle, WA 98104.
- (11) Includes 91,090 shares owned by the Nathanson Family Trust, as to which Mr. Nathanson disclaims beneficial ownership.
- (12) Includes 10,000 shares as to which Mr. Nelson disclaims beneficial ownership.
- (13) Includes 1,167,552 shares issuable upon exchange of membership units that may be acquired by Mr. Savoy upon exercise of options from Vulcan Cable III that have vested or will vest by July 26, 2003.
- (14) Includes 1,000 shares for which Mr. Schumm has shared investment and voting power.
- (15) Mr. McCall's stock options expired in April, 2003.
- (16) We believe that the vested stock options shown in the table expired in March 2003. The table does not reflect stock options for 1,061,042 shares that were not vested as of the date of termination and have been cancelled, and 34,375 shares of unvested restricted stock that have been forfeited following Mr. Barford's termination in January 2003, both of which are disputed by Mr. Barford.
- (17) We believe that the vested stock options shown in the table expired in March 2003. The table does not reflect stock options for 1,179,792 shares

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that were not vested as of the date of termination and have been cancelled, and 34,375 shares of unvested restricted stock that have been forfeited following Mr. Kalkwarf's termination in January 2003, both of which are disputed by Mr. Kalkwarf.

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- (18) Pursuant to holder's Form 13G filed with the SEC on January 27, 2003, the named holder and its affiliates beneficially owned, with shared voting and investment power, Class A shares issuable upon exchange of 24,273,943 membership units in CC VIII, LLC. In April 2002, the holders exercised their right to put their CC VIII membership interests to Mr. Allen, and this transaction closed on June 6, 2003. See "Certain Relationships and Related Transactions -- Transactions Arising Out of Our Organizational Structure and Mr. Allen's Investment in Charter Communications, Inc. and Its Subsidiaries -- Equity Put Rights -- Bresnan." The holders' address is: 1500 Market Street, Philadelphia, Pennsylvania 19102-2148.
- (19) The equity ownership reported in this table is based upon holder's Form 13G dated May 19, 2003. The address of this person is: 5424 Deloache, Dallas, Texas 75220.
- (20) The equity ownership reported in this table, for both the named holder and its controlling shareholders, the Edward C. Johnson 3d family, is based upon holders' Form 13G filed with the SEC on February 13, 2003. Of the shares reported, there is sole power to dispose all of the 27,361,184 shares beneficially owned; and there is sole power to vote 5,604,316 shares and no power to vote 21,756,868 shares (including the shares issuable upon conversion of notes). The address of this person is: 82 Devonshire Street, Boston, Massachusetts 02109.
- (21) The equity ownership reported in this table, for both the named holder and its president and primary owner, Wallace R. Weitz, is based upon holders' Form 13G filed with the SEC on January 16, 2003, and reflects the holders' ownership in its capacity as an investment advisor and not ownership for its own account. The address of this person is: 1125 South 103rd Street, Suite 600, Omaha, Nebraska 68124-6008.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following information is provided as of December 31, 2002 with respect to equity compensation plans:

PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	NUMBER OF REMAINING FOR FUTURE UNDER COMPENSAT
-----	-----	-----	-----
Equity compensation plans approved by security holders.....	53,632,148 (1)	\$14.22	35,84
Equity compensation plans not approved by security holders(3).....	186,385	\$20.46	-----
TOTAL.....	53,818,533 =====	\$14.23 =====	35,84 =====

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- (1) This total does not include 159,064 shares issued pursuant to restricted stock grants made under our 2001 Stock Incentive Plan, which were subject to vesting based on continued employment.
- (2) Includes 30,000,000 shares added to the 2001 Stock Incentive Plan pursuant to a plan amendment approved by the board of directors on October 29, 2002. This amendment is subject to shareholder approval, and no options with respect to these additional shares will be exercisable until shareholder approval is obtained.
- (3) Includes shares of Class A common stock to be issued upon exercise of options granted pursuant to an individual compensation agreement with a consultant. Such options generally contain the same terms and conditions as options granted under the 2001 Stock Incentive Plan, except that the shares are not registered for issuance on Form S-8. For further description of the material features of the individual compensation agreement with the consultant, please see Note 20 to the consolidated financial statements included in our 2002 Annual Report provided herewith.

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PERFORMANCE GRAPH

The graph below shows the cumulative total return on the Company's Class A common stock for the period from November 8, 1999, the date of the initial public offering of the Company's Class A common stock, through December 31, 2002, in comparison to the cumulative total return on Standard & Poor's 500 Index and a peer group consisting of the four national cable operators that are most comparable to the Company in terms of size and nature of operations. Previously, this peer group (the "Prior Peer Group") consisted of Adelphia Communications Corporation (which filed for protection under Chapter 11 of the bankruptcy code on June 25, 2002), Cablevision Systems Corporation, Comcast Corporation, and Cox Communications, Inc. However, the Company has decided to designate a new peer group (the "New Peer Group") that replaces Adelphia with Mediacom Communications Corp. in light of Adelphia's bankruptcy filing. The results shown assume that \$100 was invested on November 9, 1999 and that all dividends were reinvested. These indices are included for comparative purposes only and do not necessarily reflect management's opinion that such indices are an appropriate measure of the relative performance of the stock involved, and are not intended to forecast or be indicative of future performance of the Class A common stock.

COMPARISON OF 38 MONTH CUMULATIVE TOTAL RETURN*
AMONG CHARTER COMMUNICATIONS, INC., THE S & P 500 INDEX
AND TWO PEER GROUPS

[PERFORMANCE GRAPH]

	CHARTER COMMUNICATIONS, INC. -----	S & P 500 -----	PRIOR GROU -----
11/9/99	100.00	100.00	100.
12/99	115.13	108.04	115.
3/00	75.41	110.52	101.
6/00	86.51	107.58	96.

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9/00	85.61	106.54	88.
12/00	119.41	98.21	102.
3/01	119.08	86.56	96.
6/01	122.89	91.63	96.
9/01	65.16	78.18	79.
12/01	86.47	86.53	82.
3/02	59.42	86.77	70.
6/02	21.47	75.15	47.
9/02	9.79	62.16	41.
12/02	6.21	67.41	47.

* \$100 invested on 11/9/99 in stock or on 10/31/99 in index -- including reinvestment of dividends. Fiscal year ending December 31.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The following sets forth certain transactions in which we are involved in which our directors, executive officers and affiliates have or may have a material interest. The transactions fall generally into three broad categories:

- Transactions in which Mr. Allen has an interest that arise directly out of Mr. Allen's investment in us. A large number of the transactions described below arise out of Mr. Allen's direct and indirect (through Charter Investment, or the Vulcan entities, each of which Mr. Allen controls) investment in Charter Communications, Inc. and its subsidiaries. These include transactions that we believe naturally result from our organizational structure, history and organizational documents, as well as commitments made as consideration for the investments themselves.
- Transactions with third party providers of products, services and content in which Mr. Allen has a material interest. Due to Mr. Allen's extensive investment activity in the areas of technology and media, we have a number of commercial relationships with third parties in which Mr. Allen has an interest.
- Other Miscellaneous Transactions. We also have a limited number of transactions in which certain of our other officers, directors and principal shareholders have an interest.

Except where noted below, we do not believe that these transactions present any unusual risks for us that would not be present in any similar commercial transaction.

The following chart summarizes certain information with respect to these transactions; additional information regarding these transactions is provided following the chart:

TRANSACTION	INTERESTED RELATED PARTY	DESCRIPTION OF TRANSACTION
Intercompany Management Arrangements.....	Paul G. Allen	The subsidiaries of Charter Communications Holding Company, LL Charter Communications, Inc. \$9 mi for services rendered in 2002, and

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Mutual Services Agreement.....	Paul G. Allen	million in the first quarter of 2003. Charter Communications, Inc. paid \$20 million for services rendered in 2002 and \$20 million in the first quarter of 2003.
Management Agreement.....	Paul G. Allen	No fees were paid in 2002 or 2003, although total management fees payable to Charter Investment, exclusive of interest, were \$14 million at the end of March 2003.
Tax Provisions of Charter Communications Holdings' Operating Agreement.....	Paul G. Allen	The operating agreement of Charter Communications Holding Company, LLC allocates certain tax losses to entities controlled by Paul Allen.
Channel Access Agreement.....	Paul G. Allen	At Vulcan Ventures request, we will provide Vulcan Ventures with exclusive rights for carriage on eight of our digital cable channels as partial consideration of a prior capital contribution of \$1.325 billion.

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TRANSACTION	INTERESTED RELATED PARTY	DESCRIPTION OF TRANSACTION
-----	-----	-----
Equity Put Rights.....	Paul G. Allen	Certain sellers of cable systems that were acquired were granted, or previously held, the right, as described below, to purchase Paul Allen equity in us (in the case of Rifkin and Falcon), Charter Communications Holding Company, LLC (in the case of Rifkin) and CC VIII, LLC (in the case of Bresnan) that they were issued in connection with such acquisitions.
Funding Commitment of Vulcan Inc.	Paul G. Allen	Effective April 14, 2003, we entered into a commitment letter with Vulcan Inc. which is an affiliate of Paul Allen pursuant to which Vulcan Inc. agreed to lend, or cause an affiliate to lend, initially to Charter Communication LLC an aggregate amount of up to \$100 million, which amount includes a subfacility of up to \$100 million in the issuance of letters of credit.
High Speed Access Corp. Asset Purchase Agreement.....	Paul G. Allen	In February 2002, our subsidiary purchased certain assets of High Speed Access for \$78 million, plus the debt of 37,000 shares of High Speed Access Series D preferred stock and certain warrants. In connection with the transaction, High Speed Access also

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High Speed Access Corp. Paul G. Allen

TechTV Carriage Agreement..... Paul G. Allen
William D. Savoy
Larry W. Wangberg

Oxygen Media Corporation Carriage Agreement..... Paul G. Allen

purchased 38,000 shares of its Series A preferred stock from Vulcan Ventures for \$8 million, and all of Vulcan Ventures' shares of High Speed Access common stock. In January 2002, we granted a royalty-free right to use intellectual property purchased by Charter Communications Holding Company, LLC, received approximately \$4 million in management fees and \$17 million in revenues and approximately \$2 million under agreements that have terminated. We received \$4 million from TechTV under the Carriage Agreement in 2002 and \$0.2 million for the first quarter of 2003 and paid TechTV \$0.2 million during 2002 and \$0.2 million in the first quarter of 2003.

We paid Oxygen Media \$6 million under the Carriage Agreement in exchange for programming in 2002, and \$2 million during the first quarter of 2003. We received \$2 million in 2002, and \$0.2 million in the first quarter of 2003 from Oxygen Media related to marketing support provided to customers, also warrants to purchase 2.4 million shares of Oxygen Media common stock.

TRANSACTION	INTERESTED RELATED PARTY	DESCRIPTION OF TRANSACTION
Portland Trail Blazers Carriage Agreement.....	Paul G. Allen	We paid \$1 million in connection with the cable broadcast of certain Trail Blazers basketball games in 2002, and none in the first quarter of 2003.
Action Sports Cable Network Carriage Agreement.....	Paul G. Allen	We paid \$1 million for rights to carry its programming in 2002, and none in the first quarter of 2003.
Click2learn, Inc. Software License Agreement.....	Paul G. Allen	We paid approximately \$250,000 under the Software License Agreement in 2002 and \$0 in the first quarter of 2003.
Digeo, Inc. Broadband Carriage Agreement.....	Paul G. Allen William D. Savoy Carl E. Vogel	We paid Digeo \$3 million in 2002 for the customized development of the i-channel and the local content tool kit. We received no revenues under the Broadband Carriage Agreement in 2002, and none in the first quarter of 2003.
ADC Telecommunications Inc.	Larry W. Wangberg	We paid \$759,600 to purchase certain access/network equipment in 2002, and \$11,700 in the first quarter of 2003.

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HDNet and HDNet Movies Network....	Mark Cuban	We recently signed an agreement to two around-the-clock, high-definit networks, HDNet and HDNet Movies.
Office lease agreement.....	David L. McCall	We paid \$117,600 in 2002, and \$29, the first quarter of 2003, under a office lease agreement to a partne controlled by Mr. McCall.
Construction Services.....	David L. McCall	We paid \$644,800 in 2002, and \$122 the first quarter of 2003, to a construction company controlled by McCall's brother, and we paid \$3 m in 2002 and \$337,700 in the first of 2003 to a construction company controlled by Mr. McCall's son.
Lease Arrangements.....	Marc B. Nathanson	We paid approximately \$76,000 in 2 and \$17,200 in the first quarter o to companies controlled by Mr. Nat under a warehouse lease agreement.

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TRANSACTION -----	INTERESTED RELATED PARTY -----	DESCRIPTION OF TRANSACTION -----
Enstar Limited Partnership Systems Purchase and Management Services.....	Charter officers who were appointed by a Charter subsidiary (as general partner) to serve as officers of Enstar limited partnerships	Certain of our subsidiaries purcha certain assets of the Enstar Limit Partnerships, for approximately \$6 million. We also earned \$1 million in 2002, \$155,400 in the first quarter of 2 providing management services to t Enstar limited partnerships.
Indemnification Advances.....	Directors and current and former officers named in certain legal proceedings	Pursuant to indemnification arrang we advanced approximately \$3.9 mil for defense costs incurred in 2002 2003.

The following sets forth more details regarding the transactions summarized above.

TRANSACTIONS ARISING OUT OF OUR ORGANIZATIONAL STRUCTURE AND MR. ALLEN'S INVESTMENT IN CHARTER COMMUNICATIONS, INC. AND ITS SUBSIDIARIES

As noted above, a number of our related party transactions arise out of Mr. Allen's investment in Charter Communications, Inc. and its subsidiaries, whether directly as a result of an investment transaction or as a result of our organizational structure, history and organization documents. In that regard, some of these transactions are with Charter Investment, Inc. and Vulcan Ventures (both owned 100% by Mr. Allen) and Charter Communications Holding Company, LLC (approximately 46.5% owned by us and 53.5% owned by other affiliates of Mr. Allen).

INTERCOMPANY MANAGEMENT ARRANGEMENTS

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Charter Communications, Inc. has entered into management arrangements with Charter Communications Holding Company, LLC and certain of its subsidiaries. Under these agreements, Charter Communications, Inc. provides management services for the cable television systems owned or operated by its subsidiaries. These management agreements provide for reimbursement to Charter Communications, Inc. for all costs and expenses incurred by it attributable to the ownership and operation of the managed cable systems ("Company Expenses"), plus an additional management fee to cover additional costs incurred that are not in the nature of Company Expenses (such as corporate overhead, administration and salary expense). The management agreements covering the CC VI and CC VII companies limit the management fee portion payable to Charter Communications, Inc. to 5% of gross revenues. Under the arrangement covering all of our other operating subsidiaries, there is no limit on the dollar amount or percentage of revenues payable as management fees, except for CC VIII, where the operating agreement limits management fees payable to amounts allowed under the CC VIII Credit Agreement. However, the total amount paid by Charter Communications Holding Company, LLC and all of its subsidiaries is limited to the amount necessary to reimburse Charter Communications, Inc. for all of its expenses, costs, losses, liabilities and damages paid or incurred by it in connection with the performance of its services under the various management agreements. The expenses subject to reimbursement include any fees Charter Communications, Inc. is obligated to pay under the mutual services agreement described below. Payment of management fees by Charter Communications, Inc.'s operating subsidiaries is subject to certain restrictions under the credit facilities of such subsidiaries. In the event any portion of the management fee due and payable is not paid, it is deferred by Charter Communications, Inc. and accrued as a liability of such subsidiaries. Any deferred amount of the management fee will bear interest at the rate of 10% per annum, compounded annually, from the date it was due and payable until the date it is paid. For the year ended December 31, 2002 and the three months ended March 31, 2003, Charter Communications, Inc. received a total of \$9 million and \$3 million, respectively, as management fees

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from Charter Communications Holding Company, LLC and its subsidiaries. The accounts and balances related to these fees eliminate in consolidation.

MUTUAL SERVICES AGREEMENT

Charter Communications, Inc., Charter Communications Holding Company, LLC and Charter Investment are parties to a mutual services agreement whereby each party shall provide rights and services to the other parties as may be reasonably requested for the management of the entities involved and their subsidiaries, including the cable systems owned by their subsidiaries all on a cost-reimbursement basis. The officers and employees of each party are available to the other parties to provide these rights and services, and all expenses and costs incurred in providing these rights and services are paid by Charter Communications, Inc. Each of the parties will indemnify and hold harmless the other parties and their directors, officers and employees from and against any and all claims that may be made against any of them in connection with the mutual services agreement except due to its or their gross negligence or willful misconduct. The mutual services agreement expires on November 12, 2009, and may be terminated at any time by any party upon thirty days' written notice to the other. For the year ended December 31, 2002 and the three months ended March 31, 2003, Charter Communications, Inc. paid \$70 million and \$20 million, respectively, to Charter Communications Holding Company, LLC for services rendered pursuant to the mutual services agreement. All such amounts are reimbursable to Charter Communications, Inc. pursuant to a management arrangement with our subsidiaries. See "-- Intercompany Management Arrangements." The accounts and balances related to these services eliminate in consolidation. Charter Investment no longer provides services pursuant to this

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agreement.

PREVIOUS MANAGEMENT AGREEMENT WITH CHARTER INVESTMENT

Prior to November 12, 1999, Charter Investment provided management and consulting services to our operating subsidiaries for a fee equal to 3.5% of the gross revenues of the systems then owned, plus reimbursement of expenses. The balance of management fees payable under the previous management agreement was accrued with payment at the discretion of Charter Investment, with interest payable on unpaid amounts. For the year ended December 31, 2002 and the three months ended March 31, 2003, Charter Communications, Inc.'s subsidiaries did not pay any fees to Charter Investment to reduce management fees payable. As of both December 31, 2002 and March 31, 2003, total management fees payable to Charter Investment were \$14 million, exclusive of any interest that may be charged.

CHARTER COMMUNICATIONS HOLDING COMPANY LIMITED LIABILITY AGREEMENT -- TAXES

The amended and restated limited liability company agreement of Charter Communications Holding Company, LLC contains special provisions regarding the allocation of tax losses and profits among its members -- Vulcan Cable III, Charter Investment and us. In some situations, these provisions may cause us to pay more tax than would otherwise be due if Charter Communications Holding Company, LLC had allocated profits and losses among its members based generally on the number of common membership units.

VULCAN VENTURES CHANNEL ACCESS AGREEMENT

Vulcan Ventures Incorporated, an entity controlled by Mr. Allen, Charter Communications, Inc., Charter Investment and Charter Communications Holding Company, LLC are parties to an agreement dated September 21, 1999 regarding the right of Vulcan Ventures to use up to eight of our digital cable channels in consideration of a prior capital contribution of \$1.325 billion. Specifically, at Vulcan Ventures' request, we will provide Vulcan Ventures with exclusive rights for carriage of up to eight digital cable television programming services or channels on each of the digital cable television systems with local and to the extent available, national control of the digital product owned, operated, controlled or managed by us now or in the future of 550 megahertz or more. If the system offers digital services but has less than 550 megahertz of capacity, then the programming services will be equitably reduced. Upon request of Vulcan Ventures, we will attempt to reach a comprehensive programming agreement pursuant to which we will pay the programmer, if possible, a fee per digital customer. If such fee arrangement is not achieved, then we and the programmer shall enter into

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a standard programming agreement. The initial term of agreement was 10 years, and the term extends by one additional year (such that the remaining term continues to be 10 years) on each anniversary date of the agreement unless either party provides the other with notice to the contrary at least 60 days prior to such anniversary date. As of both December 31, 2002 and March 31, 2003, Vulcan Ventures did not use any of these channels. However, in the future it is possible that Vulcan Ventures could require us to carry programming that is less profitable to us than the programming that we would otherwise carry and our results would suffer accordingly.

EQUITY PUT RIGHTS

Bresnan. As part of the Bresnan acquisition in February 2000, CC VIII, our indirect limited liability company subsidiary, issued Class A Preferred Membership Interests (collectively, the CC VIII Interest) with a value and an initial capital account of approximately \$630 million to certain sellers

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affiliated with AT&T Broadband, now owned by Comcast Corporation (the Comcast Sellers). While held by the Comcast Sellers, the CC VIII Interest was entitled to a 2% priority return on its initial capital amount and such priority return was entitled to preferential distributions from available cash and upon liquidation of CC VIII. While held by the Comcast Sellers, the CC VIII Interest generally did not share in the profits and losses of CC VIII. Mr. Allen granted the Comcast Sellers the right to sell to him the CC VIII Interest for approximately \$630 million plus 4.5% interest annually from February 2000 (the Comcast Put Right). In April 2002, the Comcast Sellers exercised the Comcast Put Right in full, and this transaction was consummated on June 6, 2003. Accordingly, Mr. Allen has become the holder of the CC VIII Interest. Consequently, subject to the matters referenced in the next paragraph, Mr. Allen generally thereafter will be allocated his pro rata share (based on number of membership interests outstanding) of profits or losses of CC VIII. In the event of a liquidation of CC VIII, Mr. Allen will not be entitled to any priority distributions (except with respect to the 2% priority return, as to which such priority will continue), and Mr. Allen's share of any remaining distributions in liquidation will be equal to the initial capital account of the Comcast Sellers of approximately \$630 million, increased or decreased by Mr. Allen's pro rata share of CC VIII's profits or losses (as computed for capital account purposes) after June 6, 2003.

An issue has arisen as to whether the documentation for the Bresnan transaction was correct and complete with regard to the ultimate ownership of the CC VIII Interest following consummation of the Comcast Put Right. Our Board of Directors has formed a Special Committee comprised of Messrs. Tory, Wangberg and Nelson to investigate and take any other appropriate action on our behalf with respect to this matter. Specifically, the Special Committee is considering whether it should be our position that Mr. Allen should be required to contribute the CC VIII Interest to Charter Communications Holding Company, LLC in exchange for Charter Communications Holding Company, LLC membership units, immediately after his acquisition of the CC VIII Interest upon consummation of the Comcast Put Right. To the extent it is ultimately determined that Mr. Allen must contribute the CC VIII Interest to Charter Communications Holding Company, LLC following consummation of the Comcast Put Right, the Special Committee may also consider what additional steps, if any, should be taken with respect to the further disposition of the CC VIII Interest by Charter Communications Holding Company, LLC. If necessary, following the completion of the Special Committee's investigation of the facts and circumstances relating to this matter, the Special Committee and Mr. Allen have agreed to a non-binding mediation process to resolve any dispute relating to this matter as soon as practicable, but without any prejudice to any rights of the parties if such dispute is not resolved as part of the mediation.

Rifkin. On September 14, 1999, Mr. Allen and Charter Communications Holding Company, LLC entered into a put agreement with certain sellers of the Rifkin cable systems that received a portion of their purchase price in the form of 3,006,202 Class A preferred membership units of Charter Communications Holding Company, LLC. This put agreement permitted these holders to compel Charter Communications Holding Company, LLC to redeem their Class A preferred membership units at any time before September 14, 2004 at \$1.00 per unit, plus accretion thereon at 8% per annum from September 14, 1999. Mr. Allen had guaranteed the redemption obligation of Charter Communications Holding Company, LLC. These units

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were put to Charter Communications Holding Company, LLC for redemption, and were redeemed on April 18, 2003 for an aggregate price of approximately \$4 million.

Mr. Allen also is a party to a put agreement with certain sellers of the

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Rifkin cable systems that received a portion of their purchase price in the form of shares of Class A common stock of Charter Communications, Inc. Under this put agreement, such holders have the right to sell to Mr. Allen any or all of such shares of Class A common stock at \$19 per share (subject to adjustments for stock splits, reorganizations and similar events), plus interest at a rate of 4.5% per year, compounded annually from November 12, 1999. This put agreement terminates on November 12, 2003, subject to early termination for certain events. At May 27, 2003, this put agreement applied to an aggregate of approximately 2,000 shares of Class A common stock.

Falcon. Mr. Allen also is a party to a put agreement with certain sellers of the Falcon cable systems (including Mr. Nathanson, one of our directors) that received a portion of their purchase price in the form of shares of Class A common stock of Charter Communications, Inc. Under the Falcon put agreement, such holders have the right to sell to Mr. Allen any or all shares of Class A common stock received in the Falcon acquisition at \$25.8548 per share (subject to adjustments for stock splits, reorganizations and similar events), plus interest at a rate of 4.5% per year, compounded annually from November 12, 1999. The Falcon put agreement terminates on November 12, 2003, subject to early termination for certain events. On May 27, 2003, the Falcon put agreement applied to an aggregate of approximately 7.5 million shares of Class A common stock. See "Security Ownership of Certain Beneficial Owners and Management."

FUNDING COMMITMENT OF VULCAN INC.

Effective April 14, 2003, we entered into a commitment letter with Vulcan Inc., which is an affiliate of Paul Allen, pursuant to which Vulcan Inc. or an affiliate (the "lender") would lend initially to Charter Communications VII, LLC an aggregate amount of up to \$300 million, which amount includes a subfacility of up to \$100 million for the issuance of letters of credit. The borrower would be able to draw under the facility or have letters of credit issued, in each case within five business days of the end of each quarter ending on or prior to March 31, 2004. The loans and letters of credit could only be used to repay loans, or replace letters of credit, under our operating subsidiaries' credit facilities to the extent required to comply with the leverage ratios under those credit facilities or to create cushions in excess of the minimum amount necessary to comply with such ratios. The facility would be guaranteed by us and certain of our subsidiaries and would be secured by a lien on our corporate headquarters in St. Louis and certain corporate aircraft. We would be required to use our commercially reasonable efforts to form a new interim holding company (CCH II, LLC) as a subsidiary of Charter Holdings and to cause Charter Holdings to transfer to it the equity interests in Charter Operating, CC VI Holdings, LLC, Charter Communications VII, LLC and CC V Holdings, LLC, which transfer we refer to as the equity contribution. The equity interests to be transferred in the equity contribution have been pledged as security for the loans under the Charter Operating credit facility. We would also be required to use our commercially reasonable efforts to obtain the consent of the lenders under the Charter Operating credit facility to the grant to the lender of a second priority lien on the equity interests transferred to CCH II, LLC. Upon the equity contribution, CCH II, LLC would become the borrower under the facility.

In addition to the liens on our corporate headquarters, on the corporate aircraft and on the equity interests transferred pursuant to the equity contribution, the facility would also be secured on a pari passu basis by liens or security interests granted on any assets or properties (other than assets or properties of CCH II, LLC, which shall secure the facility on a first priority basis, subject to the prior lien in favor of the lenders under Charter Operating credit facility on the equity interests transferred pursuant to the equity contribution) to secure any indebtedness of us or any of our subsidiaries (other than the operating company credit facilities and other ordinary and customary exceptions to be determined).

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The interest rate on the loans would be initially 13% per annum, reducing to 12% per annum at such time as CCH II, LLC became the borrower under the facility. If the borrower were unable to receive funds from our operating subsidiaries to pay such interest the borrower would be able to pay interest by delivering additional notes to the lender in the amount of the accrued interest calculated at the rate of 15% per annum,

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reducing to 14% per annum for any issuance after CCH II, LLC became the borrower under the facility. Such additional notes would bear interest at the same rate as, and otherwise be on the same terms as, the notes issued to represent the original loans under the facility. Upon the occurrence of an event of default, the interest rate would be increased by 2% per annum over the interest rate otherwise applicable.

If letters of credit are issued pursuant to the facility, the borrower would pay a letter of credit fee of 8% per annum of the face amount of the letter of credit.

The borrower would pay the lender a facility fee of 1.5% of the amount of the facility, payable over three years (with 0.5% being earned upon execution of the commitment letter and 1.0% being earned upon execution of the definitive documentation). In addition to the facility fee, the borrower would pay a commitment fee on the undrawn portion of the facility in the amount of 0.5% per annum commencing upon execution of the definitive documentation.

The borrower would have the right to terminate the facility at any time that no loans or letters of credit are outstanding, although any fees earned prior to termination would remain payable. No amortization payments would be required prior to maturity. The facility would mature on November 12, 2009, provided that at such time as CCH II, LLC became the borrower under the facility the maturity date would become March 1, 2007. The loan may not be prepaid prior to March 31, 2004, but the borrower would have the right to make prepayments