IN THE SUPREME COURT OF THE STATE OF NEVADA

PLUMBERS LOCAL UNION NO. 519 PENSION TRUST FUND; AND CITY OF STERLING HEIGHTS POLICE AND FIRE RETIREMENT SYSTEM, DERIVATIVELY ON BEHALF OF NOMINAL DEFENDANT DISH NETWORK CORPORATION,

Appellants,

vs.

CHARLES W. ERGEN; JAMES DEFRANCO; CANTEY M. ERGEN; STEVEN R. GOODBARN; DAVID K. MOSKOWITZ; TOM A. ORTOLF; CARL E. VOGEL; GEORGE R. BROKAW; JOSEPH P. CLAYTON; GARY S. HOWARD; DISH NETWORK CORPORATION, A NEVADA CORPORATION; AND SPECIAL LITIGATION COMMITTEE OF DISH NETWORK CORPORATION,

Respondents.

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Elizabeth A. Brown
Clerk of Supreme Court

Supreme Court No. 81704

District Court No.
A-17-763397-B

JOINT APPENDIX
Vol. 19 of 85
[JA004040-JA004289]

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[1] Volumes 2-85 of the Joint Appendix include only a per-volume table of contents. Volume 1 of the Joint Appendix includes a full table of contents incorporating all documents in Volumes 1-85.

[2] The Evidentiary Hearing Exhibits were filed with the District Court on July 6, 2020.

EXHIBIT 48

EXHIBIT 48

DEF 14A 1 a14-20516_2def14a.htm DEF 14A

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

SCHEDULE 14A

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

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:
☐ Preliminary Proxy Statement
☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
☒ Definitive Proxy Statement
☐ Definitive Additional Materials
☐ Soliciting Material Pursuant to §240.14a-12

DISH Network Corporation
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):
☒ No fee required.
☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:
(2) Aggregate number of securities to which transaction applies:
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4) Proposed maximum aggregate value of transaction:
(5) Total fee paid:

☐ Fee paid previously with preliminary materials.
☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

September 19, 2014

DEAR SHAREHOLDER:

It is a pleasure for me to extend to you an invitation to attend the 2014 Annual Meeting of Shareholders of DISH Network Corporation. The Annual Meeting will be held on October 30, 2014, at 1:00 p.m., local time, at DISH Network's headquarters located at 9601 S. Meridian Blvd., Englewood, Colorado 80112.

The enclosed Notice of 2014 Annual Meeting of Shareholders and Proxy Statement describe the proposals to be considered and voted upon at the Annual Meeting. During the Annual Meeting, we will also review DISH Network's operations and other items of general interest regarding the corporation.

We hope that all shareholders will be able to attend the Annual Meeting. Whether or not you plan to attend the Annual Meeting personally, it is important that you be represented. To ensure that your vote will be received and counted, please vote online, by mail or by telephone, by following the instructions included with the proxy card.

On behalf of the Board of Directors and senior management, I would like to express our appreciation for your support and interest in DISH Network. I look forward to seeing you at the Annual Meeting.

CHARLES W. ERGEN
Chairman of the Board of Directors

NOTICE OF 2014 ANNUAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS OF DISH NETWORK CORPORATION:

The Annual Meeting of Shareholders of DISH Network Corporation will be held on October 30, 2014, at 1:00 p m., local time, at our headquarters located at 9601 S. Meridian Blvd., Englewood, Colorado 80112, for the following purposes:

1. To elect eleven directors to our Board of Directors;
2. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014;
3. To conduct a non-binding advisory vote on executive compensation;
4. To re-approve our 2009 Stock Incentive Plan;

5. To consider a shareholder proposal; and

6. To consider and act upon any other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

You may vote on these matters in person or by proxy. Whether or not you plan to attend the Annual Meeting, we ask that you vote by one of the following methods to ensure that your shares will be represented at the meeting in accordance with your wishes:

- Vote online or by telephone, by following the instructions included with the proxy card; or

- Vote by mail, by completing and returning the enclosed proxy card in the enclosed addressed stamped envelope.

Only shareholders of record at the close of business on September 10, 2014 are entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement of the meeting. This proxy statement and the proxy card were either made available to you online or mailed to you beginning on or about September 19, 2014.

By Order of the Board of Directors

R. STANTON DODGE
Executive Vice President, General Counsel
and Secretary

September 19, 2014

9601 S. Meridian Blvd. • Englewood, Colorado 80112 • Tel: (303) 723-1000 • Fax: (303) 723-1999

PROXY STATEMENT
OF
DISH NETWORK CORPORATION

GENERAL INFORMATION

This Proxy Statement and the accompanying proxy card are being furnished to you in connection with the 2014 Annual Meeting of Shareholders (the "Annual Meeting") of DISH Network Corporation ("DISH Network," "we," "us," "our" or the "Corporation"). The Annual Meeting will be held on October 30, 2014, at 1:00 p m., local time, at our headquarters located at 9601 S. Meridian Blvd., Englewood, Colorado 80112.

This Proxy Statement is being sent or provided on or about September 19, 2014, to holders of record at the close of business on September 10, 2014 (the "Record Date") of our Class A Common Stock (the "Class A Shares") and Class B Common Stock (the "Class B Shares").

Your proxy is being solicited by our Board of Directors (the "Board" or "Board of Directors"). It may be revoked by written notice given to our Secretary at our headquarters at any time before being voted. You may also revoke your proxy by submitting a proxy with a later date or by voting in person at the Annual Meeting. To vote online or by telephone, please refer to the instructions included with the proxy card. To vote by mail, please complete the accompanying proxy card and return it to us as instructed in the proxy card. Votes submitted online or by telephone or mail must be received by 11:59 p m., Eastern Time, on October 29, 2014. Submitting your vote online or by telephone or mail will not affect your right to vote in person, if you choose to do so. Proxies that are properly delivered to us and not revoked before the closing of the polls during the Annual Meeting will be voted for the proposals described in this Proxy Statement in accordance with the instructions set forth on the proxy card. The Board is currently not aware of any matters proposed to be presented at the Annual Meeting other than the election of eleven directors, the ratification of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014, a non-binding advisory vote on executive compensation, the re-approval of our 2009 Stock Incentive Plan, and the consideration of a shareholder proposal. If any other matter is properly presented at the Annual Meeting, the persons named in the accompanying proxy card will have discretionary authority to vote on that matter. Your presence at the Annual Meeting does not of itself revoke your proxy.

Attendance at the Meeting

All of our shareholders of record at the close of business on the Record Date, or their duly appointed proxies, may attend the Annual Meeting. Seating is limited, however, and admission to the Annual Meeting will be on a first-come, first-served basis. Registration and seating will begin at 12:30 p m., local time, and the Annual Meeting will begin at 1:00 p.m., local time. Each shareholder may be asked to present a valid government issued photo identification confirming his or her identity as a shareholder of record, such as a driver's license or passport. Cameras, recording devices, and other electronic devices will not be permitted at the Annual Meeting.

If your shares are held by a broker, bank, or other nominee (often referred to as holding in "street name") and you desire to attend the Annual Meeting, you will need to bring a legal proxy or a copy of a brokerage or bank statement reflecting your share ownership as of the Record Date. All shareholders must check in at the registration desk at the Annual Meeting.

Securities Entitled to Vote

Shareholder of Record. If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered the "shareholder of record," with respect to those shares. Shareholders of record receive this Proxy Statement and the accompanying 2013 Annual Report and the proxy card directly from us.

Beneficial Owner. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the "beneficial owner" of shares held in street name. Your broker, bank or other nominee, who is considered with respect to those shares the shareholder of record, should have forwarded the Notice of Internet Availability of Proxy Materials to you. As the beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote your shares by completing the voting instruction form.

Only shareholders of record at the close of business on the Record Date are entitled to notice of the Annual Meeting. Such shareholders may vote shares held by them at the close of business on the Record Date at the Annual Meeting. At the close of business on the Record Date, 222,374,101 Class A Shares and 238,435,208 Class B Shares were outstanding. Each of the Class A Shares is entitled to one vote per share on each proposal to be considered by our shareholders. Each of the Class B Shares is entitled to ten votes per share on each proposal to be considered by our shareholders.

Vote Required

In accordance with our Amended and Restated Articles of Incorporation (our "Articles of Incorporation"), the presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the total voting power of all classes of our voting stock taken together shall constitute a quorum for the transaction of business at the Annual Meeting.

The affirmative vote of a plurality of the total votes cast for directors at the Annual Meeting is necessary to elect a director. No cumulative voting is permitted. The eleven nominees receiving the highest number of votes cast "for" will be elected.

The affirmative vote of a majority of the voting power represented at the Annual Meeting is required to approve the ratification of the appointment of KPMG LLP as our independent registered public accounting firm; to approve the non-binding advisory vote on executive compensation; to re-approve our 2009 Stock Incentive Plan; and to approve the shareholder proposal. The total number of votes cast "for" will be counted for purposes of determining whether sufficient affirmative votes have been cast to approve the ratification of the appointment of KPMG LLP as our independent registered public accounting firm; to approve the non-binding advisory vote on executive compensation; to re-approve our 2009 Stock Incentive Plan; and to approve the shareholder proposal.

Abstentions from voting on a proposal by a shareholder at the Annual Meeting, as well as broker nonvotes, will be considered for purposes of determining the number of total votes present at the Annual Meeting. Abstentions will have the same effect as votes "against" the ratification of the appointment of KPMG LLP as our independent registered public accounting firm, the non-binding advisory vote on executive compensation, the re-approval of our 2009 Stock Incentive Plan, and the shareholder proposal. However, abstentions will not be counted as "against" or "for" the election of directors. Broker nonvotes will not be considered in determining the election of directors, the ratification of the appointment of KPMG LLP as our independent registered public accounting firm, the non-binding advisory vote on executive compensation, the re-approval of our 2009 Stock Incentive Plan, or the shareholder proposal.

Charles W. Ergen, our Chairman, currently possesses approximately 85.0% of the total voting power. Please see "Security Ownership of Certain Beneficial Owners and Management" below. Mr. Ergen has indicated his intention to vote: (1) for the election of each of the eleven director nominees, (2) for the ratification of the appointment of KPMG LLP as our independent registered public accounting firm, (3) for the non-binding advisory approval of executive compensation, (4) for the re-approval of our 2009 Stock Incentive Plan, and (5) against the shareholder proposal. Accordingly, the election of each of the director nominees, the ratification of the appointment of

KPMG LLP as our independent registered public accounting firm, the non-binding advisory approval of executive compensation, the re-approval of our 2009 Stock Incentive Plan, and the rejection of the shareholder proposal are assured notwithstanding a contrary vote by any or all shareholders other than Mr. Ergen.

Householding

We have adopted a procedure approved by the Securities and Exchange Commission ("SEC") called "householding." Under this procedure, service providers that deliver our communications to shareholders may deliver a single copy of our Annual Report, Proxy Statement or Notice of Internet Availability of Proxy Materials to multiple shareholders sharing the same address, unless one or more of these shareholders notifies us that they wish to continue receiving individual copies. Shareholders who participate in householding will continue to receive separate proxy cards. This householding procedure reduces our printing costs and postage fees.

We will deliver promptly upon written or oral request a separate copy of our Annual Report, Proxy Statement or Notice of Internet Availability of Proxy Materials, as applicable, to a shareholder at a shared address to which a single copy of the documents was delivered. Please notify Broadridge Financial Solutions at 51 Mercedes Way, Edgewood, NY 11717 or (800) 542-1061 to receive a separate copy of our Annual Report, Proxy Statement or Notice of Internet Availability of Proxy Materials.

If you are eligible for householding, but you and other shareholders with whom you share an address currently receive multiple copies of our annual reports, proxy statements and/or Notices of Internet Availability of Proxy Materials, or if you hold stock in more than one account, and in either case you wish to receive only a single copy of our Annual Report, Proxy Statement or Notice of Internet Availability of Proxy Materials for your household, please contact Broadridge Financial Solutions at the address or phone number provided above.

Our Mailing Address

Our mailing address is 9601 S. Meridian Blvd., Englewood, Colorado 80112.

PROPOSAL NO. 1 — ELECTION OF DIRECTORS

Nominees

Our shareholders will elect a board of eleven directors at the Annual Meeting. Each of the directors is expected to hold office until the next annual meeting of our shareholders or until his or her respective successor shall be duly elected and qualified. The affirmative vote of a plurality of the total votes cast for directors is necessary to elect a director. This means that the eleven nominees who receive the most votes will be elected to the eleven open directorships even if they get less than a majority of the votes cast. Each nominee has consented to his or her nomination and has advised us that he or she intends to serve if elected. If at the time of the Annual Meeting one or more of the nominees have become unable to serve: (i) shares represented by proxies will be voted for the remaining nominees and for any substitute nominee or nominees; or (ii) the Board of Directors may, in accordance with our bylaws, reduce the size of the Board of Directors or may leave a vacancy until a nominee is identified.

The nominees for director are as follows:

Name	Age	First Became Director	Position with the Company
George R. Brokaw (1)	46	2013	Director
Joseph P. Clayton	64	2011	Director, President and Chief Executive Officer
James DeFranco	61	1980	Director and Executive Vice President
Cantey M. Ergen	59	2001	Director and Senior Advisor
Charles W. Ergen	61	1980	Chairman
Steven R. Goodbarn (1)	57	2002	Director
Charles M. Lillis (1)	72	2013	Director
Afshin Mohebbi (1)	51	2014	Director
David K. Moskowitz	56	1998	Director and Senior Advisor
Tom A. Ortolf (1)	63	2005	Director
Carl E. Vogel	56	2005	Director and Senior Advisor

(1) Member of the Audit Committee, the Executive Compensation Committee (the "Compensation Committee") and the Nominating Committee.

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The following sets forth the business experience of each of the nominees over the last five years:

George R. Brokaw. Mr. Brokaw joined the Board in October 2013 and is a member of our Audit Committee, Compensation Committee, and Nominating Committee. Mr. Brokaw is currently a Managing Partner of the investment firm Trafelet Brokaw & Co., LLC. Until September 30, 2013, Mr. Brokaw served as Managing Director of the Highbridge Growth Equity Fund at Highbridge Principal Strategies, LLC ("Highbridge"). Prior to joining Highbridge in 2012, Mr. Brokaw was a Managing Partner and Head of Private Equity at Perry Capital, L.L.C. ("Perry"). Prior to joining Perry, Mr. Brokaw was Managing Director (Mergers & Acquisitions) of Lazard Frères & Co. LLC ("Lazard") from 2003 to 2005. Mr. Brokaw joined the board of directors of Alico, Inc. in November 2013 and continues to serve in that role. Mr. Brokaw previously served on the board of directors of North American Energy Partners Inc. from 2006 to 2013. The Board has determined that Mr. Brokaw meets the independence requirements of NASDAQ and SEC rules and regulations. The Board concluded that Mr. Brokaw should continue to serve on the Board due, among other things, to his financial experience, acquired, in part, during his tenure with Highbridge, Perry and Lazard. Mr. Brokaw received a B.A. from Yale University and a J.D. and M.B.A. from the University of Virginia. Mr. Brokaw is a member of the New York Bar.

Joseph P. Clayton. Mr. Clayton has served on the Board since June 2011, and currently serves as our President and Chief Executive Officer. Mr. Clayton served as Chairman of Sirius Satellite Radio Inc. ("Sirius") from November 2004 to July 2008 and served as Chief Executive Officer of Sirius from November 2001 to November 2004. Prior to joining Sirius, Mr. Clayton served as President of Global Crossing North America from 1999 to 2001, as President and Chief Executive Officer of Frontier Corporation ("Frontier") from 1997 to 1999 and as Executive Vice President, Marketing and Sales - Americas and Asia, of Thomson S.A prior to Frontier. Mr. Clayton previously served on the Board of Directors of Transcend Services, Inc. from 2001 to April 2012 and on the Board of Directors of EchoStar Corporation ("EchoStar") from October 2008 to June 2011. The Board concluded that Mr. Clayton should continue to serve on the Board due, among other things, to his experience in the radio broadcast and telecommunications industries, including his prior service with Sirius and Frontier.

James DeFranco. Mr. DeFranco is one of our Executive Vice Presidents and has been one of our vice presidents and a member of the Board since our formation. During the past five years he has held various executive officer and director positions with DISH Network and our subsidiaries. During 1980, Mr. DeFranco co-founded DISH Network with Charles W. Ergen and Cantey M. Ergen. The Board concluded that Mr. DeFranco should continue to serve on the Board due, among other things, to his knowledge of DISH Network since its formation, particularly in sales and marketing.

Cantey M. Ergen. Mrs. Ergen has served on the Board since May 2001, is currently a Senior Advisor to us and has had a variety of operational responsibilities with us since our formation. Mrs. Ergen served as a member of the board of directors of Children's Hospital Colorado from 2001 to 2012, and is now an honorary lifetime member. Mrs. Ergen also served on the board of trustees of Children's Hospital Colorado Foundation from 2000 to 2001. During 1980, Mrs. Ergen co-founded DISH Network with her future spouse, Charles W. Ergen, and James DeFranco. The Board concluded that Mrs. Ergen should continue to serve on the Board due, among other things, to her knowledge of DISH Network since its formation and her service to us in a multitude of roles over the years.

Charles W. Ergen. Mr. Ergen serves as our executive Chairman and has been Chairman of the Board of Directors of DISH Network since its formation. During the past five years, Mr. Ergen has held various executive officer and director positions with DISH Network and our subsidiaries including the position of President and Chief Executive Officer from time to time. During 1980, Mr. Ergen co-founded DISH Network with his future spouse, Cantey M. Ergen, and James DeFranco. Mr. Ergen also serves as executive Chairman and Chairman of the Board of Directors of EchoStar and served as Chief Executive Officer of EchoStar from its formation in October 2007 until November 2009. Mr. Ergen also served as EchoStar's President from June 2008 to November 2009. The Board concluded that Mr. Ergen should continue to serve on the Board due, among other things, to his role as our co-founder and controlling shareholder and the expertise, leadership and strategic direction that he has contributed to us since our formation.

Steven R. Goodbarn. Mr. Goodbarn joined the Board in December 2002 and is a member of our Audit Committee, where he serves as our "audit committee financial expert," Compensation Committee, and Nominating Committee. Since July 2002, Mr. Goodbarn has served as director, President and Chief Executive Officer of Secure64 Software Corporation, a company he co-founded. Mr. Goodbarn was Chief Financial Officer of Janus Capital Corporation ("Janus") from 1992 to 2000, where he was a member of the executive committee and served on the board of directors of many Janus corporate and investment entities. Mr. Goodbarn is a CPA and spent 12 years at Price Waterhouse prior to joining Janus. The Board has determined that Mr. Goodbarn meets the independence and "audit committee financial expert" requirements of NASDAQ and SEC rules and regulations. Mr. Goodbarn served as a member of the board of directors of EchoStar from its formation in October 2007 until November 2008. The Board concluded that Mr. Goodbarn should continue to serve on the Board due, among other things, to his knowledge of DISH Network from his service as a director since 2002 and his expertise in accounting, auditing, finance and risk management that he brings to the Board, in particular in light of his background as a CPA and his prior experience serving as Chief Financial Officer of Janus.

Charles M. Lillis. Mr. Lillis joined the Board in November 2013 and is a member of our Audit Committee, Compensation Committee, and Nominating Committee. Since 2011, Mr. Lillis has served as an advisor to Wells Fargo Bank, N.A. ("Wells Fargo"). Previously, Mr. Lillis was a co-founder and managing partner of Castle Pines Capital LLC ("Castle Pines Capital") from 2004 to 2011, a private equity concern and a financial services entity. Castle Pines Capital was acquired by Wells Fargo in 2011. Mr. Lillis was also previously a co-founder and principal of LoneTree Capital Management LLC ("LoneTree Capital Management"), a private equity investing group formed in 2000. Prior to LoneTree Capital Management, Mr. Lillis served as Chairman of the board of directors and Chief Executive Officer of MediaOne Group, Inc. from its inception in 1995 through its acquisition by AT&T Corp. in 2000. Mr. Lillis also has served on the boards of the following public companies: Medco Health Solutions, Inc. from 2005 to 2012; SUPERVALU Inc. from 1995 to 2011; The Williams Companies Inc. from 2000 to 2009; and Washington Mutual, Inc. from 2005 to 2009. The Board has determined that Mr. Lillis meets the independence requirements of NASDAQ and SEC rules and regulations. The Board concluded that Mr. Lillis should continue to serve on the Board due, among other things, to his financial and managerial experience.

Afshin Mohebbi. Mr. Mohebbi joined the Board in September 2014 and is a member of our Audit Committee, Compensation Committee, and Nominating Committee. Mr. Mohebbi is a private investor and advisor to public and private companies. Mr. Mohebbi has been a Senior Advisor to TPG Capital since March 2003. Prior to TPG Capital, Mr. Mohebbi was President and Chief Operating Officer of Qwest Communications International, Inc. ("Qwest") from April 2001 to December 2002. From July 2000 to April 2001, Mr. Mohebbi served as President, Worldwide Operations of Qwest. From June 1999 to July 2000, Mr. Mohebbi served as President and Chief Operating Officer at Qwest prior to its merger with US WEST, Inc. Before joining Qwest, Mr. Mohebbi served as President and managing director of the United Kingdom Markets for British Telecom and was a member of its management board from 1997 to 1999. Prior to British Telecom, Mr. Mohebbi served as Vice President-Marketing for SBC Communications, Inc., following its acquisition of Pacific Bell in 1997. Mr. Mohebbi began his career with Pacific Bell in 1983, where he held a variety of positions, including Vice President-Business Markets. Mr. Mohebbi previously served on the board of directors of Hanaro Telecom Incorporated from 2005 to 2007 and the board of directors of BearingPoint, Inc. from 2001 to 2005. Mr. Mohebbi also serves on the boards of directors of several private companies. The Board has determined that Mr. Mohebbi meets the independence requirements of NASDAQ and SEC rules and regulations. The Board concluded that Mr. Mohebbi should continue to serve on the Board due, among other things, to his financial and managerial experience in the telecommunications and related industries, acquired, in part, during his tenure with TPG Capital and Qwest.

David K. Moskowitz. Mr. Moskowitz is one of our Senior Advisors and was an Executive Vice President as well as our Secretary and General Counsel until 2007. Mr. Moskowitz joined us in March 1990. He was elected to the Board in 1998. Mr. Moskowitz performs certain business functions for us and our subsidiaries from time to time. Mr. Moskowitz served as a member of the board of directors of EchoStar from its formation in October 2007 until May 2012. The Board concluded that Mr. Moskowitz should continue to serve on the Board due, among other things, to his knowledge of DISH Network from his service as a director since 1998 and his business and legal expertise that he brings to the Board, in particular in light of his service as our General Counsel for 17 years.

Tom A. Ortolf. Mr. Ortolf joined the Board in May 2005 and is a member of our Audit Committee, Compensation Committee, and Nominating Committee. Mr. Ortolf has been the President of CMC, a privately held investment management firm, for over twenty years. The Board has determined that Mr. Ortolf meets the independence requirements of NASDAQ and SEC rules and regulations. Mr. Ortolf has also served as a member of the board of directors of EchoStar since its formation in October 2007. The Board concluded that Mr. Ortolf should continue to serve on the Board due, among other things, to his knowledge of DISH Network from his service as a director since 2005 and his expertise in finance, business and risk management, in particular in light of his experience as an executive with CMC.

Carl E. Vogel. Mr. Vogel has served on the Board since May 2005 and is currently a Senior Advisor to us. Mr. Vogel is also a private investor as well as a senior advisor to certain private equity firms active in media and telecom investments globally. He served as our President from September 2006 to February 2008 and served as our Vice Chairman from June 2005 to March 2009. From October 2007 to March 2009, Mr. Vogel served as the Vice Chairman of the board of directors of, and as a Senior Advisor to, EchoStar. From 2001 to 2005, Mr. Vogel served as the President and CEO of Charter Communications Inc. ("Charter"), a publicly-traded company providing cable television and broadband services to approximately six million customers. Prior to joining Charter, Mr. Vogel worked as an executive officer in various capacities for companies affiliated with Liberty Media Corporation from 1998 to 2001. Mr. Vogel was one of our executive officers from 1994 to 1997, including serving as our President from 1995 to 1997. Mr. Vogel is also currently serving on the boards of directors of Shaw Communications, Inc. (which he joined in 2006), Universal Electronics, Inc.

(which he joined in 2009), Ascent Capital Group, Inc. (f/k/a Ascent Media Corporation, which he joined in 2009), Sirius (which he joined in 2011) and AMC Networks Inc. (which he joined in 2013). The Board concluded that Mr. Vogel should continue to serve on the Board due, among other things, to his knowledge of DISH Network from his service as a director and officer and his experience in the telecommunications and related industries from his service over the years as a director or officer with a number of different companies in those industries.

Charles W. Ergen, our Chairman, currently possesses approximately 85.0% of the total voting power. Please see "Security Ownership of Certain Beneficial Owners and Management" below. Mr. Ergen has indicated his intention to vote in favor of each of the nominees set forth in Proposal No. 1. Accordingly, election of all of the nominees set forth in Proposal No. 1 is assured notwithstanding a contrary vote by any or all shareholders other than Mr. Ergen.

The Board of Directors unanimously recommends a vote FOR the election of all of the nominees named herein (Item No. 1 on the enclosed proxy card).

CORPORATE GOVERNANCE MATTERS

Board of Directors and Committees and Selection Process

Our Board held 21 meetings in 2013 and also took action by unanimous written consent on three occasions during 2013. Each of our directors attended at least 75% of the aggregate of: (i) the total number of meetings of the Board held during the period in which he or she was a director, and (ii) the total number of meetings held by all committees of the Board on which he served. In addition, our non-employee directors held four executive sessions in 2013.

Directors are elected annually and serve until their successors are duly elected and qualified or their earlier resignation or removal. Officers serve at the discretion of the Board.

We are a "controlled company" within the meaning of the NASDAQ Marketplace Rules because more than 50% of our voting power is held by Charles W. Ergen, our Chairman. Mr. Ergen currently beneficially owns approximately 50.5% of our total equity securities and possesses approximately 85.0% of the total voting power. Mr. Ergen's beneficial ownership excludes 16,992,813 of Class A Shares issuable upon conversion of Class B Shares currently held by certain trusts established by Mr. Ergen for the benefit of his family. These trusts beneficially own approximately 7.1% of our total equity securities and possess approximately 6.5% of the total voting power. Please see "Security Ownership of Certain Beneficial Owners and Management" below. Therefore, we are not subject to the NASDAQ listing requirements that would otherwise require us to have: (i) a Board of Directors comprised of a majority of independent directors; (ii) compensation of our executive officers determined by a majority of the independent directors or a compensation committee composed solely of independent directors; (iii) a compensation committee charter which, among other things, provides the compensation committee with the authority and funding to retain compensation consultants and other advisors; and (iv) director nominees selected, or recommended for the Board's selection, either by a majority of the independent directors or a nominating committee composed solely of independent directors. Nevertheless, the Corporation has created a Compensation Committee and a Nominating Committee, in addition to an Audit Committee, all of which are composed entirely of independent directors. The charters of our Compensation, Audit, and Nominating Committees are available free of charge on our website at http://www.dish.com. The function and authority of these committees are described below:

Audit Committee. Our Board has established a standing Audit Committee in accordance with NASDAQ rules and Section 10A of the Securities Exchange Act of 1934 (the "Exchange Act") and related SEC rules and regulations. The Audit Committee operates under an Audit Committee Charter adopted by the Board. The principal functions of the Audit Committee are to: (i) select the independent registered public accounting firm and set their compensation; (ii) select the internal auditor; (iii) review and approve management's plan for engaging our independent registered public accounting firm during the year to perform non-audit services and consider what effect these services will have on the independence of our independent registered public accounting firm; (iv) review our annual financial statements and other financial reports that require approval by the Board; (v) oversee the integrity of our financial statements, our systems of disclosure and internal controls, and our compliance with legal and regulatory requirements; (vi) review the scope of our independent registered public accounting firm's audit plans and the results of their audits; and (vii) evaluate the performance of our internal audit function and independent registered public accounting firm.

The Audit Committee held 12 meetings and took action by unanimous written consent on one occasion during 2013. The current members of the Audit Committee are Mr. Brokaw, Mr. Goodbarn, Mr. Lillis, Mr. Mohebbi and Mr. Ortolf, with Mr. Ortolf serving as Chairman of the Audit Committee and Mr. Goodbarn serving as our "audit committee financial expert". The Board has determined that each of these individuals meets the independence requirements of NASDAQ and SEC rules

and regulations. The Board has also determined that each member of our Audit Committee is financially literate and that Mr. Goodbarn qualifies as an "audit committee financial expert" as defined by applicable SEC rules and regulations.

Compensation Committee. The Compensation Committee operates under a Compensation Committee Charter adopted by the Board. The principal functions of the Compensation Committee are, to the extent the Board deems necessary or appropriate, to: (i) make and approve all option grants and other issuances of DISH Network's equity securities to DISH Network's executive officers and Board members other than nonemployee directors; (ii) approve all other option grants and issuances of DISH Network's equity securities, and recommend that the full Board make and approve such grants and issuances; (iii) establish in writing all performance goals for performance-based compensation that together with other compensation to senior executive officers could exceed $1 million annually, other than standard stock incentive plan options that may be paid to DISH Network's executive officers, and certify achievement of such goals prior to payment; and (iv) set the compensation of Mr. Ergen, who is our Chairman. The Compensation Committee held six meetings and took action by unanimous written consent on four occasions during 2013. The current members of the Compensation Committee are Mr. Brokaw, Mr. Goodbarn, Mr. Lillis, Mr. Mohebbi and Mr. Ortolf, with Mr. Goodbarn serving as Chairman of the Compensation Committee. The Board has determined that each of these individuals meets the independence requirements of NASDAQ and SEC rules and regulations.

Nominating Committee. The Nominating Committee operates under a Nominating Committee Charter adopted by the Board. The principal function of the Nominating Committee is to recommend independent director nominees for selection by the Board. The Nominating Committee held six meetings during 2013 and did not take action by written consent during 2013. The current members of the Nominating Committee are Mr. Brokaw, Mr. Goodbarn, Mr. Lillis, Mr. Mohebbi and Mr. Ortolf, with Mr. Brokaw serving as Chairman of the Nominating Committee. The Board has determined that each of these individuals meets the independence requirements of NASDAQ and SEC rules and regulations.

The Nominating Committee will consider candidates suggested by its members, other directors, senior management and shareholders as appropriate. No search firms or other advisors were retained to identify prospective nominees during the past fiscal year. The Nominating Committee has not adopted a written policy with respect to the consideration of candidates proposed by security holders or with respect to nominating anyone to our Board other than nonemployee directors. Director candidates, whether recommended by the Nominating Committee, other directors, senior management or shareholders are currently considered by the Nominating Committee and the Board, as applicable, in light of the entirety of their credentials, including but not limited to the following diverse factors: (i) their reputation and character; (ii) their ability and willingness to devote sufficient time to Board duties; (iii) their educational background; (iv) their business and professional achievements, experience and industry background; (v) their independence from management under listing standards and the Corporation's governance guidelines; and (vi) the needs of the Board and the Corporation.

Board Criteria. In considering whether to recommend a prospective nominee for selection by the Board, including candidates recommended by shareholders, the Nominating Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. However, DISH Network believes that the backgrounds and qualifications of the directors, considered as a group, should provide a diverse mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. The Nominating Committee recommends, if necessary, measures to be taken so that the Board reflects the appropriate balance of experience, knowledge and abilities required for the Board as a whole and contains at least the minimum number of independent directors required by applicable laws and regulations.

A shareholder who wishes to recommend a prospective nominee for the Board should notify the Corporation's Secretary or any member of the Nominating Committee in writing with whatever supporting material the shareholder considers appropriate. The Nominating Committee will also consider whether to nominate any person nominated by a shareholder pursuant to the provisions of the Corporation's bylaws relating to shareholder nominations. Communications can be directed to the Corporation's Secretary or any member of the Nominating Committee in accordance with the process described in *"Shareholder Communications"* below.

Board Leadership Structure. The Board currently separates the role of Chairman of the Board from the role of Chief Executive Officer, with Mr. Charles W. Ergen serving as Chairman and Mr. Joseph P. Clayton serving as President and Chief Executive Officer of DISH Network. Mr. Clayton is responsible for the day to day management of the Corporation and Mr. Ergen primarily identifies strategic priorities and leads the discussion and execution of strategy for DISH Network. We believe this leadership structure is appropriate for the Corporation and in the best interest of shareholders, among other reasons, because separating the Chairman and Chief Executive Officer roles allows us to efficiently develop and implement corporate strategy that is consistent with the Board's oversight role, while facilitating strong day-to-day executive leadership. Among other things, separation of these roles allows our Chief Executive Officer and other members of senior management to focus on our day-to-day business, while at the same time the Board is able to take advantage of the unique blend of leadership, experience and knowledge of our industry and business that Mr. Ergen brings to the role of Chairman in providing guidance to, and oversight of, management. In light of the separation of the role of Chairman of the Board from the role of Chief Executive Officer and Mr. Ergen's voting control, we believe that the creation of a lead independent director position is not necessary at this time.

The Board's Role in Risk Oversight

The Board has ultimate responsibility for oversight of the Corporation's risk management processes. The Board discharges this oversight responsibility through regular reports received from and discussions with senior management on areas of material risk exposure to the Corporation. These reports and Board discussions include, among other things, operational, financial, legal and regulatory, and strategic risks. Additionally, the Corporation's risk management processes are intended to identify, manage and control risks so that they are appropriate considering the Corporation's scope, operations and business objectives. The full Board (or the appropriate Committee in the case of risks in areas for which responsibility has been delegated to a particular Committee) engages with the appropriate members of senior management to enable its members to understand and provide input to, and oversight of, our risk identification, risk management and risk mitigation strategies. The Audit Committee also meets regularly in executive session without management present to, among other things, discuss the Corporation's risk management culture and processes. For example, as part of its charter, our Audit Committee is responsible for, among other things, discussing Corporation policies with respect to risk assessment and risk management, and reviewing contingent liabilities and risks that may be material to the Corporation. When a Committee receives a report from a member of management regarding areas of risk, the Chairman of the relevant Committee is expected to report on the discussion to the full Board to the extent necessary or appropriate. This enables the Board to coordinate risk oversight, particularly with respect to interrelated or cumulative risks that may involve multiple areas for which more than one Committee has responsibility. The Board or applicable Committee also has authority to engage external advisors to the extent necessary or appropriate.

Other Information about Our Board of Directors

Compensation Committee Interlocks and Insider Participation. The Compensation Committee is comprised solely of independent directors. The Compensation Committee members are Mr. Brokaw, Mr. Goodbarn, Mr. Lillis, Mr. Mohebbi and Mr. Ortolf. None of these individuals was an officer or employee of DISH Network at any time during the 2013 fiscal year. With the exception of those executive officers and directors who are also executive officers or directors of EchoStar, no executive officer or director of DISH Network served on the board of directors or compensation committee of any other entity that had one or more executive officers who served as a member of DISH Network's Board of Directors or its Compensation Committee during the 2013 fiscal year.

Annual Meeting Attendance. Although we do not have a policy with regard to Board members' attendance at our annual meetings of shareholders, all of our directors are encouraged to attend such meetings. All of our directors serving as directors at the time of our 2013 annual meeting were in attendance at our 2013 annual meeting. We expect that all of our directors will attend the 2014 Annual Meeting.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, to the best of our knowledge, the beneficial ownership of our voting securities as of the close of business on the Record Date by: (i) each person known by us to be the beneficial owner of more than five percent of any class of our voting securities; (ii) each of our directors; (iii) our Chief Executive Officer, Chief Financial Officer and three other most highly compensated persons acting as one of our executive officers in 2013 (collectively, the "Named Executive Officers"); and (iv) all of our directors and executive officers as a group. Unless otherwise indicated, each person listed in the following table (alone or with family members) has sole voting and dispositive power over the shares listed opposite such person's name.

Name (1)	Amount and Nature of Beneficial Ownership	Percentage of Class
Class A Common Stock:		
Charles W. Ergen (2), (3)	224,741,559	50.5%
Cantey M. Ergen (4)	223,654,559	50.4%
Putnam Investments, LLC (5)	21,312,193	9.6%
William R. Gouger (6)	17,008,386	7.1%
JPMorgan Chase & Co. (7)	15,848,017	7.1%
Dodge & Cox (8)	15,174,269	6.8%
Invesco Ltd. (9)	13,477,974	6.1%
James DeFranco (10)	4,682,297	2.1%
David K. Moskowitz (11)	636,347	*
Joseph P. Clayton (12)	518,624	*
Bernard L. Han (13)	293,785	*
Carl E. Vogel (14)	141,438	*
Tom A. Ortolf (15)	80,200	*
Robert E. Olson (16)	40,806	*
Charles M. Lillis (17)	10,875	*
Steven R. Goodbarn (18)	10,000	*
George R. Brokaw (19)	7,500	*
David M. Shull (20)	4,785	*
Afshin Mohebbi (21)	—	—
All Directors and Executive Officers as a Group (20 persons) (22)	231,672,319	61.4%
Class B Common Stock:		
Charles W. Ergen	221,442,395	92.9%
Cantey M. Ergen	221,442,395	92.9%
Trusts (23)	16,992,813	7.1%
All Directors and Executive Officers as a Group (20 persons) (22)	221,442,395	92.9%

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* Less than 1%.

(1) Except as otherwise noted below, the address of each such person is 9601 S. Meridian Blvd., Englewood, Colorado 80112. As of the close of business on the Record Date, there were 222,374,101 outstanding Class A Shares and 238,435,208 outstanding Class B Shares.

(2) Mr. Ergen is deemed to own beneficially all of the Class A Shares owned by his spouse, Cantey M. Ergen. Mr. Ergen's beneficial ownership includes: (i) 2,148,111 Class A Shares; (ii) 19,549 Class A Shares held in the Corporation's 401(k) Employee Savings Plan (the "401(k) Plan"); (iii) 1,087,000 Class A Shares subject to employee stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date; (iv) 235 Class A Shares held by Mrs. Ergen; (v) 1,989 Class A Shares held in the 401(k) Plan by Mrs. Ergen; (vi) 15,280 Class A Shares held as custodian for Mr. Ergen's children; (vii) 27,000 Class A Shares held by a charitable foundation for which Mr. Ergen is an officer; and (viii) 221,442,395 Class A Shares issuable upon conversion of Mr. Ergen's Class B Shares. Mr. Ergen has sole voting and dispositive power with respect to 151,826,858 Class B Shares. Mr. Ergen's beneficial ownership of Class A Shares excludes 16,992,813 Class A Shares issuable upon conversion of Class B Shares held by certain trusts established by Mr. Ergen for the benefit of his family (see (6) below in the notes to the table).

(3) Because each Class B Share is entitled to 10 votes per share, Mr. Ergen owns beneficially equity securities of the Corporation representing approximately 85.0% of the voting power of the Corporation (assuming no conversion of the Class B Shares and after giving effect to the exercise of Mr. Ergen's options that are either currently exercisable or may become exercisable within 60 days of the Record Date). Mr. Ergen's beneficial ownership includes: (i) 9,192,670 Class B Shares owned beneficially by Mrs. Ergen solely by virtue of her position as trustee of the Ergen Four-Year 2010 DISH GRAT; (ii) 10,422,867 Class B Shares owned beneficially by Mrs. Ergen solely by virtue of her position as trustee of the Ergen Five-Year 2010 DISH GRAT; and (iii) 50,000,000 Class B Shares owned beneficially by Mrs. Ergen solely by virtue of her position as trustee of the Ergen Three-Year 2014 DISH GRAT. Mr. Ergen's beneficial ownership excludes 16,992,813 Class A Shares issuable upon conversion of Class B Shares held by certain trusts established by Mr. Ergen for the benefit of his family (see (6) below in the notes to the table). These trusts beneficially own approximately 7.1% of our total equity securities and possess approximately 6.5% of the total voting power.

(4) Mrs. Ergen beneficially owns all of the Class A Shares owned by her spouse, Mr. Ergen, except for 1,087,000 Class A Shares subject to employee stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date.

(5) The address of Putnam Investments, LLC ("Putnam Investments") is One Post Office Square, Boston, Massachusetts 02109. Of the Class A Shares beneficially owned, Putnam Investments has sole voting power as to 229,429 Class A Shares and sole dispositive power as to 21,312,193 Class A Shares. The foregoing information is based solely upon a Schedule 13G filed by Putnam Investment with the SEC on February 14, 2014.

(6) The address of Mr. Gouger is 5701 S. Santa Fe Drive, Littleton, Colorado 80123. Mr. Gouger's beneficial ownership includes: (i) 140 Class A Shares; (ii) 7,249 Class A Shares owned beneficially indirectly by Mr. Gouger in his 401(k) Plan; (iii) 8,184 Class A Shares owned beneficially by Mr. Gouger solely by virtue of his position as trustee of certain trusts established by Mr. Ergen for the benefit of his family; and (iv) 16,992,813 Class B Shares owned beneficially by Mr. Gouger solely by virtue of his position as trustee of certain trusts established by Mr. Ergen for the benefit of his family.

(7) The address of JPMorgan Chase & Co. ("JPMorgan Chase") is 270 Park Avenue, New York, New York 10017. Of the Class A Shares beneficially owned, JPMorgan Chase has sole voting power as to 14,948,476 Class A Shares and sole dispositive power as to 15,598,979 Class A Shares. In addition, of the Class A Shares beneficially owned, JPMorgan Chase has shared voting power as to 207,717 Class A Shares and shared dispositive power as to 249,038 Class A Shares. The foregoing information is based solely upon a Schedule 13G filed by JPMorgan Chase with the SEC on January 28, 2014.

(8) The address of Dodge & Cox is 555 California Street, 40th Floor, San Francisco, California 94104. Of the Class A Shares beneficially owned, Dodge & Cox has sole voting power as to 14,274,702 Class A Shares and sole dispositive power as to 15,174,269 Class A Shares. The foregoing information is based solely upon a Schedule 13G filed by Dodge & Cox with the SEC on February 13, 2014.

(9) The address of Invesco Ltd. is 1555 Peachtree Street NE, Atlanta, Georgia 30309. Of the Class A Shares beneficially owned, Invesco Ltd. has sole voting power as to 13,182,496 Class A Shares and sole dispositive power as to 13,477,974 Class A Shares. The foregoing information is based solely upon a Schedule 13G filed by Invesco Ltd. with the SEC on February 10, 2014.

(10) Mr. DeFranco's beneficial ownership includes: (i) 1,133,529 Class A Shares; (ii) 19,549 Class A Shares held in the 401(k) Plan; (iii) 312,000 Class A Shares subject to employee stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date; (iv) 50,000 Class A Shares held by Mr. DeFranco in an irrevocable trust for the benefit of his children and grandchildren; (v) 12,160 Class A Shares held by Mr. DeFranco as custodian for his children; (vi) 1,250,000 Class A Shares controlled by Mr. DeFranco as general partner of a limited partnership; and (vii) 1,905,059 Class A Shares held by Mr. DeFranco as a general partner of a different limited partnership.

(11) Mr. Moskowitz's beneficial ownership includes: (i) 127,779 Class A Shares; (ii) 18,740 Class A Shares held in the 401(k) Plan; (iii) 460,000 Class A Shares subject to employee stock options that are either currently exercisable or may become exercisable

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within 60 days of the Record Date; (iv) 1,328 Class A Shares held as custodian for his children; and (v) 28,500 Class A Shares held by a charitable foundation for which Mr. Moskowitz is a member of the board of directors.

(12) Mr. Clayton's beneficial ownership includes: (i) 106,305 Class A Shares; (ii) 319 Class A Shares held in the 401(k) Plan; and (iii) 412,000 Class A Shares subject to employee stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date.

(13) Mr. Han's beneficial ownership includes: (i) 10,765 Class A Shares; (ii) 1,020 Class A Shares held in the 401(k) Plan; and (iii) 282,000 Class A Shares subject to employee stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date.

(14) Mr. Vogel's beneficial ownership includes: (i) 10,165 Class A Shares (including 10,000 shares held in an account that is subject to a margin loan); (ii) 1,273 Class A Shares held in the 401(k) Plan; and (iii) 130,000 Class A Shares subject to employee stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date.

(15) Mr. Ortolf's beneficial ownership includes: (i) 20,000 Class A Shares subject to nonemployee director stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date; (ii) 200 Class A Shares held in the name of one of his children; and (iii) 60,000 Class A Shares held by a partnership of which Mr. Ortolf is a partner and are held as collateral for a margin account.

(16) Mr. Olson's beneficial ownership includes: (i) 4,091 Class A Shares; (ii) 715 Class A Shares held in the 401(k) Plan; and (iii) 36,000 Class A Shares subject to employee stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date.

(17) Mr. Lillis' beneficial ownership includes: (i) 3,375 Class A Shares; and (ii) 7,500 Class A Shares subject to nonemployee director stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date.

(18) Mr. Goodbarn's beneficial ownership includes: (i) 5,000 Class A Shares; and (ii) 5,000 Class A Shares subject to nonemployee director stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date.

(19) Mr. Brokaw's beneficial ownership includes 7,500 Class A Shares subject to nonemployee director stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date.

(20) Mr. Shull's beneficial ownership includes: (i) 3,653 Class A Shares; and (ii) 1,132 Class A Shares held in the 401(k) Plan.

(21) As of the Record Date, Mr. Mohebbi had no beneficial ownership in the Corporation.

(22) Includes: (i) 3,572,018 Class A Shares; (ii) 71,379 Class A Shares held in the 401(k) Plan; (iii) 3,237,000 Class A Shares subject to employee and nonemployee director stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date; (iv) 3,215,059 Class A Shares held in partnerships; (v) 221,442,395 Class A Shares issuable upon conversion of Class B Shares; (vi) 78,968 Class A Shares held in the name of, or in trust for, children and other family members; and (vii) 55,500 Class A Shares held by charitable foundations. Class A Shares and Class B Shares beneficially owned by both Mr. and Mrs. Ergen are only included once in calculating the aggregate number of shares owned by directors and executive officers as a group.

(23) Held by certain trusts established by Mr. Ergen for the benefit of his family.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers and holders of more than 10% of our common stock to file reports with the SEC regarding their ownership and changes in ownership of our equity securities. We believe that during 2013, our directors, executive officers and 10% shareholders complied with all Section 16(a) filing requirements, with the exception of the inadvertent late filing of one Form 4 by Mr. Roger Lynch, our Executive Vice President, Advanced Technologies, which related to a single transaction. In making these statements, we have relied upon examination of copies of Forms 3, 4 and 5 provided to us and the written representations of our directors and officers.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis addresses our compensation objectives and policies for our Named Executive Officers, or NEOs, the elements of NEO compensation and the application of those objectives and policies to each element of fiscal 2013 compensation for our NEOs.

This Compensation Discussion and Analysis contains information regarding company performance targets and goals for our executive compensation program. These targets and goals were disclosed to provide information on how executive compensation was determined in 2013 but are not intended to be estimates of future results or other forward-looking guidance. We caution investors against using these targets and goals outside of the context of their use in our executive compensation program as described herein.

Overall Compensation Program Objectives and Policies

Compensation Philosophy

DISH Network's executive compensation program is guided by the following key principles:

- Attraction, retention and motivation of executive officers over the long-term;
- Recognition of individual performance;
- Recognition of the achievement of company-wide performance goals; and
- Creation of shareholder value by aligning the interests of management and DISH Network's shareholders through equity incentives.

General Compensation Levels

The total direct compensation opportunities, both base salaries and long-term incentives, offered to DISH Network's NEOs have been designed to ensure that they are competitive with market practice, support DISH Network's executive recruitment and retention objectives, reward individual and company-wide performance and contribute to DISH Network's long-term success by aligning the interests of its executive officers and shareholders.

The Compensation Committee, without Mr. Ergen present, determines Mr. Ergen's compensation. Mr. Ergen recommends to the Board of Directors, but the Board of Directors ultimately approves, the base compensation of DISH Network's other NEOs. The Compensation Committee has made and approved grants of options and other equity-based compensation to DISH Network's NEOs, and established in writing performance goals for any performance-based compensation that together with other compensation to any of DISH Network's NEOs could exceed $1 million annually. The Compensation Committee has also certified achievement of those performance goals prior to payment of performance-based compensation.

In determining the actual amount of each NEO's compensation, the Compensation Committee reviews the information described in "Compilation of Certain Proxy Data" below, the Compensation Committee's subjective performance evaluation of the individual's performance (after reviewing Mr. Ergen's recommendations with respect to the NEOs other than himself), the individual's success in achieving individual and company-wide goals, whether the performance goals of any short-term or long-term incentive plans were met and the payouts that would become payable upon achievement of those performance goals, equity awards previously granted to the individual, and equity awards that would be normally granted upon a promotion in accordance with DISH Network's policies for promotions. The Compensation Committee and the Board of Directors have also considered the extent to which individual extraordinary efforts of each of DISH Network's NEOs resulted in tangible increases in corporate, division or department success when setting base cash salaries and short term incentive compensation.

Furthermore, the Compensation Committee also makes a subjective determination as to whether an increase should be made to Mr. Ergen's compensation based on its evaluation of Mr. Ergen's contribution to the success of DISH Network, whether the performance goals of any short-term or long-term incentive plans were met, the respective payouts that would become payable to Mr. Ergen upon achievement of those performance goals, the respective options and other stock awards currently held by Mr. Ergen and whether such awards are sufficient to retain Mr. Ergen.

This approach to general compensation levels is not formulaic and the weight given to any particular factor in determining a particular NEO's compensation depends on the subjective consideration of all factors described above in the aggregate.

With respect to incentive compensation, DISH Network attempts to ensure that each NEO has equity incentives at any given time that are significant in relation to such individual's annual cash compensation to ensure that each of DISH Network's NEOs has appropriate incentives tied to the performance of DISH Network's Class A Shares. Therefore, DISH Network may grant more equity incentives to one particular NEO in a given year if a substantial portion of the NEO's equity incentives are vested and the underlying stock is capable of being sold. In addition, if an NEO recently received a substantial amount of equity incentives, DISH Network may not grant any equity incentives to that particular NEO.

Compilation of Certain Proxy Data

In connection with the approval process for DISH Network's executive officer compensation, the Board of Directors and the Compensation Committee had management prepare a compilation of the compensation components for the NEOs of companies selected by the Compensation Committee, as disclosed in their respective publicly-filed proxy statements (the "Proxy Data"). These surveyed companies included: DirecTV; Comcast Corporation; Time Warner Cable Inc.; Charter Communications, Inc.; Liberty Global, Inc.;

Verizon Communications, Inc.; CenturyLink, Inc.; and Level 3 Communications, Inc. The Proxy Data, along with other information obtained by members of the Compensation Committee from media reports, such as newspaper or magazine articles or other generally available sources related to executive compensation, and from corporate director events attended by members of the Compensation Committee, is used solely as a subjective frame of reference, rather than a basis for benchmarking compensation for DISH Network's NEOs. The Compensation Committee and Board of Directors do not utilize a formulaic or standard, formalized benchmarking level or element in tying or otherwise setting DISH Network's executive compensation to that of other companies. Generally, DISH Network's overall compensation lags behind competitors in the area of base pay, severance packages, and short-term incentives and may be competitive over time in equity compensation. If DISH Network's stock performance substantially outperforms similar companies, executive compensation at DISH Network could exceed that at similar companies. Barring significant increases in the stock price, however, DISH Network's compensation levels generally lag its peers.

Deductibility of Compensation

Section 162(m) of the U.S. Internal Revenue Code (the "Code") places a limit on the tax deductibility of compensation in excess of $1 million paid to certain "covered employees" of a publicly held corporation (generally, the corporation's chief executive officer and its next three most highly compensated executive officers (other than the chief financial officer) in the year that the compensation is paid). This limitation applies only to compensation that is not considered performance-based under the Section 162(m) rules. We generally structure our compensation programs, where feasible, to minimize or eliminate the impact of the limitations of Section 162(m) of the Code when we believe such payments are appropriate, after taking into consideration changing business conditions or the officer's performance. However, nondeductible compensation in excess of this limitation may be paid.

Use of Compensation Consultants

No compensation consultants were retained by the Corporation, the Board of Directors or the Compensation Committee to either evaluate or recommend the setting of executive compensation during the past fiscal year.

<u>Implementation of Executive Compensation Program Objectives and Policies</u>

Weighting and Selection of Elements of Compensation

As described in "General Compensation Levels" above, neither the Board of Directors nor the Compensation Committee has in the past assigned specific weights to any factors considered in determining compensation, and none of the factors are more dispositive than others.

Elements of Executive Compensation

The primary components of DISH Network's executive compensation program have included:

- base cash salary;
- short-term incentive compensation, including conditional and/or performance-based cash incentive compensation and discretionary bonuses;
- long-term equity incentive compensation in the form of stock options and restricted stock units offered under DISH Network's stock incentive plans;
- 401(k) plan; and
- other compensation, including perquisites and personal benefits and post-termination compensation.

These elements combine to promote the objectives and policies described above. Base salary, 401(k) benefits and other benefits and perquisites provided generally to DISH Network employees provide a minimum level of compensation for our NEOs. Short-term incentives reward individual performance and achievement of annual goals important to DISH Network. Long-term equity-incentive compensation aligns NEO compensation directly with the creation of long-term shareholder value and promotes retention.

DISH Network has not required that a certain percentage of an executive's compensation be provided in one form versus another. However, the Compensation Committee's goal is to award compensation that is reasonable in relation to DISH Network's compensation program and objectives when all elements of potential compensation are considered. Each element of DISH Network's historical executive compensation and the rationale for each element is described below.

Base Cash Salary

DISH Network has traditionally included salary in its executive compensation package under the belief that it is appropriate that some portion of the compensation paid to its executives be provided in a form that is fixed and liquid occurring over regular intervals. Generally, for the reasons discussed in "Long-Term Equity Incentive Compensation," DISH Network has weighted overall compensation towards equity components as opposed to base salaries. The Compensation Committee and the Board of Directors have traditionally been free to set base salary at any level deemed appropriate and typically review base salaries once annually. Any increases or decreases in base salary on a year-over-year basis have usually been dependent on a combination of the following factors:

- the Compensation Committee's and the Board of Directors' respective assessment of DISH Network's overall financial and business performance;
- the performance of the NEO's business unit;
- the NEO's individual contributions to DISH Network; and
- the rate of DISH Network's standard annual merit increase for employees who are performing at a satisfactory level.

Short-Term Incentive Compensation

This compensation program, if implemented for a particular year, generally provides for a bonus that is linked to annual performance as determined by the Compensation Committee at the beginning of each fiscal year when it establishes the short-term incentive plan for that year. The objective of the short-term incentive plan is to compensate NEOs in significant part based on the achievement of specific annual goals that the Compensation Committee believes will create an incentive to maximize long-term shareholder value. This compensation program also permits short-term incentive compensation to be awarded in the form of discretionary cash bonuses based on individual performance during the year.

During 2013, the Board of Directors and the Compensation Committee elected not to implement a short-term incentive program. The decision not to implement a short-term incentive program during 2013 was made based upon, among other things, the adoption of the 2013 Long Term Incentive Plan, or 2013 LTIP, discussed below.

Long-Term Equity Incentive Compensation

DISH Network has traditionally operated under the belief that executive officers will be better able to contribute to its long-term success and help build incremental shareholder value if they have a stake in that future success and value. DISH Network has stated it believes this stake focuses the executive officers' attention on managing DISH Network as owners with equity positions in DISH Network and aligns their interests with the long-term interests of DISH Network's shareholders. Equity awards therefore have represented an important and significant component of DISH Network's compensation program for executive officers. DISH Network has attempted to create general incentives with its standard stock option grants and conditional incentives through conditional awards that may include payouts in cash or equity.

General Equity Incentives

With respect to equity incentive compensation, DISH Network attempts to ensure that each NEO has equity incentives at any given time that are significant in relation to such individual's annual cash compensation to ensure that each of DISH Network's NEOs has appropriate incentives tied to the performance of DISH Network's Class A Shares. Therefore, DISH Network may grant more equity incentives to one particular NEO in a given year if a substantial portion of the NEO's equity incentives are vested and the underlying stock is capable of being sold. In addition, if an NEO recently received a substantial amount of equity incentives, DISH Network may not grant any equity incentives to that particular NEO. In particular, in granting awards for 2013, the Compensation Committee took into account, among other things, the amount necessary to retain our executive officers and that our executive officers had been granted equity incentives under the 2013 LTIP.

In granting equity incentive compensation, the Compensation Committee also takes into account whether the NEO has been promoted in determining whether to award equity awards to that individual. Finally, from time to time, the Compensation Committee may award one-time equity awards based on a number of subjective criteria, including the NEO's position and role in DISH Network's success and whether the NEO made any exceptional contributions to DISH Network's success.

To aid in our retention of employees, options granted under DISH Network's stock incentive plans generally vest at the rate of 20% per year and have exercise prices not less than the fair market value of DISH Network's Class A Shares on the date of grant or the last trading day prior to the date of grant (if the date of grant is not a trading day). Other than performance-based awards such as those granted under the 2005 LTIP, 2008 LTIP, 2013 LTIP or those granted to Messrs. Ergen, Clayton and Han, DISH Network's standard form of option agreement given to executive officers has included acceleration of vesting upon a change in control of DISH Network for those executive officers that are terminated by DISH Network or the surviving entity, as applicable, for any reason other than for cause during the twenty-four month period following such change in control.

The principal provisions of our equity incentive plans, and certain material equity incentive grants under such plans, are summarized below. This summary and the features of these equity incentive plans and grants set forth below do not purport to be complete and are qualified in their entirety by reference to the provisions of the specific equity incentive plan or grant.

Practices Regarding Grant of Equity Incentives

Prior to 2013, DISH Network generally awarded equity incentives as of the last day of each calendar quarter and set exercise prices at not less than the fair market value of Class A Shares on the date of grant or the last trading day prior to the date of grant (if the last day of the calendar quarter was not a trading day). Beginning April 1, 2013, DISH Network generally awards equity incentives as of the first day of each calendar quarter and will set exercise prices at not less than the fair market value of Class A Shares on the date of grant or the last trading day prior to the date of grant (if the date of grant is not a trading day).

2009 Stock Incentive Plan

We have adopted an employee stock incentive plan, which we refer to as the 2009 Stock Incentive Plan. The purpose of the 2009 Stock Incentive Plan is to provide incentives to attract and retain executive officers and other key employees. Awards available to be granted under the 2009 Stock Incentive Plan include: (i) stock options; (ii) stock appreciation rights; (iii) restricted stock and restricted stock units; (iv) performance awards; (v) dividend equivalents; and (vi) other stock-based awards.

Class B Chairman Stock Option Plan

We have adopted a Class B Chairman stock option plan, which we refer to as the 2002 Class B Chairman Stock Option Plan. The purpose of the 2002 Class B Chairman Stock Option Plan is to promote the interests of DISH Network and its subsidiaries by aiding in the retention of Charles W. Ergen, the Chairman of DISH Network, who our Board of Directors believes is crucial to assuring our future success, to offer Mr. Ergen incentives to put forth maximum efforts for our future success and to afford Mr. Ergen an opportunity to acquire additional proprietary interests in DISH Network. Mr. Ergen abstained from our Board of Directors' vote on this matter. Awards available to be granted under the 2002 Class B Chairman Stock Option Plan include nonqualified stock options and dividend equivalent rights with respect to DISH Network's Class B Shares.

Employee Stock Purchase Plan

We have adopted an employee stock purchase plan, which we refer to as our ESPP. The purpose of the ESPP is to provide our eligible employees with an opportunity to acquire a proprietary interest in us by the purchase of our Class A Shares. All full-time employees who are employed by DISH Network for at least one calendar quarter are eligible to participate in the ESPP. Employee stock purchases are made through payroll deductions. Under the terms of the ESPP, employees are not permitted to deduct an amount that would permit such employee to purchase our capital stock in an amount that exceeds $25,000 in fair market value of capital stock in any one year. The ESPP is intended to qualify under Section 423 of the Code and thereby provide participating employees with an opportunity to receive certain favorable income tax consequences as to stock purchased under the ESPP. On February 11, 2013, our Board adopted an amendment and restatement of the ESPP, which was approved by our shareholders at the 2013 Annual Meeting. The amendment and restatement of the ESPP increased the number of Class A Shares that may be purchased under the ESPP from 1,800,000 to 2,800,000.

2005 Long-Term Incentive Plan

During January 2005, DISH Network adopted the 2005 Long-Term Incentive Plan, or 2005 LTIP, within the terms of DISH Network's 1999 Stock Incentive Plan. The purpose of the 2005 LTIP is to promote DISH Network's interests and the interests of its shareholders by providing key employees with financial rewards through equity participation upon achievement of DISH Network reaching the milestone of 15 million direct broadcast satellite ("DBS") subscribers. The employees eligible to participate in the 2005 LTIP include DISH Network's executive officers, vice presidents, directors and certain other key employees designated by the Compensation Committee. Awards under the 2005 LTIP consist of a one-time grant of: (a) an option to acquire a specified number of shares priced at the market value as of the last day of the calendar quarter in which the option was granted or the last trading day prior to the date of grant (if the last day of the calendar quarter is not a trading day); (b) rights to acquire for no additional consideration a specified smaller number of DISH Network's Class A Shares; or (c) in some cases, a corresponding combination of a lesser number of option shares and such rights to acquire DISH Network's Class A Shares. The options and rights vest in 10% increments on each of the first four anniversaries of the date of grant and then at the rate of 20% per year thereafter; provided, however, that none of the options or rights shall be exercisable until DISH Network reaches the milestone of 15 million DBS subscribers. The performance goal under the 2005 LTIP was not achieved in 2013, and none of the awards have vested. Mr. Ergen has 900,000 stock options under the 2005 LTIP that were granted on September 30, 2005. Mr. Shull has 30,000 stock options under the 2005 LTIP that were granted on March 31, 2005. Mr. Han has 90,000 stock options and 30,000 restricted stock units under the 2005 LTIP that were granted on September 30, 2006. Mr. Clayton and Mr. Olson do not have any awards under the 2005 LTIP.

2008 Long-Term Incentive Plan

During December 2008, DISH Network adopted the 2008 LTIP, within the terms of our 1999 Stock Incentive Plan. After the expiration of the 1999 Stock Incentive Plan on April 16, 2009, awards under the 2008 LTIP to new employee hires or employees who were promoted were granted pursuant to the 2009 Stock Incentive Plan. The purpose of the 2008 LTIP was to promote DISH Network's interests and the interests of its shareholders by providing key employees with financial rewards through equity participation upon achievement of a specified long-term cumulative free cash flow goal while maintaining a specified long-term DBS subscriber threshold. The employees eligible to participate in the 2008 LTIP included DISH Network's executive officers, vice presidents, directors and certain other key employees designated by the Compensation Committee. Awards under the 2008 LTIP consisted of a one-time grant of: (a) an option to acquire a specified number of shares priced at the market value as of the last day of the calendar quarter in which the option was granted or the last trading day prior to the date of grant (if the last day of the calendar quarter was not a trading day); (b) rights to acquire for no additional consideration a specified smaller number of DISH Network's Class A Shares; or (c) in some cases, a corresponding combination of a lesser number of option shares and such rights to acquire DISH Network's Class A Shares. Under the 2008 LTIP, the cumulative free cash flow goals and the total net DBS subscriber threshold were measured on the last day of each calendar quarter commencing on March 31, 2009 and continuing through and including December 31, 2015. As of July 1, 2012, we no longer granted awards under the 2008 LTIP.

In the event that a cumulative free cash flow goal was achieved and the total net DBS subscriber threshold was met as of the last day of any such calendar quarter: (i) the applicable cumulative free cash flow goal was retired; and (ii) the corresponding increment of the option/restricted stock unit vested and became exercisable contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC, in accordance with the following schedule (for those employees that received equity awards under the 2008 LTIP before April 1, 2009):

Cumulative Free Cash Flow Goal		Total Net DBS Subscriber Threshold	Cumulative Vesting Schedule
$	1 billion	13 million	10%
$	2 billion	13 million	25%
$	3 billion	13 million	45%
$	4 billion	13 million	70%
$	5 billion	13 million	100%

Employees who were granted equity awards after April 1, 2009 under the 2008 LTIP received a reduced number of options to acquire DISH Network's Class A Shares relative to the amounts that were granted to employees at the same level prior to April 1, 2009; such shares were subject to a vesting schedule that varied based upon the date on which such awards were granted.

Mr. Ergen was granted 900,000 stock options under the 2008 LTIP on December 31, 2008. Messrs. Han and Shull were granted 300,000 and 75,000 stock options, respectively, under the 2008 LTIP on December 31, 2008. Mr. Olson was granted 240,000 stock options under the 2008 LTIP on June 30, 2009 in connection with the commencement of his employment. Mr. Clayton did not have any awards under the 2008 LTIP. During 2009, we generated cumulative free cash flow in excess of $1 billion while also maintaining 13 million DBS subscribers, which resulted in the vesting of approximately 10% of the 2008 LTIP stock awards. Accordingly, the $1 billion cumulative free cash flow goal under the 2008 LTIP was retired. During 2011, we generated cumulative free cash flow in excess of $3 billion while also maintaining 13 million DBS subscribers, which resulted in the cumulative vesting of approximately 45% of the 2008 LTIP stock awards during 2011. Accordingly, the $2 billion and $3 billion cumulative free cash flow goals under the 2008 LTIP were retired. During 2012, we generated cumulative free cash flow in excess of $4 billion while also maintaining 13 million DBS subscribers, which resulted in the cumulative vesting of approximately 70% of the 2008 LTIP stock awards during 2012. Accordingly, the $4 billion cumulative free cash flow goal under the 2008 LTIP was retired. During 2013, we generated cumulative free cash flow in excess of $5 billion while also maintaining 13 million DBS subscribers, which resulted in the cumulative vesting of 100% of the 2008 LTIP stock awards during 2013. Accordingly, the $5 billion cumulative free cash flow goal under the 2008 LTIP was retired.

2010 Equity Incentives to Mr. Han

During 2010, based on Mr. Ergen's subjective evaluation of Mr. Han's contributions to the Corporation's performance and to align his interests with the long-term interests of DISH Network's shareholders, Mr. Ergen recommended, and the Compensation Committee agreed, to grant Mr. Han 200,000 restricted stock units (RSUs) and an option to purchase 600,000 Class A Shares, with such awards vesting incrementally before June 30, 2020 according to the following vesting schedules. Although they are not NEOs for the year ended December 31, 2013, Thomas A. Cullen, our Executive Vice President, Corporate Development, and R. Stanton Dodge, our Executive Vice President, General Counsel and Secretary, each also received the same grant of options and RSUs as Mr. Han during 2010. None of the goals under this grant have been met, and none of the awards have vested.

Fifty percent (50%) of the option and RSU awards granted to Mr. Han vest based upon achieving the following specified cumulative free cash flow goals while achieving and maintaining a minimum threshold of 15,250,000 total net subscribers:

	Cumulative Free Cash Flow Goal	Options Vesting Schedule	RSUs Vesting Schedule
$	250 million	15,000	5,000
$	500 million	15,000	5,000
$	750 million	15,000	5,000
$	1 billion	15,000	5,000
$	1.25 billion	15,000	5,000
$	1.5 billion	15,000	5,000
$	1.75 billion	15,000	5,000
$	2 billion	15,000	5,000
$	2.25 billion	15,000	5,000
$	2.5 billion	15,000	5,000
$	2.75 billion	15,000	5,000
$	3 billion	15,000	5,000
$	3.25 billion	15,000	5,000
$	3.5 billion	15,000	5,000
$	3.75 billion	15,000	5,000
$	4 billion	15,000	5,000
$	4.25 billion	15,000	5,000
$	4.5 billion	15,000	5,000
$	4.75 billion	15,000	5,000
$	5 billion	15,000	5,000

In the event that the total net subscriber threshold is met and a cumulative free cash flow goal is achieved as of the last day of a given calendar quarter: (i) the applicable cumulative free cash flow goal(s) will be retired; and (ii) the corresponding increment(s) of the option or RSU awards will vest and shall become exercisable contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC.

The other fifty percent (50%) of the option and RSU awards granted to Mr. Han vest based upon achieving the following specified total net subscriber goals while achieving and maintaining the specified cumulative free cash flow goal:

	Cumulative Free Cash Flow Goal	Total Net Subscriber Goal	Options Vesting Schedule	RSUs Vesting Schedule
$	250 million	15,250,000	15,000	5,000
$	500 million	15,500,000	15,000	5,000
$	750 million	15,750,000	15,000	5,000
$	1 billion	16,000,000	15,000	5,000
$	1.25 billion	16,250,000	15,000	5,000
$	1.5 billion	16,500,000	15,000	5,000
$	1.75 billion	16,750,000	15,000	5,000
$	2 billion	17,000,000	15,000	5,000
$	2.25 billion	17,250,000	15,000	5,000
$	2.5 billion	17,500,000	15,000	5,000
$	2.75 billion	17,750,000	15,000	5,000
$	3 billion	18,000,000	15,000	5,000
$	3.25 billion	18,250,000	15,000	5,000
$	3.5 billion	18,500,000	15,000	5,000
$	3.75 billion	18,750,000	15,000	5,000
$	4 billion	19,000,000	15,000	5,000
$	4.25 billion	19,250,000	15,000	5,000
$	4.5 billion	19,500,000	15,000	5,000
$	4.75 billion	19,750,000	15,000	5,000
$	5 billion	20,000,000	15,000	5,000

In the event that the cumulative free cash flow goal is met (or has already been retired and continues to be met) and a total net subscriber goal is achieved as of the last day of any such calendar quarter: (i) the applicable total net subscriber goal(s) will be retired; and (ii) the corresponding increment of the option or RSU awards will vest and shall become exercisable contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC.

For purposes of the total net subscriber goal and total net subscriber threshold under these equity incentive awards, the calculation of "subscribers" is a formula that takes into account, among other things, Pay-TV subscribers and broadband subscribers. In addition, for purposes of the cumulative free cash flow goals under these equity incentive awards, the calculation of "cumulative free cash flow" is a formula that takes into account, among other things, free cash flow as set forth in the Corporation's financial results for that quarter or year, as applicable, filed with the SEC. The Compensation Committee has final authority to, among other things, interpret and calculate any and all aspects of these equity incentive awards, including vesting and all other aspects of calculating the achievement of the goals under these equity incentive awards.

2011 Equity Incentives to Mr. Ergen

During 2011, the Compensation Committee determined that Mr. Ergen should receive a grant of options to purchase 1,200,000 of the Corporation's Class A Shares, with such award vesting incrementally before June 30, 2021 according to the following vesting schedules.

Fifty percent (50%) of the option awards granted to Mr. Ergen vest based upon achieving the following specified cumulative free cash flow goals while achieving and maintaining a minimum threshold of 14,250,000 total net subscribers:

Cumulative Free Cash Flow Goal	Vesting Schedule
$ 250 million	30,000
$ 500 million	30,000
$ 750 million	30,000
$ 1 billion	30,000
$ 1.25 billion	30,000
$ 1.5 billion	30,000
$ 1.75 billion	30,000
$ 2 billion	30,000
$ 2.25 billion	30,000
$ 2.5 billion	30,000
$ 2.75 billion	30,000
$ 3 billion	30,000
$ 3.25 billion	30,000
$ 3.5 billion	30,000
$ 3.75 billion	30,000
$ 4 billion	30,000
$ 4.25 billion	30,000
$ 4.5 billion	30,000
$ 4.75 billion	30,000
$ 5 billion	30,000

In the event that the total net subscriber threshold is met and a cumulative free cash flow goal is achieved as of the last day of a given calendar quarter: (i) the applicable cumulative free cash flow goal(s) will be retired; and (ii) the corresponding increment of the option will vest and shall become exercisable contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC. During 2013, we generated cumulative free cash flow in excess of $2.5 billion while achieving and maintaining a minimum threshold of 14,250,000 total net subscribers, resulting in the vesting of 300,000 stock options during 2013. Accordingly, the $250 million, $500 million, $750 million, $1 billion, $1.25 billion, $1.5 billion, $1.75 billion, $2 billion, $2.25 billion and $2.5 billion cumulative free cash flow goals under the grant were retired.

The other fifty percent (50%) of the option awards granted to Mr. Ergen vest based upon achieving the following specified total net subscriber goals while achieving and maintaining the specified cumulative free cash flow goal:

Cumulative Free Cash Flow Goal	Total Net Subscriber Goal	Vesting Schedule
$ 250 million	14,250,000	30,000
$ 500 million	14,500,000	30,000
$ 750 million	14,750,000	30,000
$ 1 billion	15,000,000	30,000
$ 1.25 billion	15,250,000	30,000
$ 1.5 billion	15,500,000	30,000
$ 1.75 billion	15,750,000	30,000

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$	2 billion	16,000,000	30,000
$	2.25 billion	16,250,000	30,000
$	2.5 billion	16,500,000	30,000
$	2.75 billion	16,750,000	30,000
$	3 billion	17,000,000	30,000
$	3.25 billion	17,250,000	30,000
$	3.5 billion	17,500,000	30,000
$	3.75 billion	17,750,000	30,000
$	4 billion	18,000,000	30,000
$	4.25 billion	18,250,000	30,000
$	4.5 billion	18,500,000	30,000
$	4.75 billion	18,750,000	30,000
$	5 billion	19,000,000	30,000

In the event that the cumulative free cash flow goal is met (or has already been retired and continues to be met) and a total net subscriber goal is achieved as of the last day of any such calendar quarter: (i) the applicable total net subscriber goal(s) will be retired; and (ii) the corresponding increment of the option will vest and shall become exercisable contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC. During 2013, we achieved the total net subscriber goal of 14,250,000 while achieving and maintaining the cumulative free cash flow goal of at least $250 million, resulting in the vesting of 30,000 stock options during 2013. Accordingly, the total net subscriber goal of 14,250,000 under the grant was retired.

For purposes of the total net subscriber goal and total net subscriber threshold under this equity incentive award, the calculation of "subscribers" is a formula that takes into account, among other things, Pay-TV subscribers and broadband subscribers. In addition, for purposes of the cumulative free cash flow goals under this equity incentive award, the calculation of "cumulative free cash flow" is a formula that takes into account, among other things, free cash flow as set forth in the Corporation's financial results for that quarter or year, as applicable, filed with the SEC. The Compensation Committee has final authority to, among other things, interpret and calculate any and all aspects of this equity incentive award, including vesting and all other aspects of calculating the achievement of the goals under this equity incentive award.

2011 Equity Incentives to Mr. Clayton

During 2011, the Compensation Committee determined that in connection with the commencement of Mr. Clayton's employment as President and Chief Executive Officer of DISH Network in June 2011, he should receive a grant of options to purchase 750,000 of the Corporation's Class A Shares, with such options vesting at the rate of one-third per year commencing December 31, 2011, and a grant of 300,000 restricted stock units (RSUs), with such awards vesting incrementally before December 31, 2013 according to the following vesting schedules.

One hundred thousand (100,000) of the RSU awards granted to Mr. Clayton vested based upon achieving the following specified cumulative free cash flow goals while achieving and maintaining a minimum threshold of 14,250,000 total net subscribers:

	Cumulative Free Cash Flow Goal	Vesting Schedule
$	250 million	10,000
$	500 million	10,000
$	750 million	10,000
$	1 billion	10,000
$	1.25 billion	10,000
$	1.5 billion	10,000
$	1.75 billion	10,000
$	2 billion	10,000
$	2.25 billion	10,000
$	2.5 billion	10,000

In the event that the total net subscriber threshold was met and a cumulative free cash flow goal was achieved as of the last day of a given calendar quarter: (i) the applicable cumulative free cash flow goal(s) were retired; and (ii) the corresponding increment(s) of the RSU awards vested contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC. During 2013, we generated cumulative free cash flow in excess of $2.5 billion while achieving and maintaining a minimum threshold of 14,250,000 total net subscribers, resulting in the vesting of 100,000 RSUs during 2013. Accordingly, the $250 million, $500 million, $750 million, $1 billion, $1.25 billion, $1.5 billion, $1.75 billion, $2 billion, $2.25 billion and $2.5 billion cumulative free cash flow goals under the grant were retired.

One hundred thousand (100,000) of the RSU awards granted to Mr. Clayton vested based upon achieving the following specified total net subscriber goals while achieving and maintaining the specified cumulative free cash flow goal:

Cumulative Free Cash Flow Goal	Total Net Subscriber Goal	Vesting Schedule
$ 250 million	14,250,000	10,000
$ 500 million	14,500,000	10,000
$ 750 million	14,750,000	10,000
$ 1 billion	15,000,000	10,000
$ 1.25 billion	15,250,000	10,000
$ 1.5 billion	15,500,000	10,000
$ 1.75 billion	15,750,000	10,000
$ 2 billion	16,000,000	10,000
$ 2.25 billion	16,250,000	10,000
$ 2.5 billion	16,500,000	10,000

In the event that the cumulative free cash flow goal was met (or was already retired and continued to be met) and a total net subscriber goal was achieved as of the last day of any such calendar quarter: (i) the applicable total net subscriber goal(s) were retired; and (ii) the corresponding increment of the RSU awards vested contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC. During 2013, we achieved the total net subscriber goal of 14,250,000 while achieving and maintaining the cumulative free cash flow goal of at least $250 million, resulting in the vesting of 10,000 RSUs during 2013. Accordingly, the total net subscriber goal of 14,250,000 under the grant was retired.

For purposes of the total net subscriber goal and total net subscriber threshold under this equity incentive award, the calculation of "subscribers" was a formula that takes into account, among other things, Pay-TV subscribers and broadband subscribers. In addition, for purposes of the cumulative free cash flow goals under this equity incentive award, the calculation of "cumulative free cash flow" was a formula that takes into account, among other things, free cash flow as set forth in the Corporation's financial results for that quarter or year, as applicable, filed with the SEC. The Compensation Committee had final authority to, among other things, interpret and calculate any and all aspects of this equity incentive award, including vesting and all other aspects of calculating the achievement of the goals under this equity incentive award.

Fifty thousand (50,000) of the RSU awards granted to Mr. Clayton vested at the rate of 5,000 RSUs per quarter when, in any such quarter, (i) the quarterly net U.S. DBS subscriber additions of the Corporation were greater than the quarterly net U.S. DBS subscriber additions of DirecTV, as measured by net U.S. DBS subscriber additions based on the announced U.S. DBS subscriber counts in each company's respective Form 10-Q or 10-K for that quarter or year, as applicable, filed with the SEC; and (ii) the quarterly net U.S. DBS subscriber additions of the Corporation were greater than zero. In 2013, Mr. Clayton achieved the above criteria for the first quarter 2013, resulting in the vesting of five thousand (5,000) RSUs during 2013.

The remaining fifty thousand (50,000) of the RSU awards granted to Mr. Clayton vested at the rate of 10,000 RSUs for each of the below criteria met in a given year, contemporaneous with the release of the National Quarterly American Customer Satisfaction Index (the "ACSI") scores in May 2012 and May 2013. The criteria were as follow:

1. The ACSI score of the Corporation was greater than or equal to a specified figure;
2. The ACSI score of the Corporation was greater than or equal to certain of the Corporation's competitors; or
3. The ACSI score of the Corporation was greater than or equal to all companies in the Corporation's industry

However, in no event could more than a total of fifty thousand (50,000) RSUs have vested under the ACSI criteria above. In 2013, Mr. Clayton achieved one out of the three criteria set forth above, resulting in the vesting of ten thousand (10,000) RSUs during 2013.

As of March 31, 2014, the unvested portion of Mr. Clayton's RSU award expired, and no further vesting was possible.

2013 Long-Term Incentive Plan

On November 30, 2012, the Board of Directors and the Compensation Committee approved a long-term, performance-based stock incentive plan, the 2013 Long Term Incentive Plan, or 2013 LTIP, within the terms of DISH Network's 2009 Stock Incentive Plan. The purpose of the 2013 LTIP is to promote DISH Network's interests and the interests of its shareholders by providing key employees with financial rewards through equity participation upon achievement of specified long-term cumulative free cash flow goals while maintaining a specified long-term subscriber threshold and total net subscriber goals. The employees eligible to participate in the 2013 LTIP generally include DISH Network's executive officers, senior vice presidents, vice presidents and director-level employees. Employees participating in the 2013 LTIP receive a one-time award of: (i) an option to acquire a specified number of shares priced at the market value as of the first day of the calendar quarter in which the option was granted or the last trading day prior to the date of

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grant (if the first day of the calendar quarter is not a trading day) and (ii) rights to acquire for no additional consideration a specified smaller number of Class A Shares. Initial awards granted under the 2013 LTIP were made as of January 1, 2013. Under the 2013 LTIP, the cumulative free cash flow goals and the total net subscriber threshold are measured on the last day of each calendar quarter. The cumulative free cash flow goals commenced April 1, 2013. The total net subscriber goals are measured on the last day of each calendar quarter commencing on January 1, 2013. However, regardless of when achieved, no vesting could occur or payment could be made under the 2013 LTIP for any cumulative free cash flow goals or total net subscriber goals until the end of the first calendar quarter following the quarter in which the final cumulative free cash flow goal under the 2008 LTIP was achieved and in no event prior to March 31, 2014. For purposes of the total net subscriber goal and total net subscriber threshold under the 2013 LTIP, the calculation of "subscribers" is a formula that takes into account, among other things, Pay-TV subscribers and broadband subscribers. In addition, for purposes of the cumulative free cash flow goals under the 2013 LTIP, the calculation of "cumulative free cash flow" is a formula that takes into account, among other things, free cash flow as set forth in the Corporation's financial results for that quarter or year, as applicable, filed with the SEC, but excluding free cash flows from the wireless line of business. The Compensation Committee has final authority to, among other things, interpret and calculate any and all aspects of the 2013 LTIP, including vesting and all other aspects of calculating the achievement of the goals under the 2013 LTIP.

In the event that a cumulative free cash flow goal and/or total net subscriber goal is achieved, and the total net subscriber threshold is met, as of the last day of any such calendar quarter: (i) the applicable cumulative free cash flow goal and/or total net subscriber goal will be retired; and (ii) the corresponding increment of the option/restricted stock unit will vest and shall become exercisable contemporaneously with filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC, in accordance with the following vesting schedules:

Cumulative Free Cash Flow Goal	Total Net Subscriber Threshold	Vesting Schedule
$ 1 billion	14.5 million	10%
$ 2 billion	14.5 million	10%
$ 3 billion	14.5 million	10%
$ 4 billion	14.5 million	10%
$ 5 billion	14.5 million	10%

Total Net Subscriber Goal	Vesting Schedule
14.5 million	10%
14.75 million	10%
15 million	10%
15.25 million	10%
15.5 million	10%

Messrs. Ergen, Clayton, Han and Olson were each granted an option to purchase 60,000 Class A Shares and 30,000 RSUs under the 2013 LTIP on January 1, 2013. Mr. Shull was granted an option to purchase 30,000 Class A Shares and 15,000 RSUs under the 2013 LTIP on January 1, 2013. Mr. Shull was granted an additional option to purchase 30,000 Class A Shares and 15,000 RSUs under the 2013 LTIP on April 1, 2013 as a result of his promotion to Executive Vice President and Chief Commercial Officer on March 7, 2013. During 2013, none of the goals under the 2013 LTIP were achieved.

2014 Equity Incentives to Mr. Clayton

The Compensation Committee determined that, on April 1, 2014, Mr. Clayton should receive a grant of 200,000 RSUs, with such awards vesting incrementally according to the following vesting schedules.

One hundred thousand (100,000) of the RSU awards granted to Mr. Clayton vest based upon achieving certain quarterly earnings goals during 2014, using a formula that takes into account, among other things, adjusted earnings before interest, tax, depreciation and amortization ("EBITDA") as set forth in the Corporation's financial results for that quarter or year, as applicable, filed with the SEC (each a "Quarterly Earnings Goal"), vesting in increments of twenty five thousand (25,000) RSUs in each calendar quarter. The Quarterly Earnings Goals for 2014 are as follows: (i) $700 million in the first quarter 2014; (i) $815 million in the second quarter 2014; (iii) $715 million in the third quarter 2014; and (iv) $815 million in the fourth quarter 2014.

In the event that a Quarterly Earnings Goal is achieved as of the last day of a given calendar quarter, the corresponding increment(s) of the RSU awards will vest contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC. Furthermore, in the event that the Corporation achieves an aggregate amount of earnings for 2014 that is greater than or equal to $3.045 billion (the sum of the above Quarterly Earnings Goals), any unvested increment of the one hundred thousand (100,000) RSUs will vest contemporaneously with the filing of the Corporation's financial results for the year ended December 31, 2014, with the SEC.

One hundred thousand (100,000) of the RSU awards granted to Mr. Clayton vest based upon achieving a positive number of net subscriber additions in each calendar quarter during 2014 (each "Quarterly Net Subscriber Additions Goal"), vesting in increments of twenty five thousand (25,000) RSUs in each calendar quarter.

In the event that a Quarterly Net Subscriber Additions Goal is achieved as of the last day of a given calendar quarter, the corresponding increment of the RSU awards will vest contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC. Furthermore, in the event that the Corporation's aggregate number of net subscriber additions for 2014 is positive, any unvested increment of the one hundred thousand (100,000) RSUs will vest contemporaneously with the filing of the Corporation's financial results for the year ended December 31, 2014, with the SEC.

For purposes of the Quarterly Net Subscriber Additions Goals under this equity incentive award, the calculation of "subscribers" is a formula that takes into account, among other things, Pay-TV subscribers and broadband subscribers. In addition, for purposes of the Quarterly Earnings Goals under this equity incentive award, the calculation of "earnings" is a formula that takes into account, among other things, EBITDA as set forth in the Corporation's financial results for that quarter or year, as applicable, filed with the SEC. The Compensation Committee has final authority to, among other things, interpret and calculate any and all aspects of this equity incentive award, including vesting and all other aspects of calculating the achievement of the goals under this equity incentive award.

401(k) Plan

DISH Network has adopted the 401(k) Plan, a defined-contribution tax-qualified 401(k) plan, for its employees, including its executives, to encourage its employees to save some percentage of their cash compensation for their eventual retirement. DISH Network's executives have participated in the 401(k) Plan on the same terms as DISH Network's other employees. Under the 401(k) Plan, employees generally become eligible for participation in the 401(k) Plan upon completing ninety days of service with DISH Network and reaching age 19. 401(k) Plan participants are able to contribute up to 50% of their compensation in each contribution period, subject to the maximum deductible limit provided by the Code. DISH Network may also make a 50% matching employer contribution up to a maximum of $2,500 per participant per calendar year. In addition, DISH Network may also make an annual discretionary profit sharing contribution to the 401(k) Plan with the approval of its Compensation Committee and Board of Directors. 401(k) Plan participants are immediately vested in their voluntary contributions and earnings on voluntary contributions. DISH Network's employer contributions to 401(k) Plan participants' accounts vest 20% per year commencing one year from the employee's date of employment.

Perquisites and Personal Benefits, Post-Termination Compensation and Other Compensation

DISH Network has traditionally offered numerous plans and other benefits to its executive officers on the same terms as other employees. These plans and benefits have generally included medical, vision, and dental insurance, life insurance, and the employee stock purchase plan as well as discounts on DISH Network's services. Relocation benefits may also be reimbursed, but are individually negotiated when they occur. DISH Network has also permitted certain NEOs and their family members and guests to use its corporate aircraft for personal use. DISH Network has also paid for annual tax preparation costs for certain NEOs.

DISH Network has not traditionally had any plans in place to provide severance benefits to employees. However, certain non-performance based stock options and restricted stock units have been granted to its executive officers subject to accelerated vesting upon a change in control.

Shareholder Advisory Vote on Executive Compensation

DISH Network provided its shareholders with the opportunity to cast an advisory vote on executive compensation at the annual meeting of shareholders held in May 2011. Over 99% of the voting power represented at the meeting and entitled to vote on that matter voted in favor of the executive compensation proposal. The Compensation Committee reviewed these voting results. Since the voting results affirmed shareholders' support of DISH Network's approach to executive compensation, DISH Network did not change its approach in 2013 as a direct result of the vote. As set forth at the annual meeting of shareholders held in May 2011, DISH Network intends to continue to seek a shareholder advisory vote on executive compensation once every three years and will seek such vote at the Annual Meeting. For information regarding this year's shareholder advisory vote on executive compensation, see Proposal No. 3.

2013 Executive Compensation

Generally, DISH Network has historically made decisions with respect to executive compensation for a particular compensation year in December of the preceding compensation year or the first quarter of the applicable compensation year. With respect to the executive compensation of each NEO for 2013, the Compensation Committee (along with Mr. Ergen, for each of the NEOs other than himself) reviewed total compensation of each NEO and the value of (a) historic and current components of each NEO's compensation, including the annual base salary and bonus paid to the NEO in the prior year, and (b) equity incentives held by each NEO in DISH Network's stock incentive plans. The Compensation Committee (along with Mr. Ergen, for each of the NEOs other than himself) also reviewed the Proxy Data prepared for 2013 and other information described in "Compilation of Certain Proxy Data" above. As described in "General Compensation Levels" above, DISH Network aims to provide annual base salaries and long-term incentives that are competitive with market practice with an emphasis on providing a substantial portion of overall compensation in the form of equity incentives. In addition, the Compensation Committee has discretion to award performance based compensation that is based on performance goals different from those that were previously set or that is higher or lower than the anticipated compensation that would be awarded under DISH Network's incentive plans if particular performance goals were met. The Compensation Committee did not exercise this discretion in 2013.

Compensation of our Chairman and our President and Chief Executive Officer

2013 Base Salary of Chairman. Mr. Ergen's annual base salary for 2013 was determined based on a review by the Compensation Committee of the expected annual base salaries in 2013 of each of DISH Network's other NEOs. Mr. Ergen's annual base salary was increased to $900,000, effective July 1, 2011. The Compensation Committee determined that Mr. Ergen's existing base compensation was already within the range of market compensation indicated in the Proxy Data in light of DISH Network's practices with respect to annual base salaries and that therefore an increase over Mr. Ergen's 2012 annual base salary was not necessary.

2013 Base Salary of President and Chief Executive Officer. In determining Mr. Clayton's 2013 annual base salary, Mr. Ergen subjectively determined that Mr. Clayton's performance met expectations for 2012 and that Mr. Clayton was therefore eligible for our standard merit increase. In addition, Mr. Ergen determined that Mr. Clayton should receive an additional increase in base salary based on Mr. Ergen's subjective determination of the amount required to maintain Mr. Clayton's base salary within the range of market compensation indicated in the Proxy Data and taking into consideration our practices with respect to base salaries.

2013 Cash Bonus. No cash bonus was paid to Mr. Ergen or to Mr. Clayton in 2013.

2013 Equity Incentives. With respect to equity incentives, DISH Network attempts to ensure that the Chairman and the President and Chief Executive Officer have equity awards at any given time that are significant in relation to their annual cash compensation to ensure that they have appropriate incentives tied to the performance of DISH Network's Class A Shares. As discussed above, Mr. Ergen and Mr. Clayton each received awards under the 2013 LTIP on January 1, 2013. In addition, as previously discussed, Mr. Clayton received certain equity incentive plan awards on April 1, 2014.

Compensation of Other Named Executive Officers

2013 Base Salary

Base salaries for each of the other NEOs are determined annually by the Board of Directors primarily based on Mr. Ergen's recommendations. The Board of Directors places substantial weight on Mr. Ergen's recommendations in light of his role as Chairman and as co-founder and controlling shareholder of DISH Network. Mr. Ergen made recommendations to the Board of Directors with respect to the 2013 annual base salary of each of the other NEOs after considering: (a) the NEO's annual base salary in 2012, (b) the range of the percentage increases in annual base salary for NEOs of the companies contained in the Proxy Data, (c) whether the NEO's annual base salary was appropriate in light of DISH Network's goals, including retention of the NEO, (d) the expected compensation to be paid to other NEOs in 2013 in relation to a particular NEO in 2013, (e) whether the NEO was promoted or newly hired in 2013, and (f) whether in Mr. Ergen's subjective determination, the NEO's performance in 2012 warranted an increase in the NEO's annual base salary in 2013. Placing primary weight on: (i) the NEO's annual base salary in 2012 and (ii) whether, in Mr. Ergen's subjective view, an increase in 2013 annual base salary was warranted based on performance and/or necessary to retain the NEO, Mr. Ergen recommended the annual base salary amounts indicated in "Executive Compensation and Other Information - Summary Compensation Table" below.

The basis for Mr. Ergen's recommendation with respect to each of the other NEOs is discussed below. The Board of Directors accepted each of Mr. Ergen's recommendations on annual base salaries for each of the other NEOs.

Mr. Han. In determining Mr. Han's 2013 annual base salary, Mr. Ergen subjectively determined that Mr. Han's performance met expectations for 2012 and that Mr. Han was therefore eligible for our standard merit increase. In addition, Mr. Ergen determined that Mr. Han should receive an additional increase in annual base salary based on Mr. Ergen's subjective determination of the amount required to maintain Mr. Han's annual base salary within the range of market compensation indicated in the Proxy Data and taking into consideration our practices with respect to annual base salaries.

Mr. Olson. In determining Mr. Olson's 2013 annual base salary, Mr. Ergen subjectively determined that Mr. Olson's performance met expectations for 2012 and that Mr. Olson was therefore eligible for our standard merit increase.

Mr. Shull. Mr. Shull's 2013 annual base salary was increased as a result of his promotion to Executive Vice President and Chief Commercial Officer on March 7, 2013.

2013 Cash Bonus.

Consistent with prior years, Mr. Ergen generally recommended that other NEOs receive cash bonuses only to the extent that such amounts would be payable pursuant to the existing short-term incentive plan, if any. As discussed above, in light of prior grants of equity incentives, among other things, the Board of Directors and the Compensation Committee elected not to implement a short-term incentive program for 2013. No cash bonus was paid to Messrs. Han, Olson or Shull during 2013.

2013 Equity Incentives

With respect to equity incentives, DISH Network primarily evaluates the position of each NEO to ensure that each individual has equity incentives at any given time that are significant in relation to the NEO's annual cash compensation to ensure that the NEO has appropriate incentives tied to the performance of DISH Network's Class A Shares. This determination is made by the Compensation Committee primarily on the basis of Mr. Ergen's recommendation. As discussed above, in granting awards to the other NEOs for 2013, Mr. Ergen based his recommendation on, and the Compensation Committee took into account, among other things, what was necessary to retain our executive officers. In particular, in granting awards for 2013, the Compensation Committee took into account, among other things, the amount necessary to retain our executive officers. As discussed above, Messrs. Ergen, Clayton, Han, Olson and Shull each received awards under the 2013 LTIP. Also, during 2013, the Compensation Committee determined that Mr. Shull should receive an option to purchase 50,000 Class A Shares under the 2009 Stock Incentive Plan in connection with his promotion to Executive Vice President and Chief Commercial Officer on March 7, 2013.

During 2013, we generated cumulative free cash flow in excess of $5 billion while also maintaining 13 million DBS subscribers, which resulted in the cumulative vesting of 100% of the 2008 LTIP stock awards during 2013, and accordingly: (i) 270,000 Class A Shares of the stock option granted to Mr. Ergen under the 2008 LTIP vested and became exercisable; (ii) 90,000 Class A Shares of the stock option granted to Mr. Han under the 2008 LTIP vested and became exercisable; (iii) 72,000 Class A Shares of the stock option granted to Mr. Olson under the 2008 LTIP vested and became exercisable; and (iv) 22,500 Class A Shares of the stock option granted to Mr. Shull under the 2008 LTIP vested and became exercisable.

COMPENSATION COMMITTEE REPORT

The Compensation Committee is appointed by the Board of Directors of DISH Network to discharge certain of the Board's responsibilities relating to compensation of DISH Network's executive officers.

The Compensation Committee, to the extent the Board deems necessary or appropriate, will:

- Make and approve all option grants and other issuances of DISH Network's equity securities to DISH Network's executive officers and Board members other than nonemployee directors;
- Approve all other option grants and issuances of DISH Network's equity securities, and recommend that the full Board make and approve such grants and issuances;
- Establish in writing all performance goals for performance-based compensation that together with other compensation to senior executive officers could exceed $1 million annually, other than standard Stock Incentive Plan options that may be paid to DISH Network's executive officers, and certify achievement of such goals prior to payment; and
- Set the compensation of the Chairman.

Based on the review of the Compensation Discussion and Analysis and discussions with management, we recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Corporation's annual report on Form 10-K and Proxy Statement.

Respectfully submitted,

The DISH Network Executive Compensation Committee

Steven R. Goodbarn (Chairman)
George R. Brokaw
Charles M. Lillis
Tom A. Ortolf

The report of the Compensation Committee and the information contained therein shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in any filing we make under the Securities Act of 1933 (the "Securities Act") or under the Exchange Act, irrespective of any general statement incorporating by reference this information into any such filing, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that we specifically incorporate this information by reference into a document we file under the Securities Act or the Exchange Act.

EXECUTIVE COMPENSATION AND OTHER INFORMATION

Compensation Program Risk Assessment

Annually, management reviews the components of our compensation for each employee other than our executive officers. Base salaries for each of our executive officers (other than Mr. Ergen) are determined annually by our Board of Directors primarily based on Mr. Ergen's recommendations. The Board of Directors places substantial weight on Mr. Ergen's recommendations in light of his role as Chairman and as co-founder and controlling shareholder of DISH Network. The Board of Directors ultimately approved base cash salaries for 2013 for each of these executive officers other than Mr. Ergen.

Our Compensation Committee, without Mr. Ergen present, sets Mr. Ergen's base cash salary. Our Compensation Committee makes and approves grants of options and other equity-based compensation to all of our executive officers.

The primary components of our executive compensation have historically included:

- base cash salary;
- long-term equity incentive compensation in the form of stock options and restricted stock units offered under DISH Network's stock incentive plans;
- 401(k) plan; and
- other compensation, including perquisites and personal benefits and post-termination compensation.

DISH Network's executive compensation program may also include short-term incentive compensation, including conditional and/or performance-based cash incentive compensation and discretionary bonuses. We design corporate performance metrics that determine payouts for certain business segment leaders in part on the achievement of longer-term company-wide goals. This is based on our belief that applying company-wide metrics encourages decision-making that is in the best long-term interests of DISH Network and our shareholders as a whole. However, during 2013, we elected not to implement a short-term incentive program.

Base salary, 401(k) benefits and other benefits and perquisites provided generally to DISH Network employees provide a minimum level of compensation for our executive officers. DISH Network has included base salary as a component of its executive compensation package because we believe it is appropriate that some portion of the compensation paid to executives be provided in a form that is fixed and liquid occurring over regular intervals. Generally, however, DISH Network has weighted overall compensation towards incentives, particularly equity components, as opposed to base salaries.

With respect to other compensation, including perquisites and personal benefits and post-termination compensation, DISH Network has traditionally offered benefits to its executive officers on substantially the same terms as offered to other employees. These benefits generally have included medical, vision, and dental insurance, life insurance, and the employee stock purchase plan as well as discounts on DISH Network's products and services. DISH Network has not traditionally provided severance benefits to employees. However, certain non-performance based stock options and restricted stock units have been granted to its executive officers subject to acceleration of vesting upon a change in control of DISH Network for those executive officers who are terminated by us or the surviving entity, as applicable, for any reason other than for cause during the twenty-four month period following such change in control.

Generally, DISH Network's overall executive compensation trails that of its competitors in the areas of base pay, severance packages, and short-term incentives and may be competitive over time in equity compensation. With respect to equity incentive compensation, DISH Network attempts to ensure that each executive officer retains equity awards that at any given time are significant in relation to such individual's annual cash compensation to ensure that each of its executive officers has appropriate incentives tied to the value realized by our shareholders.

DISH Network generally grants equity incentives only to a limited number of employees at certain levels. The awards generally vest annually at the rate of 20% per year. We believe that the multi-year vesting of our equity awards properly account for the time horizon of risk. DISH Network has operated under the belief that executive officers will be better able to contribute to its long-term success and help build incremental shareholder value prudently if they have a stake in that future success and value over a long period. DISH Network believes this stake focuses the executive officers' attention on managing DISH Network as owners with equity positions in DISH Network and aligns their interests with the long-term interests of DISH Network's shareholders. Equity awards therefore have represented an important and significant component of DISH Network's compensation program for executive officers. These awards, coupled with the relatively longer time frame during which these awards vest, mitigate the effect of short-term variations in our operating and financial performance, and we believe focus management goals appropriately on longer-term value creation for shareholders rather than rewarding short-term gains. In light of our approach towards compensation as set forth above, we believe that our process assists us in our efforts to mitigate excessive risk-taking.

Summary Compensation Table

Our executive officers are compensated by certain of our subsidiaries. The following table sets forth the cash and noncash compensation for the fiscal year ended December 31, 2013 for the NEOs.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards (1) ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation (2) ($)	Total ($)
Charles W Ergen (3)	2013	$ 900,000	$ —	$ 218,400	$ 196,488	$ —	$ —	$ 952,478	$ 2,267,366
Chairman	2012	$ 900,000	$ —	$ —	$ —	$ —	$ —	$ 400,186	$ 1,300,186
	2011	$ 750,000	$ —	$ —	$ —	$ —	$ —	$ 208,441	$ 958,441
David M Shull (4)	2013	$ 295,193	$ —	$ 223,320	$ 923,599	$ —	$ —	$ 8,954	$ 1,451,066
Executive Vice President									
and Chief Commercial Officer									
Joseph P Clayton (5)	2013	$ 980,769	$ —	$ 218,400	$ 196,488	$ —	$ —	$ 6,500	$ 1,402,157
President and Chief Executive Officer	2012	$ 900,000	$ —	$ —	$ —	$ —	$ —	$ 7,000	$ 907,000
	2011	$ 467,307	$ —	$ 306,700	$ 9,071,625	$ —	$ —	$ —	$ 9,845,632
Bernard L Han (6)	2013	$ 495,193	$ —	$ 218,400	$ 196,488	$ —	$ —	$ 6,500	$ 916,581
Executive Vice President	2012	$ 475,000	$ —	$ —	$ —	$ —	$ —	$ 5,500	$ 480,500
and Chief Operating Officer	2011	$ 470,192	$ 50,000	$ —	$ 981,070	$ —	$ —	$ 5,500	$ 1,506,762
Robert E Olson (7)	2013	$ 358,078	$ —	$ 218,400	$ 196,488	$ —	$ —	$ 6,500	$ 779,466
Executive Vice President	2012	$ 350,001	$ —	$ —	$ —	$ —	$ —	$ 5,500	$ 355,501
and Chief Financial Officer	2011	$ 346,154	$ —	$ —	$ —	$ —	$ —	$ 5,500	$ 351,654

(1) The amounts reported in the "Option Awards" column reflect grant date fair values These amounts include both performance and non-performance based awards The grant date fair values for performance awards are based on the probable outcome of the performance conditions under the awards and do not necessarily reflect the amount of compensation actually realized or that may be realized

Assuming achievement of all performance conditions underlying the performance awards included in this column, the total grant date fair values would be as follows:

	Aggregate Grant Date Fair Value of 2013 Performance Awards	Incremental Grant Date Fair Value of Previous Performance Awards
Charles W Ergen	$ 2,074,440	$ 613,292
David M Shull	$ 2,113,320	$ 16,979
Joseph P Clayton	$ 2,074,440	$ —
Bernard L Han	$ 2,074,440	$ 480,612
Robert E Olson	$ 2,074,440	$ 69,797

Assumptions used in the calculation of grant date fair values are included in Note 15 to the Corporation's audited financial statements for the fiscal year ended December 31, 2013, included in the Corporation's Annual Report on Form 10-K filed with the SEC on February 21, 2014 Amounts included in "Incremental Grant Date Fair Value of Previous Performance Awards" resulted from adjustment of the price of certain stock options during January 2013 related to the Corporation's 2012 cash dividend

(2) "All Other Compensation" for all of the NEOs includes amounts contributed pursuant to our 401(k) matching program and our profit sharing program

(3) Mr Ergen's annual base salary was increased to $900,000, effective July 1, 2011 Mr Ergen's "All Other Compensation" also includes a tax preparation payment In addition, Mr Ergen's, "All Other Compensation" includes $902,413 for Mr Ergen's personal use (and on certain occasions for the personal use by members of his family and other guests) of corporate aircraft during the year ended December 31, 2013 Of the $902,413 attributed to personal use of corporate aircraft, $156,438 was attributed to tax gross-up payments that related to personal use of corporate aircraft by Mr Ergen and his family members and guests We calculated the value of personal use of corporate aircraft based upon the incremental cost of such usage to DISH Network Since both the Corporation and EchoStar use the corporate aircraft and Mr Ergen is an employee of both the Corporation and EchoStar, certain incremental costs related to personal use of corporate aircraft by Mr Ergen and his family members and guests are allocated between the Corporation and EchoStar

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(4) Mr Shull was promoted to Executive Vice President and Chief Commercial Officer of the Corporation on March 7, 2013 and his annual base salary was increased to $300,000 effective March 7, 2013 As announced by DISH Network on April 28, 2014, Mr Shull began a six-month leave of absence on May 31, 2014

(5) Mr Clayton replaced Mr Ergen as President and Chief Executive Officer of the Corporation on June 20, 2011 Mr Clayton's annual base salary was increased to $1 million effective March 2, 2013

(6) The annual base salary for Mr Han was increased to $500,000 effective March 2, 2013

(7) The annual base salary for Mr Olson was increased to $360,000 effective March 2, 2013 As announced by DISH Network on August 22, 2014, Mr Olson will retire on October 15, 2014, and Mr Steven E Swain will succeed Mr Olson as Chief Financial Officer of the Corporation, effective October 1, 2014 Mr Swain, age 47, has served as DISH Network's Senior Vice President of Programming since April 2014, overseeing the acquisition and renewal of all programming content for DISH, including national network and cable channels, Latino content, local broadcast stations and premium services such as HBO, Showtime and Starz Mr Swain joined DISH Network in 2011 as Vice President of Corporate Financial Planning and Analysis Prior to DISH Network, Mr Swain spent more than 15 years working in the telecommunications sector, most recently at CenturyLink, formerly Qwest Communications There he served in multiple leadership roles across Finance, including corporate financial planning and analysis, treasury and investor relations, as well as in network engineering He earned his Bachelor's of Science degree in chemical engineering from the University of Wisconsin and his Master of Business Administration from the University of Chicago

Grant of Plan-Based Awards

The following table provides information on equity awards in 2013 for the Named Executive Officers.

Name	Grant Date	Date of Compensation Committee Approval	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (1) (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/sh)	Grant Date Fair Value of Stock and Option Awards (2)
Charles W Ergen	01/01/2013	11/30/2012	$ —	$ —	$ —	—	—	30,000	—	—	$ —	$ 218,400
	01/01/2013	11/30/2012	$ —	$ —	$ —	—	—	60,000	—	—	$ 36 40	$ 196,488
	04/01/2013	11/30/2012	$ —	$ —	$ —	—	—	—	110	—	$ —	$ —
David M Shull	01/01/2013	11/30/2012	$ —	$ —	$ —	—	—	15,000	—	—	$ —	$ 109,200
	01/01/2013	11/30/2012	$ —	$ —	$ —	—	—	30,000	—	—	$ 36 40	$ 98,244
	04/01/2013	03/07/2013	$ —	$ —	$ —	—	—	15,000	—	—	$ —	$ 114,120
	04/01/2013	03/07/2013	$ —	$ —	$ —	—	—	30,000	—	—	$ 38 04	$ 101,100
	04/01/2013	03/07/2013	$ —	$ —	$ —	—	—	—	—	50,000	$ 38 04	$ 724,255
	04/01/2013	11/30/2012	$ —	$ —	$ —	—	—	—	110	—	$ —	$ —
Joseph P Clayton	01/01/2013	11/30/2012	$ —	$ —	$ —	—	—	30,000	—	—	$ —	$ 218,400
	01/01/2013	11/30/2012	$ —	$ —	$ —	—	—	60,000	—	—	$ 36 40	$ 196,488
	04/01/2013	11/30/2012	$ —	$ —	$ —	—	—	—	110	—	$ —	$ —
Bernard L Han	01/01/2013	11/30/2012	$ —	$ —	$ —	—	—	30,000	—	—	$ —	$ 218,400
	01/01/2013	11/30/2012	$ —	$ —	$ —	—	—	60,000	—	—	$ 36 40	$ 196,488
	04/01/2013	11/30/2012	$ —	$ —	$ —	—	—	—	110	—	$ —	$ —
Robert E Olson	01/01/2013	11/30/2012	$ —	$ —	$ —	—	—	30,000	—	—	$ —	$ 218,400
	01/01/2013	11/30/2012	$ —	$ —	$ —	—	—	60,000	—	—	$ 36 40	$ 196,488
	04/01/2013	11/30/2012	$ —	$ —	$ —	—	—	—	110	—	$ —	$ —

(1) The amounts reported in the "All Other Stock Awards" column represent Class A Shares awarded to the eligible NEOs during 2013 pursuant to our profit sharing program
(2) These amounts include both performance and non-performance based awards The grant date fair values for performance awards are based on the probable outcome of the performance conditions under the awards and do not necessarily reflect the amount of compensation actually realized or that may be realized

Assuming achievement of all performance conditions underlying the performance awards included in this column, the total grant date fair values would be as follows:

	2013 Performance Awards
Charles W. Ergen	$ 2,074,440
David M. Shull	$ 2,113,320
Joseph P. Clayton	$ 2,074,440
Bernard L. Han	$ 2,074,440
Robert E. Olson	$ 2,074,440

Assumptions used in the calculation of grant date fair values are included in Note 15 to the Corporation's audited financial statements for the fiscal year ended December 31, 2013, included in the Corporation's Annual Report on Form 10-K filed with the SEC on February 21, 2014.

Outstanding Equity Awards at Fiscal Year-End

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (1) ($)**
Charles W Ergen	100,000	—	—	$ 28 06	12/31/2014**(2)**	—	$ —	—	$ —
	—	—	900,000	$ 19 81	09/30/2015**(3)**	—	$ —	—	$ —
	—	—	180,000	$ 24 96	09/30/2015**(2)**	—	$ —	—	$ —
	495,000	—	—	$ 6 32	03/31/2017**(3)**	—	$ —	—	$ —
	100,000	—	—	$ 23 96	03/31/2018**(3)**	—	$ —	—	$ —
	330,000	—	870,000	$ 27 90	09/30/2021**(3)**	—	$ —	—	$ —
	—	—	60,000	$ 36 40	01/01/2023	—	$ —	30,000**(7)**	$ 1,737,600
David M Shull	—	—	30,000	$ 19 55	03/31/2015**(3)**	—	$ —	—	$ —
	—	—	6,000	$ 24 69	03/31/2015**(2)**	—	$ —	—	$ —
	10,002	—	—	$ 6 32	12/31/2008**(3)**	—	$ —	—	$ —
	—	15,000	—	$ 21 59	03/31/2021**(3)**	—	$ —	—	$ —
	—	20,000	—	$ 32 16	03/31/2022**(3)**	—	$ —	—	$ —
	—	—	30,000	$ 36 40	01/01/2023	—	$ —	15,000**(7)**	$ 868,800
	—	—	30,000	$ 38 04	01/01/2023	—	$ —	15,000**(8)**	$ 868,800
	—	50,000	—	$ 38 04	04/01/2023	—	$ —	—	$ —
Joseph P Clayton	600,000	—	—	$ 27 90	06/30/2021**(3)**	—	$ —	95,000**(4)**	$ 5,502,400
	—	—	60,000	$ 36 40	01/01/2023	—	$ —	30,000**(7)**	$ 1,737,600
Bernard L Han	—	—	90,000	$ 22 45	09/30/2016**(3)**	—	$ —	30,000**(5)**	$ 1,737,600
	—	—	18,000	$ 27 63	09/30/2016**(2)**	—	$ —	6,000**(2)**	$ 298,320
	90,000	—	—	$ 6 32	03/31/2017**(3)**	—	$ —	—	$ —
	60,000	60,000	—	$ 6 34	03/31/2019**(3)**	—	$ —	—	$ —
	—	—	600,000	$ 15 38	06/30/2020**(3)**	—	$ —	200,000**(6)**	$ 11,584,000
	40,000	60,000	—	$ 21 59	03/31/2021**(3)**	—	$ —	—	$ —
	—	—	60,000	$ 36 40	01/01/2023	—	$ —	30,000**(7)**	$ 1,737,600
Robert E Olson	—	20,000	—	$ 11 44	06/30/2019**(3)**	—	$ —	—	$ —
	11,000	10,000	—	$ 15 38	06/30/2020**(3)**	—	$ —	—	$ —
	—	—	60,000	$ 36 40	01/01/2023	—	$ —	30,000**(7)**	$ 1,737,600

(1) Amount represents the number of unvested, performance-based restricted stock units multiplied by $57 92 or $49 72, the closing market prices of DISH Network's and EchoStar's Class A Shares, respectively, on December 31, 2013

(2) Amounts represent outstanding awards received by our NEOs from EchoStar as a result of the Spin-off (as defined below)

(3) On December 2, 2012, we declared a dividend of $1 00 per share on our outstanding Class A Shares and Class B Shares The dividend was paid in cash on December 28, 2012 to shareholders of record on December 14, 2012 In light of such dividend, our Board of Directors and Compensation Committee, which administers our stock incentive plans, determined to adjust the exercise price of certain stock options issued under the plans by decreasing the exercise price by up to $1 00 per share; provided that the exercise price of eligible stock options will not be reduced below $1 00 As a result of this adjustment, the exercise price of these stock options was decreased by $0 77 per share during January 2013

(4) Restricted stock awarded on June 30, 2011 under DISH Network's Stock Incentive Plans

(5) Restricted stock awarded on September 30, 2006 under DISH Network's Stock Incentive Plans

(6) Restricted stock awarded on June 30, 2010 under DISH Network's Stock Incentive Plans

(7) Restricted stock awarded on January 1, 2013 under DISH Network's Stock Incentive Plans

(8) Restricted stock awarded on April 1, 2013 under DISH Network's Stock Incentive Plans

Option Exercises and Stock Vested

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (1) ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Charles W. Ergen	—	$ —	—	$ —
David M. Shull	87,500	$ 1,618,250	—	$ —
Joseph P. Clayton	—	$ —	125,000	$ 4,922,400
Bernard L. Han	635,000	$ 16,890,939	—	$ —
Robert E. Olson	120,000	$ 3,622,956	—	$ —

(1) The value realized on exercise is computed by multiplying the difference between the exercise price of the stock option and the market price of the Class A Shares on the date of exercise by the number of shares with respect to which the option was exercised.

Potential Payments Upon Termination Following a Change in Control

As discussed in "Compensation Discussion and Analysis" above, our standard form of non-performance based option agreement given to executive officers includes acceleration of vesting upon a change in control of DISH Network for those executive officers that are terminated by us or the surviving entity, as applicable, for any reason other than for cause during the twenty-four month period following such change in control.

Generally a change in control is deemed to occur upon: (i) a transaction or a series of transactions the result of which is that any person (other than Mr. Ergen, our controlling shareholder, or a related party) individually owns more than fifty percent (50%) of the total equity interests of either (A) DISH Network or (B) the surviving entity in any such transaction(s) or a controlling affiliate of such surviving entity in such transaction(s); and (ii) the first day on which a majority of the members of the Board of Directors of DISH Network are not continuing directors.

Assuming a change in control were to have taken place as of December 31, 2013, and the executives were terminated by DISH Network or the surviving entity at such date, the estimated benefits that would have been provided are as follows:

Name	Maximum Value of Accelerated Vesting of Options
Charles W. Ergen (1)	$ —
David M. Shull	$ 2,054,150
Joseph P. Clayton (1)	$ —
Bernard L. Han	$ 6,820,900
Robert E. Olson	$ 1,355,000

(1) The value of potentially accelerated unvested options is zero because Mr. Ergen and Mr. Clayton did not have any unvested non-performance based options as of December 31, 2013.

DIRECTOR COMPENSATION

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The following table sets forth the cash and noncash compensation for the fiscal year ended December 31, 2013 for each of our nonemployee directors. Our employee directors are not compensated for their service as directors and, consequently, are not included in the table.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards (3) ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
George R. Brokaw (1)	$ 35,250	$ —	$ —	$ —	$ —	$ —	$ 35,250
Steven R. Goodbarn	$ 107,500	$ —	$ 50,145	$ —	$ —	$ —	$ 157,645
Charles M. Lillis (2)	$ 17,000	$ —	$ —	$ —	$ —	$ —	$ 17,000
Tom A. Ortolf	$ 99,000	$ —	$ 50,145	$ —	$ —	$ —	$ 149,145

(1) Mr. Brokaw was appointed as an independent member of the Board effective October 7, 2013.

(2) Mr. Lillis was appointed as an independent member of the Board effective November 5, 2013. Mr. Lillis' fees do not include any amounts for his service on the Special Litigation Committee (as defined below) during 2013, which he joined on December 9, 2013.

(3) The amounts reported in the "Option Awards" column reflect the aggregate grant date fair values. Assumptions used in the calculation of these amounts are included in Note 15 to the Corporation's audited financial statements for the fiscal year ended December 31, 2013, included in the Corporation's Annual Report on Form 10-K filed with the SEC on February 21, 2014.

On June 30, 2013, Mr. Goodbarn and Mr. Ortolf were each granted an option to acquire 5,000 Class A Shares at an exercise price of $42.52 per share. Options granted under our 2001 Director Plan are 100% vested upon issuance. Thus, the amount recognized for financial statement reporting purposes and the full grant date fair value are the same.

Standard Nonemployee Director Compensation Arrangements

We use a combination of cash and equity compensation to attract and retain qualified candidates to serve on our Board.

Cash Compensation. Each nonemployee director receives an annual retainer of $60,000 which is paid in equal quarterly installments; provided such person is a member of the Board on the last day of the applicable calendar quarter. Our nonemployee directors also receive $1,000 for each meeting attended in person and $500 for each meeting attended by telephone. Additionally, the chairperson of each committee of the Board receives a $5,000 annual retainer, which is paid in equal quarterly installments; provided such person is the chairperson of the committee on the last day of the applicable calendar quarter. Furthermore, our nonemployee directors receive: (i) reimbursement, in full, of reasonable travel expenses related to attendance at all meetings of the Board of Directors and its committees and (ii) reimbursement, in full, of reasonable expenses related to educational activities undertaken in connection with service on the Board of Directors and its committees.

In July 2013, the Board approved a one-time retainer of $25,000 for members of its special transaction committee (the "Special Transaction Committee") established in connection with the potential purchase by L-Band Acquisition, LLC, a wholly-owned subsidiary of DISH Network, of substantially all of the assets of LightSquared LP and certain of its subsidiaries. Mr. Goodbarn served as a member of the Special Transaction Committee during 2013. In addition, in September 2013, the Board approved a $5,000 monthly retainer for the members of its special litigation committee (the "Special Litigation Committee") established in connection with the litigation discussed in Part I of the Corporation's Annual Report on Form 10-K filed with the SEC on February 21, 2014 under the caption "Item 3. Legal Proceedings — Lightsquared Transaction Shareholder Derivative Actions." Messrs. Ortolf, Brokaw and Lillis served as members of the Special Litigation Committee during 2013.

Equity Compensation. We have adopted a nonemployee director stock option plan, which we refer to as the 2001 Director Plan. The purpose of the 2001 Director Plan is to advance our interests through the motivation, attraction and retention of highly-qualified nonemployee directors. Upon election to our Board, our nonemployee directors are granted an option to acquire a certain number of our Class A Shares under our 2001 Nonemployee Director Stock Option Plan (our "2001 Director Plan") effective the first day of the next

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calendar quarter. Options granted under our 2001 Director Plan are 100% vested upon issuance and have a term of five years. We also have the discretion to grant each continuing nonemployee director an option to acquire Class A Shares annually, and we have historically granted each continuing nonemployee director an option to acquire 5,000 Class A Shares in recent years.

Our nonemployee directors do not hold any stock awards except those granted to the nonemployee directors pursuant to our 2001 Director Plan. We have granted the following options to our nonemployee directors under such plan:

	Option Awards		
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Option Exercise Price ($)**	**Option Expiration Date**
Steven R. Goodbarn	5,000	$ 27.78	6/30/2017**(1)**
	5,000	$ 42.52	6/30/2018
Total Options Outstanding at December 31, 2013	10,000		
Tom A. Ortolf	10,000	$ 27.90	6/30/2016**(1)**
	5,000	$ 27.78	6/30/2017**(1)**
	5,000	$ 42.52	6/30/2018
Total Options Outstanding at December 31, 2013	20,000		

(1) On December 2, 2012, we declared a dividend of $1.00 per share on our outstanding Class A Shares and Class B Shares. The dividend was paid in cash on December 28, 2012 to shareholders of record on December 14, 2012. In light of such dividend, our Board determined to adjust the exercise price of certain stock options issued to nonemployee directors under the plans by decreasing the exercise price by up to $1.00 per share; provided that the exercise price of eligible stock options will not be reduced below $1.00. As a result of this adjustment, the exercise price of these stock options was decreased by $0.77 per share during January 2013.

On January 1, 2014, Mr. Brokaw and Mr. Lillis were each granted an option to acquire 7,500 Class A Shares at an exercise price of $57.92 per share under our 2001 Director Plan in connection with their election to the Board in 2013.

EQUITY COMPENSATION PLAN INFORMATION

We have two employee stock incentive plans: our 1999 Stock Incentive Plan and 2009 Stock Incentive Plan (the "Stock Incentive Plans"). We adopted the Stock Incentive Plans to provide incentives to attract and retain executive officers and other key employees. While awards remain outstanding under our 1999 Stock Incentive Plan, we no longer grant equity awards pursuant to this plan. The Stock Incentive Plans are administered by our Compensation Committee.

Awards available under the Stock Incentive Plans include: (i) common stock purchase options; (ii) stock appreciation rights; (iii) restricted stock and restricted stock units; (iv) performance awards; (v) dividend equivalents; and (vi) other stock-based awards. As of December 31, 2013, 68,797,894 of our Class A Shares were available for issuance under the 2009 Stock Incentive Plan. Our authorization to grant new awards under the 1999 Stock Incentive Plan has expired. The Compensation Committee retains discretion, subject to plan limits, to, among other things, modify the terms of outstanding awards and to adjust the price of awards.

As of December 31, 2013, there were outstanding options to purchase 14,058,574 Class A Shares and 1,943,497 outstanding restricted stock units under the Stock Incentive Plans. These awards generally vest at the rate of 20% per year commencing one year from the date of grant. The exercise prices of these options, which have generally been equal to or greater than the fair market value of our Class A Shares at the date of grant, range from less than $1.00 to $50.00 per Class A Share.

On December 2, 2012, we declared a dividend of $1.00 per share on our outstanding Class A Shares and Class B Shares. The dividend was paid in cash on December 28, 2012 to shareholders of record on December 14, 2012. In light of such dividend, the Board of Directors and the Compensation Committee, which administers our Stock Incentive Plans, determined to adjust the exercise price of certain stock options issued under the plans by decreasing the exercise price by up to $1.00 per share; provided, that the exercise price of eligible stock options will not be reduced below $1.00. As a result of this adjustment, the exercise price of these stock options was decreased by $0.77 per share during January 2013.

As previously discussed in Compensation Discussion & Analysis, we have adopted the 2005 LTIP, the 2008 LTIP, and the 2013 LTIP under DISH Network's Stock Incentive Plans.

In addition to the 2001 Director Plan and the Stock Incentive Plans, during 2002 we adopted and our shareholders approved our 2002 Class B Chairman Stock Option Plan, under which we have reserved 20 million Class B Shares for issuance. The Class B Shares available for issuance under the 2002 Class B Chairman Stock Option Plan are not included in the table below. No options have been granted to date under the 2002 Class B Chairman Stock Option Plan.

The following table sets forth information regarding outstanding stock options and restricted stock unit awards and the Class A Shares reserved for future issuance under our equity compensation plans as of December 31, 2013:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b) (1)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	16,002,071	$ 21.71	69,702,894
Equity compensation plans not approved by security holders	—	—	—
Total	16,002,071	$ 21.71	69,702,894

(1) The calculation of the weighted-average exercise price of outstanding options, warrants and rights excludes restricted stock units that provide for the issuance of shares of common stock upon vesting because these awards do not require payment of an exercise price in order to obtain the underlying shares upon vesting.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Our Board has adopted a written policy for the review and approval of transactions involving DISH Network and related parties, such as directors, executive officers (and their immediate family members) and EchoStar. In order to identify these transactions, we distribute questionnaires to our officers and directors on a quarterly basis. Our General Counsel then directs the appropriate review of all potential related-party transactions and generally schedules their presentation at the next regularly-scheduled meetings of the Audit Committee and the Board of Directors. The Audit Committee and the Board of Directors must approve these transactions, with all interested parties abstaining from the vote. Once each calendar year, the Audit Committee and the Board of Directors undertake a review of all recurring potential related-party transactions. Both the Audit Committee and the Board of Directors must approve the continuation of each such transaction, with all interested parties abstaining. Transactions involving EchoStar are subject to the approval of a committee of the non-interlocking directors or in certain circumstances non-interlocking management**.**

Related Party Transactions with EchoStar Corporation

On January 1, 2008, we completed the spin-off of EchoStar (the "Spin-off"), which was previously our subsidiary. Following the Spin-off, DISH Network and EchoStar have operated as separate publicly-traded companies and, except for the Satellite and Tracking Stock Transaction described below, neither entity has any ownership interest in the other. However, a substantial majority of the voting power of the shares of both companies is owned beneficially by Charles W. Ergen, our Chairman, and by certain trusts established by Mr. Ergen for the benefit of his family.

EchoStar is our primary supplier of set-top boxes and digital broadcast operations and a supplier of a majority of our transponder capacity. Generally, the amounts we pay EchoStar for products and services are based on pricing equal to EchoStar's cost plus a fixed margin (unless noted differently below), which will vary depending on the nature of the products and services provided.

In connection with and following the Spin-off, we and EchoStar have entered into certain agreements pursuant to which we obtain certain products, services and rights from EchoStar, EchoStar obtains certain products, services and rights from us, and we and EchoStar have indemnified each other against certain liabilities arising from our respective businesses. We also may enter into additional agreements with EchoStar in the future. The following is a summary of the terms of our principal agreements with EchoStar that may have an impact on our financial condition and results of operations.

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Amended and Restated T2 Development Agreement. On August 29, 2013, we and EchoStar entered into a development agreement (the "T2 Development Agreement") with respect to the T2 satellite, by which EchoStar reimburses us for amounts we pay pursuant to an authorization to proceed (the "T2 ATP") with Space Systems/Loral, Inc. ("SS/L") related to the T2 satellite construction contract. In exchange, we granted EchoStar a right of first refusal and right of first offer to purchase our rights in T2 during the term of the T2 Development Agreement. In addition, under certain circumstances EchoStar had a right to receive a portion of the sale proceeds in the event T2 is sold to a third party during or following the term of the T2 Development Agreement. Unless sooner terminated in accordance with its terms, the term of the T2 Development Agreement expired on the later of: (i) December 31, 2013, or (ii) the date on which the T2 ATP expires.

During the fourth quarter 2013, we and EchoStar amended and restated the T2 Development Agreement (the "Amended and Restated T2 Development Agreement"), which supersedes and replaces the T2 Development Agreement. Under the Amended and Restated T2 Development Agreement, EchoStar will continue to reimburse us for amounts we pay pursuant to the T2 ATP with SS/L. In exchange, we granted EchoStar the right and option to purchase our rights in T2 for the sum of $55 million, exercisable at any time between January 1, 2014 and (i) the expiration or earlier termination of the Amended and Restated T2 Development Agreement or (ii) December 19, 2014, whichever occurs sooner. Unless sooner terminated in accordance with its terms, the term of the Amended and Restated T2 Development Agreement expires on the later of: (a) December 19, 2014; or (b) the date on which the T2 ATP expires. We received payments from EchoStar of approximately $16 million and $21 million under the Amended and Restated T2 Development Agreement during the year ended December 31, 2013 and six months ended June 30, 2014, respectively.

Application Development Agreement. During the fourth quarter 2012, we and EchoStar entered into a set-top box application development agreement (the "Application Development Agreement") pursuant to which EchoStar provides us with certain services relating to the development of web-based applications for set-top boxes for a period ending on February 1, 2015. The Application Development Agreement renews automatically for successive one-year periods thereafter, unless terminated earlier by us or EchoStar at any time upon at least 90 days' notice. The fees for services provided under the Application Development Agreement are calculated at EchoStar's cost of providing the relevant service plus a fixed margin, which will depend on the nature of the services provided. We incurred expenses payable to EchoStar of approximately $4 million and $3 million under the Application Development Agreement during the year ended December 31, 2013 and six months ended June 30, 2014, respectively.

Broadcast Agreement. Effective January 1, 2012, we and EchoStar entered into a broadcast agreement (the "2012 Broadcast Agreement") pursuant to which EchoStar provides broadcast services to us, including teleport services such as transmission and downlinking, channel origination services, and channel management services, for the period from January 1, 2012 to December 31, 2016. The fees for services provided under the 2012 Broadcast Agreement are calculated at either: (a) EchoStar's cost of providing the relevant service plus a fixed dollar fee, which is subject to certain adjustments; or (b) EchoStar's cost of providing the relevant service plus a fixed margin, which will depend on the nature of the services provided. We have the ability to terminate channel origination services and channel management services for any reason and without any liability upon at least 60 days notice to EchoStar. If we terminate the teleport services provided under the 2012 Broadcast Agreement for a reason other than EchoStar's breach, we are generally obligated to reimburse EchoStar for any direct costs EchoStar incurs related to any such termination that it cannot reasonably mitigate. We incurred expenses payable to EchoStar of approximately $230 million and $110 million under the 2012 Broadcast Agreement during the year ended December 31, 2013 and six months ended June 30, 2014, respectively.

Broadcast Agreement for Certain Sports Related Programming. During May 2010, we and EchoStar entered into a broadcast agreement pursuant to which EchoStar provides certain broadcast services to us in connection with our carriage of certain sports related programming. The term of this agreement is for ten years. If we terminate this agreement for a reason other than EchoStar's breach, we are generally obligated to reimburse EchoStar for any direct costs EchoStar incurs related to any such termination that it cannot reasonably mitigate. The fees for the broadcast services provided under this agreement depend, among other things, upon the cost to develop and provide such services. We incurred expenses payable to EchoStar of approximately $1 million and less than $1 million under this broadcast agreement during the year ended December 31, 2013 and six months ended June 30, 2014, respectively.

DISH Digital Holding L.L.C. Effective July 1, 2012, we and EchoStar formed DISH Digital Holding L.L.C. ("DISH Digital"), which was owned two-thirds by us and one-third by EchoStar and was consolidated into our financial statements beginning July 1, 2012. DISH Digital was formed to develop and commercialize certain advanced technologies. At that time, we, EchoStar and DISH Digital entered into the following agreements with respect to DISH Digital: (i) a contribution agreement pursuant to which we and EchoStar contributed certain assets in exchange for our respective ownership interests in DISH Digital; (ii) a limited liability company operating agreement (the "Operating Agreement"), which provides for the governance of DISH Digital; and (iii) a commercial agreement (the "Commercial Agreement") pursuant to which, among

other things, DISH Digital has: (a) certain rights and corresponding obligations with respect to its business; and (b) the right, but not the obligation, to receive certain services from us and EchoStar, respectively. Since this was a formation of an entity under common control and a step-up in basis was not allowed, each party's contributions were recorded at historical book value for accounting purposes. We consolidated DISH Digital with EchoStar's ownership position recorded as non-controlling interest. Effective August 1, 2014, EchoStar and DISH Digital entered into an exchange agreement (the "Exchange Agreement") pursuant to which, among other things, DISH Digital distributed certain assets to EchoStar and EchoStar reduced its interest in DISH Digital to a ten percent non-voting interest. We now have a ninety percent equity interest and a 100% voting interest in DISH Digital. In addition, we, EchoStar and DISH Digital amended and restated the Operating Agreement, primarily to reflect the changes implemented by the Exchange Agreement. Finally, we, EchoStar and DISH Digital amended and restated the Commercial Agreement, pursuant to which, among other things, DISH Digital: (1) continues to have certain rights and corresponding obligations with respect to its business; (2) continues to have the right, but not the obligation, to receive certain services from us and EchoStar; and (3) has a license from EchoStar to use certain of the assets distributed to EchoStar as part of the Exchange Agreement. We incurred expenses payable to EchoStar of approximately $18 million and $15 million under the Commercial Agreement during the year ended December 31, 2013 and six months ended June 30, 2014, respectively.

DISH Remote Access Services Agreement. Effective February 23, 2010, we entered into an agreement with EchoStar pursuant to which we receive, among other things, certain remote DVR management services. The fees for the services provided under this services agreement depend, among other things, upon the cost to develop and operate such services. This agreement has a term of five years with automatic renewal for successive one year terms. This agreement may be terminated for any reason upon at least 120 days notice to EchoStar. We incurred expenses payable to EchoStar of approximately $2 million and $1 million under the remote access services agreement during the year ended December 31, 2013 and six months ended June 30, 2014, respectively.

DISHOnline.com Services Agreement. Effective January 1, 2010, we entered into a two-year agreement with EchoStar pursuant to which we receive certain services associated with an online video portal. The fees for the services provided under this services agreement depend, among other things, upon the cost to develop and operate such services. We have the option to renew this agreement for three successive one year terms and the agreement may be terminated for any reason upon at least 120 days notice to EchoStar. In November 2013, we exercised our right to renew this agreement for a one-year period ending on December 31, 2014. We incurred expenses payable to EchoStar of approximately $6 million and $3 million under the DISHOnline.com services agreement during the year ended December 31, 2013 and six months ended June 30, 2014, respectively.

Hughes Agreements.

Blockbuster Agreement. On April 26, 2011, we completed the acquisition of substantially all of the assets of Blockbuster, Inc. (the "Blockbuster Acquisition"). During the second quarter 2011, EchoStar acquired Hughes Communications, Inc. ("Hughes"). Blockbuster purchased certain broadband products and services from Hughes Network Systems, LLC ("HNS"), a wholly-owned subsidiary of Hughes, pursuant to an agreement that was entered into prior to the Blockbuster Acquisition and EchoStar's acquisition of Hughes. Subsequent to these transactions, Blockbuster entered into a new agreement with HNS which extends for a period through October 31, 2014, pursuant to which Blockbuster may continue to purchase certain broadband products and services from HNS. Blockbuster incurred expenses payable to EchoStar of approximately $1 million under this agreement during 2013. This agreement was terminated by Blockbuster effective February 1, 2014.

DBSD North America. On March 9, 2012, we completed the acquisition of 100% of the equity of reorganized DBSD North America, Inc. ("DBSD North America"). During the second quarter 2011, EchoStar acquired Hughes. Prior to our acquisition of DBSD North America and EchoStar's acquisition of Hughes, DBSD North America and HNS entered into an agreement pursuant to which HNS provides, among other things, hosting, operations and maintenance services for DBSD North America's satellite gateway and associated ground infrastructure. This agreement renewed for a one-year period ending on February 15, 2015, and renews for two successive one-year periods unless terminated by DBSD North America upon at least 30 days notice prior to the expiration of any renewal term. We incurred expenses payable to HNS of approximately $2 million and $1 million under this agreement during the year ended December 31, 2013 and six months ended June 30, 2014, respectively.

Hughes Broadband Distribution Agreement. Effective October 1, 2012, dishNET Satellite Broadband L.L.C. ("dishNET Satellite Broadband"), our wholly-owned subsidiary, and HNS entered into a Distribution Agreement (the "Distribution Agreement") pursuant to which dishNET Satellite Broadband has the right, but not the obligation, to market, sell and distribute the HNS satellite Internet service (the "Service"). dishNET Satellite Broadband pays HNS a monthly per subscriber wholesale service fee for the Service based upon the subscriber's service level, and, beginning January 1, 2014, certain volume subscription thresholds. The Distribution Agreement also provides that dishNET Satellite Broadband has the right, but not the obligation, to purchase certain broadband equipment from HNS to support the sale of the Service. The Distribution Agreement initially had a term of five years with automatic renewal for successive one year terms unless either party gives written notice of its intent not to renew to the other party at least 180 days before the expiration of the then-current term. On February 20, 2014, dishNET Satellite Broadband and HNS amended the Distribution Agreement which, among other things, extends the initial term of the Distribution Agreement through March 1, 2024. Upon expiration or termination of the Distribution Agreement, the parties will continue to provide the Service to the then-current dishNET subscribers pursuant to the terms and conditions of the Distribution Agreement. We incurred expenses payable to HNS of approximately $32 million and $32 million under the Distribution Agreement during the year ended December 31, 2013 and six months ended June 30, 2014, respectively, for services from HNS. In addition, we purchased approximately $69 million and $15 million of broadband customer premise equipment from HNS during the year ended December 31, 2013 and six months ended June 30, 2014, respectively.

Radio Access Network Agreement. On November 29, 2012, we entered into an agreement with HNS pursuant to which HNS will construct for us a ground-based satellite radio access network (“RAN”) for a fixed fee. The completion of the RAN under this agreement is expected to occur on or before November 29, 2014. This agreement generally may be terminated by us at any time for convenience. As of December 31, 2013 and June 30, 2014, we capitalized approximately $13 million and $18 million, respectively, under this agreement.

RUS Implementation Agreement. In September 2010, DISH Broadband L.L.C. (“DISH Broadband”), our wholly-owned subsidiary, was selected by the Rural Utilities Service (“RUS”) of the United States Department of Agriculture to receive up to approximately $14 million in broadband stimulus grant funds (the “Grant Funds”). Effective November 2011, DISH Broadband and HNS, entered into a RUS Implementation Agreement (the “RUS Agreement”) pursuant to which HNS provides certain portions of the equipment and broadband service used to implement our RUS program. We incurred expenses payable to HNS of approximately $3 million under the RUS Agreement during 2013. The RUS Agreement expired during June 2013 when the Grant Funds were exhausted.

TerreStar. On March 9, 2012, we completed the acquisition of substantially all the assets of TerreStar Networks, Inc. (“TerreStar”). Prior to our acquisition of substantially all the assets of TerreStar and EchoStar’s acquisition of Hughes, TerreStar and HNS entered into various agreements pursuant to which HNS provides, among other things, hosting, operations and maintenance services for TerreStar’s satellite gateway and associated ground infrastructure. These agreements generally may be terminated by us at any time for convenience. We incurred expenses payable to HNS of approximately $5 million and $3 million under these agreements during the year ended December 31, 2013 and six months ended June 30, 2014, respectively.

Intellectual Property Matters Agreement. In connection with the Spin-off, we entered into an intellectual property matters agreement with EchoStar. The intellectual property matters agreement governs our relationship with EchoStar with respect to patents, trademarks and other intellectual property. The term of the intellectual property matters agreement will continue in perpetuity. Pursuant to the intellectual property matters agreement we irrevocably assigned to EchoStar all right, title and interest in certain patents, trademarks and other intellectual property necessary for the operation of EchoStar’s set-top box business. In addition, the agreement permits EchoStar to use, in the operation of its set-top box business, certain other intellectual property currently owned or licensed by us and our subsidiaries. EchoStar granted to us and our subsidiaries a non-exclusive, non-transferable, worldwide license to use the name “EchoStar” and a portion of the assigned intellectual property as trade names and trademarks for a limited period of time in connection with the continued operation of our consumer business. The purpose of such license is to eliminate confusion on the part of customers and others during the period following the Spin-off. After the transitional period, we may not use the “EchoStar” name as a trademark, except in certain limited circumstances. Similarly, the intellectual property matters agreement provides that EchoStar will not make any use of the name or trademark “DISH Network” or any other trademark owned by us, except in certain circumstances. There were no payments under the intellectual property matters agreement during 2013. There are no payments expected under the intellectual property matters agreement in 2014.

Management Services Agreement. In connection with the Spin-off, we entered into a Management Services Agreement with EchoStar pursuant to which we have made certain of our officers available to provide services (which were primarily legal and accounting services) to EchoStar. Effective June 15, 2013, the Management Services Agreement was terminated by EchoStar. EchoStar made payments to us based upon an allocable portion of the personnel costs and expenses incurred

by us with respect to any such officers (taking into account wages and fringe benefits). These allocations were based upon the estimated percentages of time spent by our executive officers performing services for EchoStar under the Management Services Agreement. EchoStar also reimbursed us for direct out-of-pocket costs incurred by us for management services provided to EchoStar. We and EchoStar evaluated all charges for reasonableness at least annually and made any adjustments to these charges as we and EchoStar mutually agree upon. No payments were made under the Management Services Agreement during the year ended December 31, 2013 or six months ended June 30, 2014.

Patent Cross-License Agreements. During December 2011, we and EchoStar entered into separate patent cross-license agreements with the same third party whereby: (i) EchoStar and such third party licensed their respective patents to each other subject to certain conditions; and (ii) we and such third party licensed our respective patents to each other subject to certain conditions (each, a “Cross-License Agreement”). Each Cross-License Agreement covers patents acquired by the respective party prior to January 1, 2017 and aggregate payments under both Cross-License Agreements total less than $10 million. Each Cross-License Agreement also contains an option to extend each Cross-License Agreement to include patents acquired by the respective party prior to January 1, 2022. If both options are exercised, the aggregate additional payments to such third party would total less than $3 million. However, we and EchoStar may elect to extend our respective Cross-License Agreement independently of each other. Since the aggregate payments under both Cross-License Agreements were based on the combined annual revenues of us and EchoStar, we and EchoStar agreed to allocate our respective payments to such third party based on our respective percentage of combined total revenue. No payments were made under the Cross-License Agreements during the year ended December 31, 2013 or six months ended June 30, 2014.

Product Support Agreement. In connection with the Spin-off, we entered into a product support agreement pursuant to which we have the right, but not the obligation, to receive product support from EchoStar (including certain engineering and technical support services) for all set-top boxes and related accessories that EchoStar has previously sold and in the future may sell to us. The fees for the services provided under the product support agreement are calculated at cost plus a fixed margin, which varies depending on the nature of the services provided. The term of the product support agreement is the economic life of such receivers and related accessories, unless terminated earlier. We may terminate the product support agreement for any reason upon at least 60 days notice. In the event of an early termination of this agreement, we are entitled to a refund of any unearned fees paid to EchoStar for the services. We incurred expenses payable to EchoStar of approximately $37 million and $24 million under the product support agreement during the year ended December 31, 2013 and six months ended June 30, 2014, respectively.

Professional Services Agreement. Prior to 2010, in connection with the Spin-off, we entered into various agreements with EchoStar including the Transition Services Agreement, Satellite Procurement Agreement and Services Agreement, which all expired on January 1, 2010 and were replaced by a Professional Services Agreement. During 2009, we and EchoStar agreed that EchoStar shall continue to have the right, but not the obligation, to receive the following services from us, among others, certain of which were previously provided under the Transition Services Agreement: information technology, travel and event coordination, internal audit, legal, accounting and tax, benefits administration, program acquisition services and other support services. Additionally, we and EchoStar agreed that we shall continue to have the right, but not the obligation, to engage EchoStar to manage the process of procuring new satellite capacity for us (previously provided under the Satellite Procurement Agreement) and receive logistics, procurement and quality assurance services from EchoStar (previously provided under the Services Agreement) and other support services. The Professional Services Agreement automatically renewed on January 1, 2014 for an additional one-year period until January 1, 2015 and renews automatically for successive one-year periods thereafter, unless terminated earlier by either party upon at least 60 days notice. However, either party may terminate the Professional Services Agreement in part with respect to any particular service it receives for any reason upon at least 30 days notice. We earned revenues of approximately $1 million and less than $1 million from EchoStar under the Professional Services Agreement during the year ended December 31, 2013 and six months ended June 30, 2014, respectively. We incurred expenses payable to EchoStar of approximately $18 million and $6 million under the Professional Services Agreement during the year ended December 31, 2013 and six months ended June 30, 2014, respectively.

Real Estate Lease Agreements. We have entered into lease agreements pursuant to which we lease certain real estate from EchoStar. The rent on a per square foot basis for each of the leases is comparable to per square foot rental rates of similar commercial property in the same geographic area, and EchoStar is responsible for its portion of the taxes, insurance, utilities and maintenance of the premises. We incurred expenses payable to EchoStar of approximately $12 million and $7 million under these real estate lease agreements during the year ended December 31, 2013 and six months ended June 30, 2014, respectively. The term of each lease is set forth below:

- *Inverness Lease Agreement.* The lease for certain space at 90 Inverness Circle East in Englewood, Colorado is for a period ending on December 31, 2016. This agreement can be terminated by either party upon six months prior notice.
- *Meridian Lease Agreement.* The lease for all of 9601 S. Meridian Blvd. in Englewood, Colorado is for a period ending on December 31, 2016.
- *Santa Fe Lease Agreement.* The lease for all of 5701 S. Santa Fe Dr. in Littleton, Colorado is for a period ending on December 31, 2016 with a renewal option for one additional year.
- *EchoStar Data Networks Sublease Agreement*. The sublease for certain space at 211 Perimeter Center in Atlanta, Georgia is for a period ending on October 31, 2016.
- *Gilbert Lease Agreement.* The lease for certain space at 801 N. DISH Dr. in Gilbert, Arizona terminated on May 31, 2014.
- *Cheyenne Lease Agreement.* The lease for certain space at 530 EchoStar Drive in Cheyenne, Wyoming is for a period ending on December 31, 2031.

Additionally, since the Spin-off, we have entered into lease agreements pursuant to which we lease certain real estate to EchoStar. The rent on a per square foot basis for each of the leases is comparable to per square foot rental rates of similar commercial property in the same geographic areas, and EchoStar is responsible for its portion of the taxes, insurance, utilities and maintenance of the premises. We earned revenues of less than $1 million from EchoStar under these real estate leases during the year ended December 31, 2013 and six months ended June 30, 2014, respectively. The term of each lease is set forth below:

- *El Paso Lease Agreement.* During 2012, we leased certain space at 1285 Joe Battle Blvd., El Paso, Texas to EchoStar for a period ending on August 1, 2015, which also provides EchoStar with renewal options for four consecutive three-year terms.

- *American Fork Occupancy License Agreement.* During 2013, we subleased certain space at 796 East Utah Valley Drive, American Fork, Utah to EchoStar for a period ending on July 31, 2017.

Receiver Agreement. EchoStar is currently our primary supplier of set-top box receivers. Effective January 1, 2012, we and EchoStar entered into a receiver agreement (the "2012 Receiver Agreement") pursuant to which we have the right, but not the obligation, to purchase digital set-top boxes, related accessories, and other equipment from EchoStar for the period from January 1, 2012 to December 31, 2014. We have an option, but not the obligation, to extend the 2012 Receiver Agreement for one additional year upon 180 days notice prior to the end of the term. On May 5, 2014, we provided EchoStar notice to extend the 2012 Receiver Agreement for an additional one year until December 31, 2015. The 2012 Receiver Agreement allows us to purchase digital set-top boxes, related accessories and other equipment from EchoStar either: (i) at a cost (decreasing as EchoStar reduces costs and increasing as costs increase) plus a dollar mark-up which will depend upon the cost of the product subject to a collar on EchoStar's mark-up; or (ii) at cost plus a fixed margin, which will depend on the nature of the equipment purchased. Under the 2012 Receiver Agreement, EchoStar's margins will be increased if they are able to reduce the costs of their digital set-top boxes and their margins will be reduced if these costs increase. EchoStar provides us with standard manufacturer warranties for the goods sold under the 2012 Receiver Agreement. Additionally, the 2012 Receiver Agreement includes an indemnification provision, whereby the parties indemnify each other for certain intellectual property matters. We are able to terminate the 2012 Receiver Agreement for any reason upon at least 60 days notice to EchoStar. EchoStar is able to terminate the 2012 Receiver Agreement if certain entities acquire us. We incurred expenses payable to EchoStar of approximately $1.242 billion and $591 million under the 2012 Receiver Agreement during the year ended December 31, 2013 and six months ended June 30, 2014, respectively. Included in this amount are purchases of certain broadband customer premise equipment from EchoStar under the 2012 Receiver Agreement.

Remanufactured Receiver Agreement. We entered into a remanufactured receiver agreement with EchoStar pursuant to which EchoStar has the right, but not the obligation, to purchase remanufactured receivers and accessories from us at cost plus a fixed margin, which varies depending on the nature of the equipment purchased. In November 2013, we and EchoStar extended this agreement until December 31, 2014. EchoStar may terminate the remanufactured receiver agreement for any reason upon at least 60 days written notice to us. We may also terminate this agreement if certain entities acquire us. We earned revenues of less than $1 million and approximately $2 million as a result of EchoStar's purchases of remanufactured receivers and accessories from us during the year ended December 31, 2013 and six months ended June 30, 2014, respectively.

Satellite Capacity Agreements

Satellite Capacity Leased from EchoStar. Since the Spin-off, we have entered into certain satellite capacity agreements pursuant to which we lease certain satellite capacity on certain satellites owned or leased by EchoStar. The fees for the services provided under these satellite capacity agreements depend, among other things, upon the orbital location of the applicable satellite, the number of transponders that are leased on the applicable satellite and the length of the lease. We incurred expenses payable to EchoStar of approximately $162 million and $149 million under satellite capacity agreements during the year ended December 31, 2013 and six months ended June 30, 2014, respectively. The term of each lease is set forth below:

EchoStar I, VII, X, XI and XIV. On March 1, 2014, we began leasing certain capacity from EchoStar on the EchoStar I, VII, X, XI and XIV satellites. The term of each satellite capacity agreement generally terminates upon the earlier of: (i) the end-of-life of the satellite; (ii) the date the satellite fails; or (iii) a certain date, which depends upon, among other things, the estimated useful life of the satellite. We generally have the option to renew each satellite capacity agreement on a year-to-year basis through the end of the respective satellite's life. There can be no assurance that any options to renew such agreements will be exercised.

EchoStar VIII. During May 2013, we began leasing capacity from EchoStar on EchoStar VIII as an in-orbit spare. Effective March 1, 2014, this lease converted to a month-to-month lease. Both parties have the right to terminate this lease with 30 days notice.

EchoStar IX. We lease certain satellite capacity from EchoStar on EchoStar IX. Subject to availability, we generally have the right to continue to lease satellite capacity from EchoStar on EchoStar IX on a month-to-month basis.

EchoStar XII. The lease for EchoStar XII generally terminates upon the earlier of: (i) the end-of-life or replacement of the satellite (unless we determine to renew on a year-to-year basis); (ii) the date the satellite fails; (iii) the date the transponders on which service is being provided fails; or (iv) a certain date, which depends upon, among other things, the estimated useful life of the satellite, whether the replacement satellite fails at launch or in orbit prior to being placed into service and the exercise of certain renewal options. We generally have the option to renew the lease on a year-to-year basis through the end of the satellite's life. There can be no assurance that any options to renew this agreement will be exercised.

EchoStar XVI. During December 2009, we entered into a transponder service agreement with EchoStar to lease all of the capacity on EchoStar XVI, a DBS satellite, after its service commencement date. EchoStar XVI was launched during

November 2012 to replace EchoStar XV at the 61.5 degree orbital location and is currently in service. Under the original transponder service agreement, the initial term generally expired upon the earlier of: (i) the end-of-life or replacement of the satellite; (ii) the date the satellite failed; (iii) the date the transponder(s) on which service was being provided under the agreement failed; or (iv) ten years following the actual service commencement date. Prior to expiration of the initial term, we also had the option to renew on a year-to-year basis through the end-of-life of the satellite. Effective December 21, 2012, we and EchoStar amended the transponder service agreement to, among other things, change the initial term to generally expire upon the earlier of: (i) the end-of-life or replacement of the satellite; (ii) the date the satellite fails; (iii) the date the transponder (s) on which service is being provided under the agreement fails; or (iv) four years following the actual service commencement date. Prior to expiration of the initial term, we have the option to renew for an additional six-year period. Prior to expiration of the initial term, EchoStar also has the right, upon certain conditions, to renew for an additional six-year period. If either we or EchoStar exercise our respective six-year renewal options, then we have the option to renew for an additional five-year period prior to expiration of the then-current term. There can be no assurance that any options to renew this agreement will be exercised.

Nimiq 5 Agreement. During 2009, EchoStar entered into a fifteen-year satellite service agreement with Telesat Canada (“Telesat”) to receive service on all 32 DBS transponders on the Nimiq 5 satellite at the 72.7 degree orbital location (the “Telesat Transponder Agreement”). During 2009, EchoStar also entered into a satellite service agreement (the “DISH Nimiq 5 Agreement”) with us, pursuant to which we currently receive service from EchoStar on all 32 of the DBS transponders covered by the Telesat Transponder Agreement. We have also guaranteed certain obligations of EchoStar under the Telesat Transponder Agreement.

Under the terms of the DISH Nimiq 5 Agreement, we make certain monthly payments to EchoStar that commenced in September 2009 when the Nimiq 5 satellite was placed into service and continue through the service term. Unless earlier terminated under the terms and conditions of the DISH Nimiq 5 Agreement, the service term will expire ten years following the date the Nimiq 5 satellite was placed into service. Upon expiration of the initial term, we have the option to renew the DISH Nimiq 5 Agreement on a year-to-year basis through the end-of-life of the Nimiq 5 satellite. Upon in-orbit failure or end-of-life of the Nimiq 5 satellite, and in certain other circumstances, we have certain rights to receive service from EchoStar on a replacement satellite. There can be no assurance that any options to renew the DISH Nimiq 5 Agreement will be exercised or that we will exercise our option to receive service on a replacement satellite. We incurred expenses payable to EchoStar of approximately $79 million and $39 million under the DISH Nimiq 5 Agreement during the year ended December 31, 2013 and six months ended June 30, 2014, respectively.

QuetzSat-1 Lease Agreement. During 2008, EchoStar entered into a ten-year satellite service agreement with SES Latin America S.A. (“SES”), which provides, among other things, for the provision by SES to EchoStar of service on 32 DBS transponders on the QuetzSat-1 satellite. During 2008, EchoStar also entered into a transponder service agreement (“QuetzSat-1 Transponder Agreement”) with us pursuant to which we receive service from EchoStar on 24 DBS transponders. QuetzSat-1 was launched on September 29, 2011 and was placed into service during the fourth quarter 2011 at the 67.1 degree orbital location while we and EchoStar explored alternative uses for the QuetzSat-1 satellite. In the interim, EchoStar provided us with alternate capacity at the 77 degree orbital location. During the third quarter 2012, we and EchoStar entered into an agreement pursuant to which we sublease five DBS transponders back to EchoStar. During January 2013, QuetzSat-1 was moved to the 77 degree orbital location and we commenced commercial operations at this location in February 2013.

Unless earlier terminated under the terms and conditions of the QuetzSat-1 Transponder Agreement, the initial service term will expire in November 2021. Upon expiration of the initial term, we have the option to renew the QuetzSat-1 Transponder Agreement on a year-to-year basis through the end-of-life of the QuetzSat-1 satellite. Upon an in-orbit failure or end-of-life of the QuetzSat-1 satellite, and in certain other circumstances, we have certain rights to receive service from EchoStar on a replacement satellite. There can be no assurance that any options to renew the QuetzSat-1 Transponder Agreement will be exercised or that we will exercise our option to receive service on a replacement satellite.

103 Degree Orbital Location/SES-3. During May 2012, EchoStar entered into a spectrum development agreement (the “103 Spectrum Development Agreement”) with Ciel Satellite Holdings Inc. (“Ciel”) to develop certain spectrum rights at the 103 degree orbital location (the “103 Spectrum Rights”). During June 2013, we and EchoStar entered into a spectrum development agreement (the “DISH 103 Spectrum Development Agreement”) pursuant to which we may use and develop the 103 Spectrum Rights. During the third quarter 2013, we made a $23 million payment to EchoStar in exchange for these rights. In accordance with accounting principles that apply to transfers of assets between companies under common control, we recorded EchoStar’s net book value of this asset of $20 million in “Other noncurrent assets, net” on our Consolidated Balance Sheets and recorded the amount in excess of EchoStar’s net book value of $3 million as a capital distribution. Unless earlier terminated under the terms and conditions of the DISH 103 Spectrum Development Agreement, the term generally will continue for the duration of the 103 Spectrum Rights.

In connection with the 103 Spectrum Development Agreement, during May 2012, EchoStar also entered into a ten-year service agreement with Ciel pursuant to which EchoStar leases certain satellite capacity from Ciel on the SES-3 satellite at the 103 degree orbital location (the "103 Service Agreement"). During June 2013, we and EchoStar entered into an agreement pursuant to which we lease certain satellite capacity from EchoStar on the SES-3 satellite (the "DISH 103 Service Agreement"). Under the terms of the DISH 103 Service Agreement, we make certain monthly payments to EchoStar through the service term. Unless earlier terminated under the terms and conditions of the DISH 103 Service Agreement, the initial service term will expire on the earlier of: (i) the date the SES-3 satellite fails; (ii) the date the transponder(s) on which service was being provided under the

agreement fails; or (iii) ten years following the actual service commencement date. Upon in-orbit failure or end of life of the SES-3 satellite, and in certain other circumstances, we have certain rights to receive service from EchoStar on a replacement satellite. There can be no assurance that we will exercise our option to receive service on a replacement satellite.

Satellite Capacity Leased to EchoStar. Since the Spin-off, we have entered into certain satellite capacity agreements pursuant to which EchoStar leases certain satellite capacity on certain satellites owned by us. The fees for the services provided under these satellite capacity agreements depend, among other things, upon the orbital location of the applicable satellite, the number of transponders that are leased on the applicable satellite and the length of the lease. We earned revenues of approximately $37 million and $26 million from EchoStar under these satellite capacity agreements during the year ended December 31, 2013 and six months ended June 30, 2014, respectively. The term of each lease is set forth below:

D1. Effective November 1, 2012, we entered into a satellite capacity agreement pursuant to which HNS leased certain satellite capacity from us on D1 for research and development. This lease terminated on June 30, 2014.

EchoStar XV. During May 2013, we began leasing satellite capacity to EchoStar on EchoStar XV and relocated the satellite for testing at EchoStar's Brazilian authorization at the 45 degree orbital location. Effective March 1, 2014, this lease converted to a month-to-month lease. Both parties have the right to terminate this lease with 30 days notice. Upon termination, EchoStar is responsible, among other things, for relocating this satellite from the 45 degree orbital location back to the 61.5 degree orbital location.

Satellite and Tracking Stock Transaction with EchoStar. To improve our position in the growing consumer satellite broadband market, among other reasons, on February 20, 2014, we entered into agreements with EchoStar to implement a transaction pursuant to which, among other things: (i) on March 1, 2014, we transferred to EchoStar and Hughes Satellite Systems Corporation ("HSSC"), a subsidiary of EchoStar, five satellites (EchoStar I, EchoStar VII, EchoStar X, EchoStar XI and EchoStar XIV, including related in-orbit incentive obligations and interest payments of approximately $59 million) and approximately $11 million in cash in exchange for shares of a series of preferred tracking stock issued by EchoStar and shares of a series of preferred tracking stock issued by HSSC; and (ii) beginning on March 1, 2014, we lease back certain satellite capacity on these five satellites (collectively, the "Satellite and Tracking Stock Transaction"). The Satellite and Tracking Stock Transaction is further described below:

Transaction Agreement. On February 20, 2014, DISH Operating L.L.C. ("DOLLC") and DISH Network L.L.C. ("DNLLC", together with DOLLC, the "DISH Investors") and EchoStar XI Holding L.L.C., all indirect wholly-owned subsidiaries of us, entered into a Transaction Agreement (the "Transaction Agreement") with EchoStar, HSSC and Alpha Company LLC, a wholly-owned subsidiary of EchoStar, pursuant to which, on March 1, 2014, we, among other things, transferred to EchoStar and HSSC five of our satellites (EchoStar I, EchoStar VII, EchoStar X, EchoStar XI and EchoStar XIV, including related in-orbit incentive obligations and interest payments of approximately $59 million) and approximately $11 million in cash in exchange for an aggregate of 6,290,499 shares of preferred tracking stock issued by EchoStar and 81.128 shares of preferred tracking stock issued by HSSC (collectively, the "Tracking Stock"). The Tracking Stock generally tracks the residential retail satellite broadband business of HNS, including without limitation the operations, assets and liabilities attributed to the Hughes residential retail satellite broadband business (collectively, the "Hughes Retail Group"). The shares of the Tracking Stock issued to the DISH Investors represent an aggregate 80% economic interest in the Hughes Retail Group. Although our investment in the Tracking Stock represents an aggregate 80% economic interest in the Hughes Retail Group, we have no operational control or significant influence over the Hughes Retail Group business, and currently there is no public market for the Tracking Stock. The Transaction Agreement includes, among other things, customary mutual provisions for representations, warranties and indemnification.

Satellite Capacity Leased from EchoStar. On February 20, 2014, we entered into satellite capacity agreements with certain subsidiaries of EchoStar pursuant to which, beginning March 1, 2014, we, among other things, lease certain satellite capacity on the EchoStar I, EchoStar VII, EchoStar X, EchoStar XI and EchoStar XIV satellites. See *"Satellite Capacity Agreements - Satellite Capacity Leased from EchoStar"* above for further discussion.

Investor Rights Agreement. On February 20, 2014, EchoStar, HSSC and the DISH Investors also entered into an Investor Rights Agreement (the "Investor Rights Agreement") with respect to the Tracking Stock. The Investor Rights Agreement provides, among other things, certain information and consultation rights for the DISH Investors; certain transfer restrictions on the Tracking Stock and certain rights and

obligations to offer and sell under certain circumstances (including a prohibition on transfers of the Tracking Stock for one year, with continuing transfer restrictions (including a right of first offer in favor of EchoStar) thereafter, an obligation to sell the Tracking Stock to EchoStar in connection with a change of control of us and a right to require EchoStar to repurchase the Tracking Stock in connection with a change of control of EchoStar, in each case subject to certain terms and conditions); certain registration rights; certain obligations to provide conversion and exchange rights of the Tracking Stock under certain circumstances; and certain protective covenants afforded to holders of the Tracking Stock. The Investor Rights Agreement generally will terminate as to the DISH Investors at such time as the DISH Investors no longer hold any shares of the HSSC-issued Tracking Stock and any registrable securities under the Investor Rights Agreement.

SlingService Services Agreement. Effective February 23, 2010, we entered into an agreement with EchoStar pursuant to which we receive certain services related to placeshifting. The fees for the services provided under this services agreement depend, among other things, upon the cost to develop and operate such services. This agreement has a term of five years with automatic renewal for successive one year terms. This agreement may be terminated for any reason upon at least 120 days notice to EchoStar. We incurred expenses payable to EchoStar of approximately $3 million and $2 million under the SlingService services agreement during the year ended December 31, 2013 and six months ended June 30, 2014, respectively.

Tax Sharing Agreement. In connection with the Spin-off, we entered into a tax sharing agreement with EchoStar which governs our respective rights, responsibilities and obligations after the Spin-off with respect to taxes for the periods ending on or before the Spin-off. Generally, all pre-Spin-off taxes, including any taxes that are incurred as a result of restructuring activities undertaken to implement the Spin-off, are borne by us, and we will indemnify EchoStar for such taxes. However, we are not liable for and will not indemnify EchoStar for any taxes that are incurred as a result of the Spin-off or certain related transactions failing to qualify as tax-free distributions pursuant to any provision of Section 355 or Section 361 of the Internal Revenue Code of 1986, as amended (the “Code”) because of: (i) a direct or indirect acquisition of any of EchoStar’s stock, stock options or assets; (ii) any action that EchoStar takes or fails to take; or (iii) any action that EchoStar takes that is inconsistent with the information and representations furnished to the Internal Revenue Service (“IRS”) in connection with the request for the private letter ruling, or to counsel in connection with any opinion being delivered by counsel with respect to the Spin-off or certain related transactions. In such case, EchoStar is solely liable for, and will indemnify us for, any resulting taxes, as well as any losses, claims and expenses. The tax sharing agreement will only terminate after the later of the full period of all applicable statutes of limitations, including extensions, or once all rights and obligations are fully effectuated or performed.

In light of the tax sharing agreement, among other things, and in connection with our consolidated federal income tax returns for certain tax years prior to and for the year of the Spin-off, during the third quarter 2013, we and EchoStar agreed upon a supplemental allocation of the tax benefits arising from certain tax items resolved in the course of the IRS’ examination of these consolidated tax returns. As a result, we agreed to pay EchoStar $83 million of the tax benefit we received or will receive. Any payment to EchoStar, including accrued interest, will be made at such time as EchoStar would have otherwise been able to realize such tax benefit. In addition, during the third quarter 2013, we and EchoStar agreed upon a tax sharing arrangement for filing certain combined state income tax returns and a method of allocating the respective tax liabilities between us and EchoStar for such combined returns, through the taxable period ending on December 31, 2017. No payments were made with respect to the tax sharing agreement during the year ended December 31, 2013 or the six months ended June 30, 2014.

TiVo. On April 29, 2011, we and EchoStar entered into a settlement agreement with TiVo, Inc. (“TiVo”). The settlement resolved all pending litigation between us and EchoStar, on the one hand, and TiVo, on the other hand, including litigation relating to alleged patent infringement involving certain DISH digital video recorders, or DVRs.

Under the settlement agreement, all pending litigation was dismissed with prejudice and all injunctions that permanently restrain, enjoin or compel any action by us or EchoStar were dissolved. We and EchoStar are jointly responsible for making payments to TiVo in the aggregate amount of $500 million, including an initial payment of $300 million and the remaining $200 million in six equal annual installments between 2012 and 2017. Pursuant to the terms and conditions of the agreements entered into in connection with the Spin-off of EchoStar from us, we made the initial payment to TiVo in May 2011, except for the contribution from EchoStar totaling approximately $10 million, representing an allocation of liability relating to EchoStar’s sales of DVR-enabled receivers to an international customer. Future payments will be allocated between us and EchoStar based on historical sales of certain licensed products, with us being responsible for 95% of each annual payment.

We and EchoStar, on the one hand, and TiVo, on the other hand, also agreed on mutual releases of certain related claims and agreed not to challenge each other's DVR technology-related patents that are licensed under the settlement agreement.

Because both we and EchoStar were defendants in the TiVo lawsuit, we and EchoStar were jointly and severally liable to TiVo for any final damages and sanctions that could have been awarded by the District Court. As previously disclosed, we determined that we were obligated under the agreements entered into in connection with the Spin-off to indemnify EchoStar for substantially all liability arising from this lawsuit. EchoStar contributed an amount equal to its $5 million intellectual property liability limit under the receiver agreement. We and EchoStar further agreed that EchoStar's $5 million contribution would not exhaust EchoStar's liability to us for other intellectual property claims that may arise under the receiver agreement. We and EchoStar also agreed that we would each be entitled to joint ownership of, and a cross-license to use, any intellectual property developed in connection with any potential new alternative technology. Any amounts that EchoStar is responsible for under the settlement agreement with TiVo are in addition to the $5 million contribution previously made by EchoStar.

TT&C Agreement. Effective January 1, 2012, we entered into a telemetry, tracking and control ("TT&C") agreement pursuant to which we receive TT&C services from EchoStar for a period ending on December 31, 2016 (the "2012 TT&C Agreement"). The fees for services provided under the 2012 TT&C Agreement are calculated at either: (i) a fixed fee; or (ii) cost plus a fixed margin, which will vary depending on the nature of the services provided. We are able to terminate the 2012 TT&C Agreement for any reason upon 60 days notice. We incurred expenses payable to EchoStar of approximately $5 million and $1 million under the 2012 TT&C Agreement during the year ended December 31, 2013 and six months ended June 30, 2014, respectively.

As part of the Satellite and Tracking Stock Transaction, on February 20, 2014, we amended the 2012 TT&C Agreement to cease the provision of TT&C services from EchoStar for the EchoStar I, EchoStar VII, EchoStar X, EchoStar XI and EchoStar XIV satellites. As of March 1, 2014, EchoStar is providing TT&C services to us for the EchoStar XV, D1 and T1 satellites.

XiP Encryption Agreement. During the third quarter 2012, we entered into an encryption agreement with EchoStar for our whole-home HD DVR line of set-top boxes (the "XiP Encryption Agreement") pursuant to which EchoStar provides certain security measures on our whole-home HD DVR line of set-top boxes to encrypt the content delivered to the set-top box via a smart card and secure the content between set-top boxes. The term of the XiP Encryption Agreement is for a period until December 31, 2014. Under the XiP Encryption Agreement, we have the option, but not the obligation, to extend the XiP Encryption Agreement for one additional year upon 180 days notice prior to the end of the term. We and EchoStar each have the right to terminate the XiP Encryption Agreement for any reason upon at least 30 days notice and 180 days notice, respectively. The fees for the services provided under the XiP Encryption Agreement are calculated on a monthly basis based on the number of receivers utilizing such security measures each month. No payments were made under the XiP Encryption Agreement during the year ended December 31, 2013 or the six months ended June 30, 2014, respectively.

Other Agreement. In November 2009, Mr. Roger Lynch became employed by both us and EchoStar as an Executive Vice President. Mr. Lynch is responsible for the development and implementation of advanced technologies that are of potential utility and importance to both us and EchoStar. Mr. Lynch's compensation consists of cash and equity compensation and is borne by both EchoStar and us.

Related Party Transactions with NagraStar L.L.C. ("NagraStar")

NagraStar is a joint venture between EchoStar and Nagra USA, Inc. that is our provider of encryption and related security systems intended to assure that only authorized customers have access to our programming. During the year ended December 31, 2013, we purchased from NagraStar security access and other fees at an aggregate cost to us of $92 million. As of December 31, 2013, amounts payable to NagraStar totaled $23 million. During the six months ended June 30, 2014, we purchased from NagraStar security access and other fees at an aggregate cost to us of $59 million. As of June 30, 2014, amounts payable to NagraStar totaled $13 million.

Certain Related Party Transactions with Certain of Our Executive Officers

Mr. Michael Kelly. During the first quarter 2014, we entered into an agreement pursuant to which we sold all of the equity of Blockbuster Alpha L.L.C. ("Alpha"), our wholly-owned subsidiary that held certain point-of-sale software and equipment, to Mr. Michael Kelly, the President of Blockbuster L.L.C. (the "Kelly Transaction"). Pursuant to the terms and conditions of the Kelly Transaction, Mr. Kelly paid us an initial purchase price of $500,000 and may pay us additional amounts up to an aggregate purchase price of $5,000,000 based on gross revenues generated by Alpha and/or a sale of Alpha or its assets.

Certain Related Party Transactions with Certain Members of Our Board of Directors

Ergen Family. During 2013, Mrs. Ergen served as a Senior Advisor and as a member of our Board of Directors, and we paid her approximately $100,000. Beginning in April 2013, we employed Mrs. Katie Flynn, the daughter of Mr. and Mrs. Ergen, as an Assistant Brand Manager and paid her approximately $52,000 during 2013. During 2014, we expect to continue to employ Mrs. Ergen, Mrs. Flynn and certain other Ergen children. While the amount paid during 2014 will depend on the time and services that will be provided, we expect to pay Mrs. Ergen approximately $100,000, Mrs. Flynn approximately $80,000 and certain other Ergen children approximately $25,000 in the aggregate during 2014.

LightSquared. As previously disclosed in our public filings, L-Band Acquisition, LLC (“LBAC”), our wholly-owned subsidiary, entered into a Plan Support Agreement (the “PSA”) with certain senior secured lenders to LightSquared LP (the “LightSquared LP Lenders”) on July 23, 2013, which contemplated the purchase by LBAC of substantially all of the assets of LightSquared LP and certain of its subsidiaries that are debtors and debtors in possession in the LightSquared bankruptcy cases pending in the United States Bankruptcy Court for the Southern District of New York, which cases are jointly administered under the caption In re LightSquared Inc., et. al., Case No. 12 12080 (SCC), for a purchase price of $2.22 billion in cash, plus the assumption of certain liabilities pursuant to the terms and conditions of a proposed asset purchase agreement (the “LBAC Bid”). SP Special Opportunities, LLC, an entity controlled by Mr. Ergen, is a LightSquared LP Lender and holds a substantial portion of LightSquared LP’s senior secured debt. We were a party to the PSA solely with respect to certain guaranty obligations.

Pursuant to the PSA, LBAC was entitled to terminate the PSA in certain circumstances, certain of which required three business days’ written notice, including, without limitation, in the event that certain milestones specified in the PSA were not met. On January 7, 2014, LBAC delivered written notice of termination of the PSA to the LightSquared LP Lenders. As a result, the PSA terminated effective on January 10, 2014, and the LBAC Bid was withdrawn.

Mr. Christopher Ergen/Yottabytes Ventures LLC. During the second quarter 2012, we entered into an agreement pursuant to which we had the right to make certain investments in Yottabytes Ventures LLC (“YBV”), a company that develops mobile web-based video applications. As of December 31, 2013, we had invested $700,000 in YBV, which resulted in us owning approximately 77.8% of YBV. We have the right, but not the obligation, to invest an additional $100,000 in YBV, which if exercised would bring our aggregate ownership interest in YBV to 80%. As part of our investment, we also have the right to appoint two out of the three members of the YBV board of directors.

Mr. Christopher Ergen, Mr. and Mrs. Ergen’s son, is an owner in YBV. As of December 31, 2013, Mr. Christopher Ergen had approximately a 5.6% ownership interest in YBV, which interest is subject to a repurchase option by YBV at a price of $0.001 per common share. Fifty percent (50%) of his interest is released from the repurchase option after each of the first and second anniversary of our initial investment in YBV. As of December 31, 2013, fifty percent (50%) of the common shares which Mr. Christopher Ergen owned in YBV remained subject to the repurchase option. Mr. Christopher Ergen also acted as an advisor for YBV for which he was paid approximately $10,000 by YBV during 2013. In addition, Mr. Christopher Ergen has a warrant to purchase additional common shares from YBV, the exercise of which is subject to certain conditions and expires in July 2017 or sooner if he is no longer an advisor for YBV or otherwise employed or engaged as a consultant by YBV. If Mr. Christopher Ergen fully exercises his warrant, he would have approximately a 17.5% ownership interest in YBV on a fully diluted basis assuming we have exercised our right to invest an additional $100,000 in YBV. As of December 31, 2013, the common shares under the warrant were exercisable.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Appointment of Independent Registered Public Accounting Firm

Appointment of Independent Registered Public Accounting Firm in 2014. KPMG LLP served as our independent registered public accounting firm for the fiscal year ended December 31, 2013, and the Board has proposed that our shareholders ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014. Please see Proposal No. 2 below. The Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee believes that a change would be in the best interests of DISH Network.

Fees Paid to KPMG LLP for 2013 and 2012

The following table presents fees for professional audit services rendered by KPMG LLP for the audit of our annual financial statements for the years ended December 31, 2013 and December 31, 2012, and fees billed for other services rendered by KPMG LLP during those periods.

	For the Years Ended December 31,	
	2013	**2012**
Audit Fees (1)	$ 2,125,000	$ 2,225,000
Audit-Related Fees (2)	385,135	329,117
Total Audit and Audit-Related Fees	2,510,135	2,554,117
Tax Compliance Fees	811,924	664,929
Tax Consultation Fees	1,469,794	1,087,836

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All Other Fees	—	—
Total Fees	$ 4,791,853	$ 4,306,882

(1) Consists of fees paid by us for the audit of our consolidated financial statements included in our Annual Report on Form 10-K, review of our unaudited financial statements included in our Quarterly Reports on Form 10-Q and fees in connection with the audit of our internal control over financial reporting.
(2) Consists of fees for audit of financial statements of certain employee benefit plans and fees for other services that are normally provided by the accountant in connection with registration statement filings, issuance of consents and professional consultations with respect to accounting issues.

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

The Audit Committee is responsible for appointing, setting compensation, retaining and overseeing the work of our independent registered public accounting firm. The Audit Committee has established a process regarding pre-approval of all audit and permissible non-audit services provided by the independent registered public accounting firm.

Requests are submitted to the Audit Committee in one of the following ways:

- Request for approval of services at a meeting of the Audit Committee; or
- Request for approval of services by members of the Audit Committee acting by written consent.

The request may be made with respect to either specific services or a type of service for predictable or recurring services. 100% of the fees paid by us to KPMG LLP for services rendered in 2013 and 2012 were pre-approved by the Audit Committee.

REPORT OF THE AUDIT COMMITTEE

The role of the Audit Committee is to assist DISH Network's Board of Directors in its oversight of DISH Network's financial reporting process, as is more fully described in its charter. DISH Network's management is responsible for its financial reporting process, including its system of internal controls, and for the preparation and presentation of its consolidated financial statements in accordance with generally accepted accounting principles. DISH Network's independent registered public accounting firm is responsible for auditing those financial statements and expressing an opinion as to their conformity with generally accepted accounting principles. Our responsibility is to monitor and review these processes. It is not our duty or our responsibility to conduct auditing or accounting reviews or procedures. We are not and may not be employees of DISH Network, and we may not represent ourselves to be, or to serve as, accountants or auditors by profession or experts in the fields of accounting or auditing. Therefore, we have relied, without independent verification, on representations by DISH Network's management that its financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States of America. We have also relied on representations of DISH Network's independent registered public accounting firm included in their report on its financial statements. Our oversight does not provide us with an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or policies or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, our considerations and discussions with DISH Network's management and independent registered public accounting firm do not assure that DISH Network's financial statements are presented in accordance with generally accepted accounting principles, that the audit of DISH Network's financial statements has been carried out in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), or that DISH Network's independent registered public accounting firm is in fact "independent."

In the performance of our oversight function, we reviewed and discussed with DISH Network's management its audited financial statements for the fiscal year ended December 31, 2013. We also discussed these audited financial statements with DISH Network's independent registered public accounting firm. Our discussions with the independent registered public accounting firm included the matters required to be discussed by PCAOB Auditing Standard No. 16, "Communications with Audit Committees," as currently in effect. We also discussed with them their independence and any relationship that might affect their objectivity or independence. In connection with these discussions, we reviewed the written disclosures and the letter from KPMG LLP required by applicable requirements of the PCAOB. Finally, we have considered whether the non-audit services provided by the independent registered public accounting firm are compatible with maintaining their independence.

Based on the reviews and discussions referred to above, we are not aware of any relationship between the independent registered public accounting firm and DISH Network that affects the objectivity or independence of the independent registered public accounting firm. Based on these discussions and our review discussed above, we recommended to DISH Network's Board of Directors that its audited financial statements for fiscal 2013 be included in DISH Network's Annual Report on Form 10-K for the year ended December 31, 2013 for filing with the Securities and Exchange Commission.

Respectfully submitted,

The DISH Network Audit Committee

Tom A. Ortolf (Chairman)
George R. Brokaw
Steven R. Goodbarn
Charles M. Lillis

The report of the Audit Committee and the information contained therein shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in any filing we make under the Securities Act or under the Exchange Act, irrespective of any general statement incorporating by reference this Proxy Statement into any such filing, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that we specifically incorporate this information by reference into a document we file under the Securities Act or the Exchange Act.

PROPOSAL NO. 2 — RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We customarily ask our shareholders to ratify the appointment of our independent registered public accounting firm at each annual meeting. The Audit Committee and the Board have selected and appointed KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014 and we are asking our shareholders to ratify this appointment at the Annual Meeting. Even if the selection is ratified, the Audit Committee in its discretion may select a different independent public registered accounting firm at any time if it determines that such a change would be in the best interests of DISH Network. Representatives of KPMG LLP are expected to be present at the Annual Meeting and will have the opportunity to make any statements they may desire. They also will be available to respond to appropriate questions of shareholders.

Charles W. Ergen, our Chairman, currently possesses approximately 85.0% of the total voting power. Please see "Security Ownership of Certain Beneficial Owners and Management" above. Mr. Ergen has indicated his intention to vote in favor of Proposal No. 2. Accordingly, approval of Proposal No. 2 is assured notwithstanding a contrary vote by any or all shareholders other than Mr. Ergen.

The Board of Directors unanimously recommends a vote FOR approval of Proposal No. 2 (Item No. 2 on the enclosed proxy card).

PROPOSAL NO. 3 — NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION

In our proxy statement for the 2011 Annual Meeting of Shareholders, the Board of Directors recommended that a non-binding advisory vote on the compensation of our named executive officers be held every three years by our shareholders. In accordance with such recommendation, our shareholders at the 2011 Annual Meeting of Shareholders approved, on a non-binding advisory basis, the holding of a non-binding advisory vote on the compensation of our named executive officers every three years.

In accordance with Section 14A of the Exchange Act and the related rules of the SEC, we are seeking a non-binding advisory vote from our shareholders to approve the compensation paid to our NEOs as disclosed in this Proxy Statement. Shareholders are being asked to approve the following resolution at the Annual Meeting:

> RESOLVED, that the shareholders of DISH Network Corporation (the "Corporation") hereby approve, on a non-binding advisory basis, the compensation paid to the Corporation's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K in the Corporation's Proxy Statement for its 2014 Annual Meeting of Shareholders (including the Compensation Discussion and Analysis, compensation tables, and related narrative discussion therein).

As described more fully in the "Compensation Discussion and Analysis" section of this Proxy Statement, the compensation program for our executive officers is guided by several key principles, including attraction, retention and motivation of executive officers over the long-term, recognition of individual and company-wide performance, and creation of shareholder value by aligning the interests of management and our shareholders through equity incentives. We urge shareholders to read the "Compensation Discussion and Analysis" section, compensation tables and related narrative discussion in this Proxy Statement for a more detailed discussion of our compensation programs and policies, the compensation-related actions taken in fiscal 2013 and the compensation paid to our NEOs.

Charles W. Ergen, our Chairman, currently possesses approximately 85.0% of the total voting power. Please see "Security Ownership of Certain Beneficial Owners and Management" above. Mr. Ergen has indicated his intention to vote in favor of Proposal No. 3. Accordingly, approval of Proposal No. 3 is assured notwithstanding a contrary vote by any or all shareholders other than Mr. Ergen.

The Board of Directors unanimously recommends a vote FOR approval of Proposal No. 3 (Item No. 3 on the enclosed proxy card)

PROPOSAL NO. 4 — RE-APPROVAL OF OUR 2009 STOCK INCENTIVE PLAN

Our Board previously adopted the 2009 Stock Incentive Plan, which was initially approved by our shareholders on May 11, 2009. In order to allow for certain awards under the 2009 Stock Incentive Plan to qualify as tax-deductible performance-based compensation within the meaning of Section 162(m) of the Internal Revenue Code, we are asking shareholders to re-approve the 2009 Stock Incentive Plan, including, without limitation, the material terms of the performance goals under the 2009 Stock Incentive Plan. The 2009 Stock Incentive Plan has been structured in a manner such that awards granted under it can satisfy the requirements of Section 162(m) of the Internal Revenue Code. Section 162(m) places a limit of $1,000,000 on the amount that the Corporation may deduct in any one taxable year for compensation paid to each of its CEO or any of the three most highly compensated executive officers (other than the CFO) whose compensation is required to be disclosed pursuant to Item 402 of SEC Regulation S-K. However, there is an exception to this $1,000,000 limit for compensation earned pursuant to certain performance-based awards. A performance-based award made under the 2009 Stock Incentive Plan is eligible for this exception provided certain 162(m) requirements are met. One of these requirements relates to shareholder approval (and, in certain cases, re-approval) of the material terms of the performance goals underlying performance-based award. Section 162(m) requires re-approval of the material terms of the performance goals by the shareholders after five years if the Compensation Committee retains discretion to vary the targets of performance goals underlying performance-based awards. Under the 2009 Stock Incentive Plan, the Compensation Committee retains discretion to vary the targets of performance goals underlying performance-based awards.

Accordingly, we are seeking re-approval of 2009 Stock Incentive Plan, including, without limitation, the material terms of the performance goals included in the 2009 Stock Incentive Plan. With respect to Section 162(m), such performance goals that may be included in any underlying performance-based award are intended to include any one or a combination of the business criteria set forth on Exhibit A of the 2009 Stock Incentive Plan attached as Appendix A to this Proxy Statement. The principal provisions of the 2009 Stock Incentive Plan are summarized below. This summary and the features of the 2009 Stock Incentive Plan set forth below do not purport to be complete and are qualified in their entirety by reference to the provisions of the 2009 Stock Incentive Plan.

General Information

The 2009 Stock Incentive Plan authorizes the Board of Directors or a committee appointed by the Board of Directors (the "Plan Committee") to grant incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards, dividend equivalents and other stock-based awards (collectively, "Awards") to key employees, consultants, or advisors of DISH Network and its subsidiaries who are designated by the Plan Committee. The Plan Committee may also grant Awards to all employees if they are part of a broad-based performance incentive plan approved by the Plan Committee. The Plan Committee also has the authority to, among other things: (i) select the employees, consultants, or advisors to whom Awards will be granted, (ii) determine the type, size and the terms and conditions of Awards, (iii) amend the terms and conditions of Awards, (iv) accelerate the exercisability of Awards or the lapse of restrictions relating to Awards and (v) interpret and administer the 2009 Stock Incentive Plan and award agreements thereunder.

As used in this summary of the 2009 Stock Incentive Plan, the term "Plan Committee" will include the Board of Directors in the event that it performs the functions described. If the Plan Committee consists of less than the entire Board, each member must be a "nonemployee director" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended. To the extent necessary for any Award to qualify as performance-based compensation under Section 162(m) of the Code, each Plan Committee member must be an "outside director" within the meaning of Section 162(m) of the Code. The Plan Committee may determine the extent to which any Award under the 2009 Stock Incentive Plan is required to comply or not comply with Section 409A of the Code. In addition, DISH Network retains the discretion to make grants to its Section 162(m) covered executives that are not deductible.

The aggregate number of Class A Shares that may be issued subject to Awards under the 2009 Stock Incentive Plan shall not exceed 80,000,000 shares. If there is a stock split, stock dividend or other relevant change affecting our shares, appropriate adjustments will be made in the number of shares that may be issued in the future and in the number of our Class A Shares and price in all outstanding grants made before such event. If shares under a grant are not purchased or are forfeited or if an Award otherwise terminates without delivery of any Class A Shares, those shares would again be available for inclusion in future grants.

Grants under the 2009 Stock Incentive Plan

Stock Options

The Plan Committee will determine whether any option is a nonqualified or incentive stock option at the time of grant. The per share exercise price of an option granted under the 2009 Stock Incentive Plan will be determined by the Plan Committee at the time of grant, provided that the purchase price per share for each option must not be less than 100% of the fair market value of the Class A Shares as of the date of grant or the last trading day prior to the date of grant (if the date of grant is not a trading date) (110% in the case of an incentive stock option granted to a Ten-Percent Stockholder, as defined in the 2009 Stock Incentive Plan). Each option will be exercisable at such dates and in such installments as determined by the Plan Committee. Each option terminates at the time determined by the Plan Committee provided that the term of each incentive stock option may not exceed ten years (five years in the case of an incentive stock option granted to a Ten-Percent Stockholder) and the term of each nonqualified stock option may not exceed ten years and three months from the date of grant.

The Plan Committee may grant restoration options, separately or together with another option, under which the grantee would be granted a new option when the grantee pays the exercise price of the original option by delivery of previously owned shares. The restoration option would permit the grantee to purchase a number of shares not exceeding the sum of (i) the number of shares provided as consideration upon the exercise of the previously granted option to which such restoration option relates and (ii) the number of shares, if any, tendered or withheld as payment of the amount to be withheld under applicable tax laws in connection with the exercise of the option to which the restoration option relates.

Stock Appreciation Rights

The Plan Committee may grant stock appreciation rights (“SARs”) which confer to the grantee the right to receive upon exercise thereof the excess, if any, of the fair market value of the shares subject thereto on the date of exercise over the grant price of the SAR (which shall not be less than the fair market value of such shares on the date of grant). The grant price, term, dates and methods of exercisability and all other terms and conditions of an SAR shall be fixed by the Plan Committee.

Restricted Stock and Restricted Stock Units

The Plan Committee may also grant restricted stock or restricted stock units. Each grant shall set forth a restriction period during which the grantee must remain in the employ of DISH Network or its subsidiaries in order to retain the shares under grant. If the grantee’s employment terminates during the restriction period, all shares subject to restriction shall be forfeited and reacquired by DISH Network. However, the Plan Committee may provide complete or partial exceptions to this requirement. Neither restricted stock nor restricted stock units may be disposed of prior to the expiration of the restriction period. All terms and conditions shall be determined by the Plan Committee upon grant of restricted stock or restricted stock units. Each certificate issued upon grant of restricted stock would bear a legend giving notice of the restrictions in the grant.

Performance Awards

The Plan Committee may grant performance awards under which payment may be made in shares of our common stock, cash or other securities. Awards may be made upon achievement of certain goals established by the Plan Committee during an award period. The Plan Committee would determine the goals, the length of an award period, the maximum payment value of an award, the minimum performance required before a payment would be made and any other terms and conditions applicable to a performance award.

Dividend Equivalents

The Plan Committee may grant dividend equivalents (other than in connection with options or stock appreciation rights) which confer upon participants the right to receive a payment (in cash, shares, other securities, other Awards or other property) equal to the amount of cash dividends paid by DISH Network to shareholders with respect to a specified number of shares determined by the Plan Committee. The Plan Committee will also establish all terms and conditions applicable to a dividend equivalent grant.

Other Stock-Based Awards

The Plan Committee may also grant such other Awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, the Class A Shares. The Plan Committee shall determine the terms and conditions of such Awards.

All Awards issued under the 2009 Stock Incentive Plan may be paid by DISH Network in cash, shares, promissory notes, other securities, other Awards or such other property or combination thereof as shall be determined by the Plan Committee. All such Awards may be paid in a single payment or transfer, or in installments or on a deferred basis, in each case in accordance with rules and procedures established by the Plan Committee.

Exchange Program Flexibility Under 2009 Stock Incentive Plan

The 2009 Stock Incentive Plan permits the Plan Committee to institute one or more exchange programs without further approval of our shareholders. An exchange program is a program under which outstanding awards are surrendered or cancelled in exchange for awards of the same type (which may have lower exercise prices and different terms), awards of a different type, and/or cash, or in which the exercise price of an outstanding award is reduced.

We are unable to predict with certainty the impact of any future exchange program on our shareholders because for example we are unable to predict how many or which employees will exchange their eligible awards under any such exchange program nor have we established the terms of such exchange program. Nonetheless, it is possible that an exchange program may substantially increase our reported compensation expense if our Plan Committee determines that such an exchange program is necessary to fulfill the goals of DISH Network's equity compensation program.

U.S. Federal Income Tax Consequences

Following is a general summary of the U.S. Federal income tax consequences of participating in the 2009 Stock Incentive Plan. This summary does not address all aspects of the U.S. Federal income tax consequences of participating in the Plan that may be relevant to individual grantees and does not discuss any state, local or foreign tax consequences of participating in the 2009 Stock Incentive Plan.

Stock Options

The grant of an incentive stock option or a nonqualified stock option would not result in income for the grantee or in a deduction for DISH Network.

The exercise of a nonqualified stock option would result in ordinary income for the grantee and a deduction for DISH Network measured by the difference between the option price and the fair market value of the shares received at the time of exercise. Income tax withholding would be required.

The exercise of an incentive stock option would not result in income for the grantee if the grantee (i) does not dispose of the shares within two years after the date of grant or one year after the transfer of shares upon exercise, whichever is later, and (ii) is an employee of DISH Network or a subsidiary of DISH Network from the date of grant until three months before the exercise date. If these requirements are met, the basis of the shares upon later disposition would be the option exercise price for such shares. Any gain will be taxed to the employee as long-term capital gain and DISH Network would not be entitled to a deduction. The excess of the fair market value on the exercise date over the option exercise price is an item of tax preference, potentially subject to the alternative minimum tax.

If the grantee of an award under an incentive stock option disposes of the shares prior to the expiration of either of the holding periods, the grantee would recognize ordinary income and DISH Network would be entitled to a deduction equal to the lesser of the fair market value of the shares on the exercise date minus the option exercise price or the amount realized on disposition minus the option exercise price. Any gain in excess of the ordinary income portion would be taxable as long-term or short-term capital gain.

SARS, Performance Awards and Dividend Equivalents

The grant of an SAR, a performance award or a dividend equivalent generally should not result in income for the grantee or a deduction for DISH Network. Upon the exercise of an SAR or the receipt of shares or cash under a performance award or dividend equivalent, the grantee would recognize ordinary income and, subject to deduction limitations under Section 162(m), if applicable, DISH Network would be entitled to a deduction equal to the fair market value of the shares or the amount of any cash received.

Restricted Stock and Restricted Stock Units

The grant of restricted stock should not result in income for the grantee or in a deduction for DISH Network for Federal income tax purposes, assuming the shares transferred are subject to restrictions resulting in a "substantial risk of forfeiture" as intended by DISH Network and no Section 83(b) election is made. Upon lapse of the restrictions, the grantee would recognize ordinary income equal to the fair market value of the shares on the date of lapse and DISH Network would be entitled to a corresponding deduction, subject to the deduction limitations under Section 162(m), if applicable. If there are no such restrictions or a Section 83(b) election is made, the grantee would recognize ordinary income upon receipt of the shares equal to the fair market value of the shares on grant and DISH Network would be entitled to a corresponding deduction, subject to deduction limitations under Section 162(m), if applicable. The grant of restricted stock units generally should not result in income for the grantee or a deduction for DISH Network. Upon distribution of the shares or cash underlying the restricted stock units, the grantee would recognize ordinary income in an amount equal to the amount of cash or the fair market value (measured on the distribution date) of the shares received, and DISH Network would be entitled to a corresponding deduction, subject to the deduction limitations under Section 162(m), if applicable. If no Section 83(b) election is made, dividends paid to the grantee while restricted stock remains subject to restrictions would be treated as compensation for Federal income tax purposes and DISH Network would receive a corresponding tax deduction, subject to the deduction limitations under Section 162 (m), if applicable. If a Section 83(b) election is made, dividends paid on the shares will be subject to the normal rules regarding distributions on stock.

Requirements Regarding "Deferred Compensation"

Certain of the Awards under the 2009 Stock Incentive Plan may constitute "non-qualified deferred compensation" subject to Section 409A of the Code. Failure to comply with the requirements of the provisions of the Code regarding participant elections and the timing of payment distributions could result in the affected participants being required to recognize ordinary income for tax purposes earlier than the times otherwise applicable as described in the above discussion and to pay substantial penalties.

Other Information

The 2009 Stock Incentive Plan has a term of ten years, expiring on May 11, 2019, unless terminated earlier by the Board or extended by the Board with approval of the shareholders. The Board may amend the 2009 Stock Incentive Plan as it deems advisable, except that no amendment will become effective without prior approval of our shareholders if such approval is necessary for continued compliance with Nasdaq rules and regulations. During the term of the 2009 Stock Incentive Plan, (i) no grantee may be granted options or stock appreciation rights under the 2009 Stock Incentive Plan in the aggregate in respect of more than 4,000,000 shares in any one calendar year, and (ii) the maximum dollar amount of the fair market value of shares that any grantee may receive in any one calendar year in respect of performance awards granted under the 2009 Stock Incentive Plan may not exceed $30,000,000. The maximum aggregate number of shares that may be issued under the 2009 Stock Incentive Plan through incentive stock options may not exceed 80,000,000. Grantees who will participate in the 2009 Stock Incentive Plan in the future and the amounts of their allotments are to be determined by the Plan Committee subject to any restrictions outlined above.

It is not possible to determine the actual amount of Awards that will be granted under the 2009 Stock Incentive Plan in fiscal year 2014 or in future years because the Awards granted are discretionary. We expect that future Awards under the 2009 Stock Incentive Plan will be granted in a manner consistent with the historical grant of Awards under the 2009 Stock Incentive Plan. For information regarding past grants and outstanding equity Awards, see the disclosure in this Proxy Statement in "Grants of Plan-Based Awards" and "Outstanding Equity Awards at Fiscal Year-End."

Charles W. Ergen, our Chairman, currently possesses approximately 85.0% of the total voting power. Please see "Security Ownership of Certain Beneficial Owners and Management" above. Mr. Ergen has indicated his intention to vote in favor of Proposal No. 4. Accordingly, approval of Proposal No. 4 is assured notwithstanding a contrary vote by any or all shareholders other than Mr. Ergen.

The Board of Directors unanimously recommends a vote FOR approval of Proposal No. 4 (Item No. 4 on the enclosed proxy card)

PROPOSAL NO. 5 — SHAREHOLDER PROPOSAL REGARDING GREENHOUSE GAS (GHG) REDUCTION TARGETS

In accordance with SEC rules, we have set forth below a shareholder proposal, along with the supporting statement of the shareholder proponent, for which we and the Board accept no responsibility. The Calvert Social Index Fund, 4550 Montgomery Avenue, Bethesda, Maryland 20814, is the proponent of the following shareholder proposal and has advised us that it holds DISH Network Class A Shares with a market value in excess of $2,000 and it or its agent intends to present the proposal and related supporting statement at the Annual Meeting.

> **RESOLVED: S**hareholders request that DISH Network Corporation adopt quantitative company-wide goals for reducing GHG emissions from operations and products and report on its plans to achieve these goals by fall 2014.

Supporting Statement

In September 2013, the Intergovernmental Panel on Climate Change (IPCC), the world's leading scientific authority on climate change, released its fifth assessment report concluding that human-caused "warming of the climate system is unequivocal," with many of the impacts of warming already "unprecedented over decades to millennia."

In 2011, the US experienced 14 extreme weather events with losses exceeding $1 billion each. In 2012, there were 11 such events resulting in an estimated $110 billion in total damages and 377 fatalities. Drought in the U.S. Midwest in 2012 affected 80 percent of agricultural land, particularly corn and soybean production, costing approximately $30 billion.

In order to mitigate the worst impacts of climate change, the IPCC estimates that a 50 percent reduction in GHG emissions globally is needed by 2050 (relative to 1990 levels). More than 40 national and 20 sub-national government jurisdictions have either implemented or are considering independent carbon pricing mechanisms. In May 2013, President Obama laid out a climate action plan for the U.S.

Analysis by McKinsey & Co., Deloitte Consulting and Point380 found that U.S. companies could reduce emissions 3 percent annually between now and 2020 and realize savings up to $780 billion.

Over half of S&P 500 companies have set GHG emission reduction targets that can drive innovation and enhance shareholder value. A study of 386 U.S. companies in the S&P 500 by CDP (formerly known as Carbon Disclosure Project) found that:

- 79% of companies "earn a higher return on their carbon reduction investments than on their overall corporate capital investments."
- Energy efficiency improvements earned an average return on investment of 196%, with an average payback period between two and three years.
- "[C]companies that set 'stretch' targets often reach and exceed them because the targets spur innovation and more profitable reductions than anticipated."
- Companies with "ambitious carbon reduction targets deliver larger emission reductions with higher financial returns than companies without such targets."

While over 500 businesses, including General Motors, Microsoft, and Nike signed the Climate Declaration that states, "Tackling climate change is one of America's greatest economic opportunities of the 21st century," our company is largely silent on this issue.

The economic, business and societal impacts of climate change are of paramount importance to investors. Investors with $87 trillion in assets have supported CDP's request to over 6,000 companies for disclosure of carbon emissions, reduction goals, and climate change strategies to address these risks.

We recommend DISH take into consideration the IPCC analysis and identified emission reduction targets as it sets its own goal. We also recommend that the company consider renewable energy procurement (with related targets) as a strategy to achieve its emission reduction goals.

Board of Directors' Statement in Opposition to the Shareholder Proposal

The Board of Directors recommends that you vote against this proposal. The Board of Directors believes that adopting this proposal could be duplicative of our existing initiatives and efforts. For example, we have undertaken a variety of environmentally-friendly initiatives throughout our business, including, among other things:

(i) launching a recycling and waste reduction program that includes the recycling of more than 15,000 set-top boxes and more than 500,000 lbs. of material per week;

(ii) the deployment of ROUSH CleanTech propane autogas-fueled Ford E-250 cargo vans into our installation vehicle fleet;

(iii) the implementation of an electronic inventory reporting system that reduces paper usage by approximately eight tons of paper per year; and

(iv) working with various government agencies, including the U.S. Energy Department, as those agencies engage in a process that will determine the applicable rules, regulations and guidelines that govern certain energy consumption by set-top boxes.

While we are committed to improvement of our environmental practices, we do not think it is prudent to make specific commitments or to be informally regulated by individual shareholders on specific issues. Therefore, we believe that the interests of our shareholders will be best served by us continuing to build our business while continuing our current environmental initiatives and efforts, many of which are governed by federal, state and local regulatory requirements.

Charles W. Ergen, our Chairman, currently possesses approximately 85.0% of the total voting power. Please see "Security Ownership of Certain Beneficial Owners and Management" above. Mr. Ergen has indicated his intention to vote against Proposal No. 5. Accordingly, rejection of Proposal No. 5 is assured notwithstanding a contrary vote by any or all shareholders other than Mr. Ergen.

The Board of Directors unanimously recommends a vote AGAINST approval of Proposal No. 5 (Item No. 5 on the enclosed proxy card)

WHERE TO GET ADDITIONAL INFORMATION

As a reporting company, we are subject to the informational requirements of the Exchange Act and accordingly file our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other information with the SEC. The public may read and copy any materials filed with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. Please call the SEC at (800) SEC-0330 for further information on the Public Reference Room. As an electronic filer, our public filings are maintained on the SEC's website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that website is http://www.sec.gov. In addition, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act may be accessed free of charge through our website as soon as reasonably practicable after we have electronically filed such material with, or furnished it to, the SEC. The address of that website is http://www.dish.com.

COST OF PROXY STATEMENT

We will bear the cost of the solicitation of proxies on behalf of the Board. In addition to the use of the mail, proxies may be solicited by us personally, by telephone or by similar means. None of our directors, officers or employees will be specifically compensated for those activities. We do not expect to pay any compensation for the solicitation of proxies. However, we will reimburse brokerage firms, custodians, nominees, fiduciaries and other persons holding our shares in their names, or in the names of nominees, at approved rates for their reasonable expenses in forwarding proxy materials to beneficial owners of securities held of record by them and obtaining their proxies.

SHAREHOLDER COMMUNICATIONS

General. We provide an informal process for shareholders to send communications to our Board and its members. Shareholders who wish to contact the Board or any of its members may do so by writing to DISH Network Corporation, Attn: Board of Directors, 9601 S. Meridian Blvd., Englewood, Colorado 80112. At the direction of the Board of Directors, all mail received will be opened and screened for security purposes. Correspondence directed to an individual Board member is referred to that member. Correspondence not directed to a particular Board member is referred to R. Stanton Dodge, Executive Vice President, General Counsel and Secretary.

Submission of Shareholder Proposals and Director Nominations for 2015 Annual Meeting. We currently expect to hold our 2015 annual meeting of shareholders (the "2015 Annual Meeting") on or around May 5, 2015. Because the expected date of the 2015 Annual Meeting will be more than 30 days before the anniversary of the 2014 Annual Meeting, shareholders who intend to have a proposal or director nomination considered for inclusion in our proxy materials for presentation at the 2015 Annual Meeting must submit the proposal or director nomination to us no later than the close of business on November 21, 2014. In accordance with our Bylaws, for a proposal or director nomination not included in our proxy materials to be brought before the 2015 Annual Meeting, a shareholder's notice of the proposal or director nomination that the shareholder wishes to present must be delivered to R. Stanton Dodge, Executive Vice President, General Counsel and Secretary, at DISH Network Corporation, 9601 S. Meridian Blvd., Englewood, Colorado 80112 not less than 90 nor more than 120 days prior to the expected date of the 2015 Annual Meeting. Accordingly, any notice given pursuant to our Bylaws and outside the process of Rule 14a-8 must be received no earlier than January 5, 2015 and no later than February 4, 2015. We reserve the right to reject, rule out of order or take other appropriate action with respect to any proposal or director nomination that does not comply with these and other applicable requirements.

OTHER BUSINESS

Management knows of no other business that will be presented at the Annual Meeting other than that which is set forth in this Proxy Statement. However, if any other matter is properly presented at the Annual Meeting, the persons named in the accompanying proxy card will have discretionary authority to vote on such matter.

By Order of the Board of Directors

R. STANTON DODGE
Executive Vice President, General Counsel and Secretary

Appendix A

DISH NETWORK CORPORATION
2009 STOCK INCENTIVE PLAN

Section 1. Purpose

The purpose of this DISH Network Corporation 2009 Stock Incentive Plan (the "**Plan**") is to promote the interests of DISH Network Corporation (the "**Company**") and its Subsidiaries by aiding the Company in attracting and retaining Participants capable of assuring the future success of the Company, to offer such personnel incentives to put forth maximum efforts for the success of the Company's business and to afford such personnel an opportunity to acquire a proprietary interest in the Company.

Section 2. Definitions

As used in the Plan, the following terms shall have the meanings set forth below:

(a) "**Award**" shall mean an award granted to a Participant in accordance with the terms of this Plan in the form of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Awards, Dividend Equivalents or Other Stock-Based Awards granted under the Plan, or any combination of the foregoing. As used in the context of an Exchange Program, the term "**Award**" shall include any awards granted under any predecessor plan of the Company or its predecessors, including without limitation the Company's 1999 Stock Incentive Plan and 1995 Stock Incentive Plan.

(b) "**Award Agreement**" shall mean any written agreement, contract or other instrument or document evidencing any Award granted under the Plan.

(c) "**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder.

(d) "**Committee**" shall mean the committee described in Section 3 of the Plan.

(e) "**Company**" shall mean DISH Network Corporation, a Nevada corporation, and any successor corporation.

(f) "**Dividend Equivalent**" shall mean any right granted under Section 6(e) of the Plan.

(g) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended.

(h) "**Exchange Program**" means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for Awards of the same type (which may have lower exercise prices and different terms), Awards of a different type, and/or cash, and/or (ii) the exercise price of an outstanding Award is reduced. The terms and conditions of any Exchange Program will be determined by the Committee in its sole discretion and shall not require separate approval by the Company's shareholders.

(i) "**Key Employee**" shall mean any person, including officers and directors, in the regular full-time employment of the Company or a Subsidiary who, in the opinion of the Committee, is, or is expected to be, primarily responsible for the management, growth or protection of some part or all of the business of the Company and its Subsidiaries or otherwise to contribute substantially to the success of the Company and its Subsidiaries.

(j) "**Fair Market Value**" shall mean, with respect to Shares, the final closing price, as quoted by the National Association of Securities Dealers Automated Quotation System ("**NASDAQ**") or any other exchange on which the Shares are traded, for the date in question. If Fair Market Value is in reference to property other than Shares, the Fair Market Value of such other property shall be determined by such methods or procedures as shall be established from time to time by the Committee.

(k) "**Incentive Stock Option**" shall mean an option granted under Section 6(a) of the Plan that is intended to meet the requirements of Section 422 of the Code or any successor provision.

(l) "**Nonemployee Director**" shall mean a director of the Company who is a "nonemployee director" within the meaning of Rule 16b-3.

(m) "**Non-Qualified Stock Option**" shall mean an option granted under Section 6(a) of the Plan that is not intended to be an Incentive Stock Option.

(n) "**Option**" shall mean an Incentive Stock Option or a Non-Qualified Stock Option, and shall include Restoration Options.

(o) "**Other Stock-Based Award**" shall mean any right granted under Section 6(f) of the Plan.

(p) "**Outside Director**" shall mean a director of the Company who is an "outside director" within the meaning of Section 162(m) of the Code.

(q) "**Participant**" shall mean (1) any Key Employee designated to be granted an Award under the Plan by the Committee, (2) a consultant or advisor currently providing services to the Company or Subsidiary (by contract or otherwise) designated to be granted an Award under the Plan by the Committee, or (3) any employee of the Company or Subsidiary designated to be granted an Award under the Plan by the Committee if such grant is part of a broad-based performance incentive program.

(r) "**Performance Award**" shall mean any right granted under Section 6(d) of the Plan.

(s) "**Person**" shall mean any individual, corporation, partnership, association or trust.

(t) "**Plan**" shall mean this 2009 Stock Incentive Plan, as amended from time to time.

(u) "**Restoration Option**" shall mean any Option granted under Section 6(a)(iv) of the Plan which confers upon the Participant the right to receive a new Option upon the payment of the exercise price of a previously held Option by delivery of previously owned Shares.

(v) "**Restricted Stock**" shall mean any Share granted under Section 6(c) of the Plan, subject to such restrictions as the Committee deems appropriate or desirable.

(w) "**Restricted Stock Unit**" shall mean any unit granted under Section 6(c) of the Plan evidencing the right to receive a Share (or a cash payment equal to the Fair Market Value of a Share) at some future date.

(x) "**Retirement**" shall mean becoming eligible to receive immediate retirement benefits under a retirement or pension plan of the Company or any Subsidiary.

(y) "**Rule 16b-3**" shall mean Rule 16b-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, or any successor rule or regulation.

(z) "**Shares**" shall mean shares of Class A Common Stock, $.01 par value, of the Company or such other securities or property as may become subject to Awards pursuant to an adjustment made under Section 4(c) of the Plan.

(aa) "**Stock Appreciation Right**" shall mean any right granted under Section 6(b) of the Plan.

(bb) "**Subsidiary**" shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns 50% or more of the voting stock or other equity interests in one of the other corporations in such chain.

(cc) "**Ten-Percent Stockholder**" shall mean an individual who owns (within the meaning of Section 422(b)(6) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of a Subsidiary.

(dd) "**Total Disability**" shall mean the complete and permanent inability of an employee Participant to perform such Participant's duties under the terms of the Participant's employment with the Company or any Subsidiary, as determined by the Committee upon the basis of such evidence, including independent medical reports and data, as the Committee deems appropriate or necessary.

Section 3. Administration.

(a) **Power and Authority of the Committee**.

(i) **The Committee**. The Committee shall consist of at least two directors of the Company and may consist of the entire Board of Directors; *provided*, *however*, that (i) if the Committee consists of less than the entire Board of Directors, each member shall be a Nonemployee Director and (ii) to the extent necessary for any Award intended to qualify as performance-based compensation under Section 162(m) of the Code, to so qualify, each member of the Committee, whether or not it consists of the entire Board of Directors, shall be an Outside Director. The Committee may determine the extent to which any Option under the Plan is required to comply, or not comply, with Section 409A of the Code.

(ii) **Power and Authority**. Subject to the express provisions of the Plan and to applicable law, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to each Participant under the Plan; (iii) determine the number of Shares to be covered by (or with respect to which payments, rights or other matters are to be calculated in connection with) each Award; (iv) determine the terms and conditions of any Award or Award Agreement which may be based on various factors such as length of employment and/or performance of the Participant or the Company (such performance criteria may include but are not limited to Company's achievement of specified financial or other performance metrics, such as subscriber growth (for clarification purposes, with respect to Section 162(m) of the Code, such performance criteria are intended to include any one or a combination of the business criteria set forth on Exhibit A)); (v) amend the terms and conditions of any Award or Award Agreement and accelerate the exercisability of Options or the lapse of restrictions relating to Restricted Stock, Restricted Stock Units or other Awards; (vi) determine whether, to what extent and under what circumstances Awards may be exercised in cash, Shares, other securities, other Awards or other property, or canceled, forfeited or suspended; (vii) determine whether, to what extent and under what circumstances cash, Shares, other securities, other Awards, other property and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or the Committee; (viii) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (ix) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (x) institute one or more Exchange Programs, including without limitation any Exchange Program described in Section 9(b); and (xi) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon any Participant, any holder or beneficiary of any Award and any employee of the Company or any Subsidiary. The Committee's decisions and determinations under the Plan need not be uniform and may be made selectively among Participants, whether or not such Participants are similarly situated.

(b) **Delegation**. The Committee may, in its sole discretion, delegate such powers and duties under the Plan as it deems appropriate; *provided*, *however*, that the Committee shall not delegate its powers and duties under the Plan with regard to executive officers or directors of the Company or any Subsidiary who are subject to Section 16 of the Exchange Act.

Section 4. Shares Available for Awards.

(a) **Shares Available**. Subject to adjustment as provided in Section 4(c), the number of Shares that may be issued subject to Awards under the Plan shall not exceed 80,000,000 (for clarification purposes, this limitation applies to Incentive Stock Options); *provided*, *however*, that during the term of the Plan (i) no Participant may be granted Awards (other than Awards described in clause (ii) below) in the aggregate in respect of more than 4,000,000 Shares in any one calendar year (for clarification purposes, this limitation applies to Options and Stock Appreciation Rights) and (ii) the maximum amount that any Participant may receive in any one calendar year in respect of Performance Awards granted pursuant to Section 6(d) may not exceed the Fair Market Value of 2,000,000 Shares (for clarification purposes, to the extent such award is intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code, the maximum amount that such Participant may receive in any one calendar year may not exceed $30,000,000). Shares to be issued under the Plan may be either Shares reacquired and held in the treasury or authorized but unissued Shares. If any Shares covered by an Award or to which an Award relates are not purchased or are forfeited, or if an Award otherwise terminates without delivery of any Shares, then the number of Shares counted against the aggregate number of Shares available under the Plan with respect to such Award, to the extent of any such forfeiture or termination, shall again be available for granting Awards under the Plan. The Company shall at all times keep available out of authorized but unissued Shares the number of Shares to satisfy Awards granted under the Plan.

(b) **Accounting for Awards**. For purposes of this Section 4, if an Award entitles the holder thereof to receive or purchase Shares, the number of Shares covered by such Award or to which such Award relates shall be counted on the date of grant of such Award against the aggregate number of Shares available under Section 4(a) above for granting Awards under the Plan.

(c) **Adjustments**. In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company or other similar corporate transaction or event affects the Shares such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of Shares (or other securities or other property) which thereafter may be made the subject of Awards, (ii) the number and type of Shares (or other securities or other property) subject to outstanding Awards and (iii) the purchase or exercise price with respect to any Award; *provided*, *however*, that the number of Shares covered by any Award or to which such Award relates shall always be a whole number.

Section 5. Eligibility of Key Employees.

Any Key Employee, including any Key Employee who is an officer or director of the Company or any Subsidiary, shall be eligible to be designated a Participant; *provided*, *however*, a director of the Company who is not also an employee of the Company or a Subsidiary shall not be designated as an Participant. In determining which Key Employees shall receive an Award and the terms of any Award, the Committee may take into account the nature of the services rendered by the respective Key Employees, their present and potential contributions to the success of the Company or such other factors as the Committee, in its sole discretion, shall deem relevant. Notwithstanding the foregoing, an Incentive Stock Option may only be granted to full or part-time employees (which term as used herein includes, without limitation, officers and directors who are also employees) of the Company and its Subsidiaries.

Section 6. Awards.

(a) **Options**. The Committee is hereby authorized to grant Options to Participants with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan as the Committee shall determine, which terms and conditions shall be set forth in a form approved by the Committee.

(i) **Exercise Price**. The exercise price per Share purchasable under an Option shall be determined by the Committee; *provided*, *however*, that, the exercise price of an Option shall not be less than 100% of the Fair Market Value of a Share on the date of grant of such Option (110% in the case of an Incentive Stock Option granted to a Ten-Percent Stockholder); *provided*, *further*, that the aggregate Fair Market Value, determined at the time an Incentive Stock Option is granted, of the Shares with respect to which Incentive Stock Options may be exercisable for the first time by an employee Participant in any calendar year under all plans of the Company and any parent corporation of the Company and any Subsidiary shall not exceed $100,000.

(ii) **Option Term**. The term of each Option shall be for a period of ten years from the date of grant of any Incentive Stock Option (5 years in the case of an Incentive Stock Option granted to a Ten-Percent Stockholder) and ten years and three months from the date of grant of a Non-Qualified Stock Option, unless an earlier expiration date shall be stated in the Option or the Option shall cease to be exercisable pursuant to this Section 6. If an employee Participant's employment with the Company and all Subsidiaries terminates other than by reason of such Participant's death, Total Disability or Retirement, the Participant's Option shall terminate and cease to be exercisable upon termination of employment, unless the Committee shall determine otherwise.

(iii) **Time and Method of Exercise**. The Committee shall determine the time or times at which an Option may be exercised in whole or in part and the method or methods by which, and the form or forms (including, without limitation, cash, Shares, promissory notes, other securities, other Awards or other property, or any combination thereof, having a Fair Market Value on the exercise date equal to the relevant exercise price) in which, payment of the exercise price with respect thereto may be made or deemed to have been made. The Committee may also permit the holders of Options, in accordance with such procedures as the Committee may in its sole discretion establish, including those set forth in Section 6 (g) hereof, to exercise Options and sell Shares acquired pursuant to a brokerage or similar arrangement approved in advance by the Committee, and to use the proceeds from such sale as payment of the exercise price of such Options.

(iv) **Restoration Options**. The Committee may grant Restoration Options, separately or together with another Option, pursuant to which, subject to the terms and conditions established by the Committee and any applicable requirements of Rule 16b-3 or any other applicable law, the Participant would be granted a new Option when the payment of the exercise price of the Option to which such Restoration Option relates is made by the delivery of Shares owned by the

Participant pursuant to the relevant provisions of the Plan or agreement relating to such Option, which new Option would be an Option to purchase the number of Shares not exceeding the sum of (A) the number of Shares so provided as consideration upon the exercise of the previously granted Option to which such Restoration Option relates and (B) the number of Shares, if any, tendered or withheld as payment of the amount to be withheld under applicable tax laws in connection with the exercise of the Option to which such Restoration Option relates pursuant to the relevant provisions of the Plan or agreement relating to such Option. Restoration Options may be granted with respect to Options previously granted under the Plan or any other stock option plan of the Company, and may be granted in connection with any Option granted under the Plan or any other stock option plan of the Company at the time of such grant; *provided*, *however*, that Restoration Options may not be granted with respect to any Option granted to a Nonemployee Director under any other stock option plan of the Company.

(v) **Incentive and Non-Qualified Stock Options**. Each Option granted pursuant to the Plan shall specify whether it is an Incentive Stock Option or a Non-Qualified Stock Option, provided that the Committee may in the case of the grant of an Incentive Stock Option give the Participant the right to receive in its place a Non-Qualified Stock Option.

(b) **Stock Appreciation Rights**. The Committee is hereby authorized to grant Stock Appreciation Rights to Participants subject to the terms of the Plan and any applicable Award Agreement. A Stock Appreciation Right granted under the Plan shall confer on the holder thereof a right to receive upon exercise thereof the excess of (i) the Fair Market Value of one Share on the date of exercise (or, if the Committee shall so determine, at any time during a specified period before or after the date of exercise) over (ii) the grant price of the Stock Appreciation Right as specified by the Committee, which price shall not be less than 100% of the Fair Market Value of one Share on the date of grant of the Stock Appreciation Right. Subject to the terms of the Plan and any applicable Award Agreement, the grant price, term, methods of exercise, dates of exercise, methods of settlement and any other terms and conditions of any Stock Appreciation Right shall be as determined by the Committee. The Committee may impose such conditions or restrictions on the exercise of any Stock Appreciation Right as it may deem appropriate.

(c) **Restricted Stock and Restricted Stock Units**. The Committee is hereby authorized to grant Awards of Restricted Stock and Restricted Stock Units to Participants with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan as the Committee shall determine:

(i) **Restrictions**. Shares of Restricted Stock and Restricted Stock Units shall be subject to such restrictions as the Committee may impose (including, without limitation, any limitation on the right to vote a Share of Restricted Stock or the right to receive any dividend or other right or property with respect thereto), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise as the Committee may deem appropriate (the "**Restricted Period**").

(ii) **Stock Certificates**. Any Restricted Stock granted under the Plan shall be evidenced by issuance of a stock certificate or certificates, which certificate or certificates shall be held by the Company. Such certificate or certificates shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock. Except as otherwise provided in this Section 6(c), no Shares of Restricted Stock received by a Participant shall be sold, exchanged, transferred, pledged, hypothecated or otherwise disposed of during the Restricted Period. In the case of Restricted Stock Units, no Shares shall be issued at the time such Awards are granted.

(iii) **Forfeiture; Delivery of Shares**. Except as otherwise determined by the Committee, upon termination of a Participant's employment (as determined under criteria established by the Committee) during the applicable Restricted Period, all Shares of Restricted Stock and all Restricted Stock Units held by such Participant at such time subject to restriction shall be forfeited and reacquired by the Company; *provided*, *however*, that in the cases of death, Total Disability or Retirement, or in circumstances where the Committee finds that a waiver would be in the best interest of the Company, the Committee may waive in whole or in part any or all remaining restrictions with respect to Shares of Restricted Stock or Restricted Stock Units. Any Share representing Restricted Stock that is no longer subject to restrictions shall be delivered to the holder thereof promptly after the applicable restrictions lapse or are waived. Upon the lapse or waiver of restrictions and the restricted period relating to Restricted Stock Units evidencing the right to receive Shares, such Shares shall be issued and delivered to the holders of the Restricted Stock Units.

(d) **Performance Awards**. The Committee is hereby authorized to grant Performance Awards to Participants subject to the terms of the Plan and any applicable Award Agreement. A Performance Award granted under the Plan (i) may be denominated or payable in cash, Shares (including, without limitation, Restricted Stock), other securities, other Awards or other property and (ii) shall confer on the holder thereof the right to receive payments, in whole or in part, upon the achievement of such performance goals during such performance periods as the Committee shall establish. Subject to the terms of the Plan and any applicable Award Agreement, the performance goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Award granted, the amount of any payment or transfer to be made pursuant to any Performance Award and any other terms and conditions of any Performance Award shall be determined by the Committee.

(e) **Dividend Equivalents**. The Committee is hereby authorized to grant to Participants Dividend Equivalents under which such Participants shall be entitled to receive payments (in cash, Shares, other securities, other Awards or other property as determined in the discretion of the Committee) equivalent to the amount of cash dividends paid by the Company to holders of Shares with respect to a number of Shares determined by the Committee. Subject to the terms of the Plan and any applicable Award Agreement, such Dividend Equivalents may have such terms and conditions as the Committee shall determine.

(f) **Other Stock-Based Awards**. The Committee is hereby authorized to grant to Participants such other Awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares), as are deemed by the Committee to be consistent with the purpose of the Plan; *provided*, *however*, that such grants must comply with applicable law and, in the case of executive officers and directors of the Company, Rule 16b-3. Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine the terms and conditions of such Awards. Shares or other securities delivered pursuant to a purchase right granted under this Section 6(f) shall be purchased for such consideration, which may be paid by such method or methods and in such form or forms (including without limitation, cash, Shares, promissory notes, other securities, other Awards or other property or any combination thereof), as the Committee shall determine, the value of which consideration, as established by the Committee, shall not be less than 100% of the Fair Market Value of such Shares or other securities as of the date such purchase right is granted.

(g) **General**.

(i) **No Cash Consideration for Awards**. Awards shall be granted for no cash consideration or for such minimal cash consideration as may be required by applicable law.

(ii) **Awards May Be Granted Separately or Together**. Awards may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution for, any other Award or any award granted under any plan of the Company or any Subsidiary other than the Plan. Awards granted in addition to or in tandem with other Awards or in addition to or in tandem with awards granted under any such other plan of the Company or any Subsidiary may be granted either at the same time as, or at a different time from, the grant of such other Awards or awards.

(iii) **Forms of Payment under Awards**. Subject to the terms of the Plan and of any applicable Award Agreement, payments or transfers to be made by the Company or a Subsidiary upon the grant, exercise or payment of an Award may be made in such form or forms as the Committee shall determine (including, without limitation, cash, Shares, promissory notes, other securities, other Awards or other property or any combination thereof), and may be made in a single payment or transfer, in installments or on a deferred basis, in each case in accordance with rules and procedures established by the Committee. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of Dividend Equivalents with respect to installment or deferred payments.

(iv) **Cashless Exercise**. Options may be exercised in whole or in part upon delivery to the Secretary of the Company of an irrevocable written notice of exercise. The date on which such notice is received by the Secretary shall be the date of exercise of the Option, provided that within three business days of the delivery of such notice the funds to pay for exercise of the Option are delivered to the Company by a broker acting on behalf of the optionee either in connection with the sale of the Shares underlying the Option or in connection with the making of a margin loan to the optionee to enable payment of the exercise price of the Option. In connection with the foregoing, the Company will provide a copy of the notice of exercise of the Option to the aforesaid broker upon receipt by the Secretary of such notice and will deliver to such broker, within three business days of the delivery of such notice to the Company, a certificate or certificates (as requested by the broker) representing the number of Shares underlying the Option that have been sold by such broker for the optionee.

(v) **Limits on Transfer of Awards**. No Award and no right under any such Award shall be transferable by a Participant otherwise than by will, the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code; *provided*, *however*, that, if so determined by the Committee, a Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of the Participant and receive any property distributable with respect to any Award upon the death of the Participant. Each Award or right under any Award shall be exercisable during the Participant's lifetime only by the Participant or, if permissible under applicable law, by the Participant's guardian or legal representative. No Award or right under any such Award may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Subsidiary.

(vi) **Term of Awards**. Unless otherwise expressly set forth in the Plan, the term of each Award shall be for such period as may be determined by the Committee.

(vii) **Restrictions; Securities Listing**. All certificates for Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations and other requirements of the Securities and Exchange Commission and any applicable federal or state securities laws, and the Committee may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions. If the Shares or other securities are traded on NASDAQ or a securities exchange, the Company shall not be required to deliver any Shares or other securities covered by an Award unless and until such Shares or other securities have been admitted for trading on NASDAQ or such securities exchange.

Section 7. Amendment and Termination; Adjustments.

Except to the extent prohibited by applicable law and unless otherwise expressly provided in an Award Agreement or in the Plan:

(a) **Amendments to the Plan**. The Board of Directors of the Company may amend, alter, suspend, discontinue or terminate the Plan; *provided*, *however*, that, notwithstanding any other provision of the Plan or any Award Agreement, without the approval of the stockholders of the Company, no such amendment, alteration, suspension, discontinuation or termination shall be made that, absent such approval;

(i) would violate the rules or regulations of NASDAQ or any securities exchange that are applicable to the Company; or

(ii) would cause the Company to be unable, under the Code, to grant Incentive Stock Options under the Plan.

(b) **Amendments to Awards**. The Committee may waive any conditions of or rights of the Company under any outstanding Award, prospectively or retroactively. The Committee may not amend, alter, suspend, discontinue or terminate any outstanding Award, prospectively or retroactively, without the consent of the Participant or holder or beneficiary thereof, except as otherwise herein provided (for clarification purposes, in no event shall the consent of the participant or holder or beneficiary be required in order for the Committee to effectuate a “lock-up”).

(c) **Correction of Defects, Omissions and Inconsistencies**. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry the Plan into effect.

Section 8. Income Tax Withholding; Tax Bonuses.

(a) **Withholding**. In order to comply with all applicable federal or state income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal or state payroll, withholding, income or other taxes, which are the sole and absolute responsibility of a Participant, are withheld or collected from such Participant. In order to assist a Participant in paying all or a portion of the federal and state taxes to be withheld or collected upon exercise or receipt of (or the lapse of restrictions relating to) an Award, the Committee, in its discretion and subject to such additional terms and conditions as it may adopt, may permit the Participant to satisfy such tax obligation by (i) electing to have the Company withhold a portion of the Shares otherwise to be delivered upon exercise or receipt of (or the lapse of restrictions relating to) such Award with a Fair Market Value equal to the amount of such taxes or (ii) delivering to the Company shares other than Shares issuable upon exercise or receipt of (or the lapse of restrictions relating to) such Award with a Fair Market Value equal to the amount of such taxes.

(b) **Tax Bonuses**. The Committee, in its discretion, shall have the authority, at the time of grant of any Award under this Plan or at any time thereafter, to approve cash bonuses to designated Participants to be paid upon their exercise or receipt of (or the lapse of restrictions relating to) Awards in order to provide funds to pay all or a portion of federal and state taxes due as a result of such exercise or receipt (or the lapse of such restrictions). The Committee shall have full authority in its discretion to determine the amount of any such tax bonus.

Section 9. General Provisions

(a) **No Rights to Awards**. No Key Employee, Participant or other Person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Key Employees, Participants or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to any Participant or with respect to different Participants.

(b) **Exchange Programs**. For the avoidance of doubt, the Committee, in its sole discretion, may provide for, and the Company may implement, one or more Exchange Programs, pursuant to which certain outstanding awards under any equity incentive plan of the Company, including without limitation, the Company's 1999 Stock Incentive Plan and 1995 Stock Incentive Plan, could, at the election of the person holding such Awards, be tendered to the Company for cancellation in exchange for the issuance of Awards under the Plan. The terms and conditions of any Exchange Program pursuant to this Section 9(b) will be determined by the Committee in its sole discretion.

(c) **Award Agreements**. No Participant will have rights under an Award granted to such Participant unless and until an Award Agreement shall have been duly executed on behalf of the Company.

(d) **No Limit on Other Compensation Arrangements**. Nothing contained in the Plan shall prevent the Company or any Subsidiary from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(e) **No Right to Employment**. The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Subsidiary, nor will it affect in any way the right of the Company or a Subsidiary to terminate such employment at any time, with or without cause. In addition, the Company or a Subsidiary may at any time dismiss a Participant from employment free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement.

(f) **Assignability**. No Award granted under this Plan, nor any other rights acquired by a Participant under this Plan, shall be assignable or transferable by a Participant, other than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code, Title I of the Employee Retirement Income Security Act, or the rules promulgated thereunder.

(g) **Governing Law**. The validity, construction and effect of the Plan or any Award, and any rules and regulations relating to the Plan or any Award, shall be determined in accordance with the laws of the State of Colorado.

(h) **Severability**. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction or Award, and the remainder of the Plan or any such Award shall remain in full force and effect.

(i) **No Trust or Fund Created**. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Subsidiary and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Subsidiary pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Subsidiary.

(j) **No Fractional Shares**. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash shall be paid in lieu of any fractional Shares or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

(k) **Transfers and Leaves of Absence**. Solely for the purposes of the Plan: (a) a transfer of an employee Participant's employment without an intervening period from the Company to a Subsidiary or vice versa, or from one Subsidiary to another, shall not be deemed a termination of employment, and (b) an employee Participant who is

granted in writing a leave of absence shall be deemed to have remained in the employ of the Company or a Subsidiary, as the case may be, during such leave of absence.

(l) **Headings**. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

Section 10. Effective Date of the Plan.

The Plan shall be effective as of May 11, 2009, subject to approval by the stockholders of the Company on that date or within one year thereafter.

Section 11. Term of the Plan.

Unless the Plan shall have been discontinued or terminated as provided in Section 7(a), the Plan shall terminate on May 11, 2019. No Award shall be granted after the termination of the Plan. However, unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award theretofore granted may extend beyond the termination of the Plan, and the authority of the Committee provided for hereunder with respect to the Plan and any Awards, and the authority of the Board of Directors of the Company to amend the Plan, shall extend beyond the termination of the Plan.

EXHIBIT A

PERFORMANCE CRITERIA

Subscribers, subscriber service and subscriber satisfaction: customers; subscribers; total subscribers; gross subscriber additions; net subscriber additions; subscriber quality; churn subscribers; average subscriber life; ratings; retention; viewership; or similar criteria.

Employees and employment activities: attrition; retention; satisfaction; ethics compliance; management effectiveness; workforce diversity; individual executive performance; or similar criteria.

Revenues, expenses and earnings: revenues; sales; net revenues; operating costs and expenses; overhead costs; costs of revenues; costs of sales; broadcast programming and other costs; subscriber service expenses; broadcast operations expense; selling, general and administrative expense; subscriber acquisition costs; upgrade and retention costs; general and administrative expenses; depreciation and amortization; operating profit; operating results; operating income; adjusted operating income; operating earnings; operating profit before depreciation and amortization; interest income; interest expense; other income and expense; other, net; income from continuing operations; earnings from continuing operations; income from continuing operations before income taxes and minority interests; income tax expense; minority interests in net earnings of subsidiaries; income from continuing operations before cumulative effect of accounting changes; income from discontinued operations; cumulative effect of accounting changes; net income; adjusted net income; basic or diluted earnings or loss per common share for income or loss from continuing operations before cumulative effect of accounting changes, for income or loss from discontinued operations (net of taxes), for cumulative effect of accounting changes (net of taxes), or for net income or loss; dividends paid; or similar criteria.

Financial metrics: cash; cash on hand; cash balance; cash equivalents; cash and cash equivalents; cash and short term investments; cash flow; operating cash flows; adjusted operating cash flows; cash from operations; investing cash flows; financing cash flows; free cash flow; free cash flow before net cash paid for interest and taxes; cash flow before or after operating activities, investing activities, financing activities or discontinued operations; capital expenditures; cash paid for property, equipment, satellites, and/or leased set top receivers; proceeds from dispositions of businesses, assets, or other investments; average revenue per subscriber (ARPU); subscriber acquisition costs (SAC) per gross subscriber addition; average cost per subscriber (ACPU); average margin per subscriber (AMPU); pre-SAC margin; operating profit margin; operating margin; profit margin; net income margin; bad debt percentage; earnings per share; adjusted earnings per share; return on assets; adjusted return on assets; return on average assets; return in excess of cost of capital; return on equity; return on net assets; return on investment; return on net investment; return on average equity; adjusted return on equity; cash flow return on investment (discounted or otherwise); cash flow return on capital; cash flow in excess of cost of capital; cash flow return on tangible capital; contribution margin; debt to capital ratio; debt to equity ratio; net present value; internal rate of return; profit in excess of cost of capital; return on capital; return on net or average assets, equity or capital; return on shareholders' equity; return on invested capital; return on investors' capital; return on operating revenue; return on total capital; risk-adjusted return on capital; total equity ratio; total shareholder return; or similar criteria.

Stock price: share price; share price growth or appreciation; share price growth or appreciation in comparison with industry or market indices; shareholder value; shareholder value growth or appreciation; total market capitalization; total market capitalization growth or appreciation; total market value; total market value growth or appreciation; or similar criteria.

Other performance measures: acquisitions or divestitures of subsidiaries, affiliates and joint ventures; control of expenses; corporate values; economic value added (EVA); environment; facilities utilization; implementation or completion of critical projects; installations; market expansion; market penetration; market share; number of channels broadcast in standard and/or high definition on a national and/or local basis; network upgrades; operating performance; penetration rates; installation and service work order completion; closed, rescheduled or similar performance or productivity rates; number of service calls; availability rates; hardware recovery; hardware refurbishment or redeployment; hardware performance; average subscriber service phone call times; number of subscriber service phone calls received; service level; performance relative to budget, forecast or market expectations; performance standards relevant to our business, product or service; safety; shareholder value added; strategic business criteria based on meeting specified product development, strategic partnering, research and development, market penetration or geographic business expansion goals; value added; website visits; website advertising; or similar criteria.

dish NETWORK®

DISH NETWORK CORPORATION
9601 S. MERIDIAN BLVD.
ENGLEWOOD, CO 80112

VOTE BY INTERNET - www.proxyvote.com
Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS
If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903
Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL
Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

DETACH AND RETURN THIS PORTION ONLY

The Board of Directors recommends you vote FOR the following:

	For All	Withhold All	For All Except
1. Election of Directors	☐	☐	☐

To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.

____

Nominees

01 George R. Brokaw
02 Joseph P. Clayton
03 James DeFranco
04 Cantey M. Ergen
05 Charles W. Ergen
06 Steven R. Goodbarn
07 Charles M. Lillis
08 Afshin Mohebbi
09 David K. Moskowitz
10 Tom A. Ortolf
11 Carl E. Vogel

The Board of Directors recommends you vote FOR proposals 2, 3 and 4.

	For	Against	Abstain
2. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014.	☐	☐	☐
3. The non-binding advisory vote on executive compensation.	☐	☐	☐
4. To re-approve our 2009 Stock Incentive Plan.	☐	☐	☐

NOTE: In their discretion, the proxies are authorized to vote on such other business as may properly come before the meeting or any adjournment or postponement thereof.

The Board of Directors recommends you vote AGAINST proposal 5.

	For	Against	Abstain
5. The shareholder proposal regarding greenhouse gas (GHG) reduction targets.	☐	☐	☐

For address change/comments, mark here. (see reverse for instructions) ☐

<u>Materials Election</u> - Check this box if you want to receive a complete set of future proxy materials by mail, at no extra cost. If you do not take action you may receive only a Notice to inform you of the Internet availability of proxy materials. ☐

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Annual Report, Notice & Proxy Statement is/are available at www.proxyvote.com .

DISH NETWORK CORPORATION
PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Charles W. Ergen and R. Stanton Dodge, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote as designated below, all Class A Shares and Class B Shares of DISH Network Corporation held of record by the undersigned on September 10, 2014, at the Annual Meeting of Shareholders to be held on October 30, 2014, or any adjournment or postponement thereof.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS MADE THIS PROXY WILL BE VOTED (1) FOR THE ELECTION OF EACH OF THE ELEVEN DIRECTORS SET FORTH ABOVE, (2) FOR THE RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR ENDING DECEMBER 31, 2014, (3) FOR THE NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION, (4) FOR THE RE-APPROVAL OF OUR 2009 STOCK INCENTIVE PLAN, AND (5) AGAINST THE SHAREHOLDER PROPOSAL REGARDING GREENHOUSE GAS (GHG) REDUCTION TARGETS. THIS PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO PROPOSALS NOT KNOWN OR DETERMINED AT THE TIME OF THE MAILING OF THE NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO THE UNDERSIGNED.

PLEASE SIGN AND RETURN THIS PROXY IN THE ENCLOSED PRE-ADDRESSED ENVELOPE. THE TENDER OF A PROXY WILL NOT AFFECT YOUR RIGHT TO VOTE IN PERSON IF YOU ATTEND THE MEETING OR TO SUBMIT A LATER DATED REVOCATION OR AMENDMENT TO THIS PROXY ON ANY OF THE ISSUES SET FORTH ON THE REVERSE SIDE.

Address change/comments:

(If you noted any Address Changes and/or Comments above, please mark corresponding box on the reverse side.)

Continued and to be signed on reverse side

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002974

EXHIBIT 49

EXHIBIT 49

DEF 14A 1 a17-2402_2def14a.htm DEF 14A

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

SCHEDULE 14A

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

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:
☐ Preliminary Proxy Statement
☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
☒ Definitive Proxy Statement
☐ Definitive Additional Materials
☐ Soliciting Material Pursuant to §240 14a-12

DISH Network Corporation
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):
☒ No fee required
☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11
(1) Title of each class of securities to which transaction applies:
(2) Aggregate number of securities to which transaction applies:
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4) Proposed maximum aggregate value of transaction:
(5) Total fee paid:

☐ Fee paid previously with preliminary materials
☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing
(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No :
(3) Filing Party:
(4) Date Filed:

dish

March 22, 2017

DEAR SHAREHOLDER:

It is a pleasure for me to extend to you an invitation to attend the 2017 Annual Meeting of Shareholders of DISH Network Corporation The Annual Meeting will be held on May 1, 2017, at 1:00 p m , local time, at DISH Network's headquarters located at 9601 S Meridian Blvd , Englewood, Colorado 80112

The enclosed Notice of 2017 Annual Meeting of Shareholders and Proxy Statement describe the proposals to be considered and voted upon at the Annual Meeting During the Annual Meeting, we will also review DISH Network's operations and other items of general interest regarding the corporation

We hope that all shareholders will be able to attend the Annual Meeting Whether or not you plan to attend the Annual Meeting personally, it is important that you be represented To ensure that your vote will be received and counted, please vote online, by mail or by telephone, by following the instructions included with the proxy card

On behalf of the Board of Directors and senior management, I would like to express our appreciation for your support and interest in DISH Network I look forward to seeing you at the Annual Meeting

CHARLES W ERGEN
Chairman and Chief Executive Officer

NOTICE OF 2017 ANNUAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS OF DISH NETWORK CORPORATION:

The Annual Meeting of Shareholders of DISH Network Corporation will be held on May 1, 2017, at 1:00 p m , local time, at our headquarters located at 9601 S Meridian Blvd , Englewood, Colorado 80112, for the following purposes:

1 To elect ten directors to our Board of Directors;

2 To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017;

3 To conduct a non-binding advisory vote on executive compensation;

4 To conduct a non-binding advisory vote on the frequency of future non-binding advisory votes on executive compensation; and

5 To consider and act upon any other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting

You may vote on these matters in person or by proxy Whether or not you plan to attend the Annual Meeting, we ask that you vote by one of the following methods to ensure that your shares will be represented at the meeting in accordance with your wishes:

- Vote online or by telephone, by following the instructions included with the proxy card; or
- Vote by mail, by completing and returning the enclosed proxy card in the enclosed addressed stamped envelope

Only shareholders of record at the close of business on March 15, 2017 are entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement of the meeting This proxy statement and the proxy card were either made available to you online or mailed to you beginning on or about March 22, 2017

By Order of the Board of Directors

R STANTON DODGE
Executive Vice President, General Counsel and Secretary

March 22, 2017

9601 S Meridian Blvd • Englewood, Colorado 80112 • Tel: (303) 723-1000 • Fax: (303) 723-1999

PROXY STATEMENT
OF
DISH NETWORK CORPORATION

GENERAL INFORMATION

This Proxy Statement and the accompanying proxy card are being furnished to you in connection with the 2017 Annual Meeting of Shareholders (the "Annual Meeting") of DISH Network Corporation ("DISH Network," "we," "us," "our" or the "Corporation") The Annual Meeting will be held on May 1, 2017, at 1:00 p m , local time, at our headquarters located at 9601 S Meridian Blvd , Englewood, Colorado 80112

This Proxy Statement is being sent or provided on or about March 22, 2017, to holders of record at the close of business on March 15, 2017 (the "Record Date") of our Class A Common Stock (the "Class A Shares") and Class B Common Stock (the "Class B Shares")

Your proxy is being solicited by our Board of Directors (the "Board" or "Board of Directors") Your proxy may be revoked by written notice given to our Secretary at our headquarters at any time before being voted You may also revoke your proxy by submitting a proxy with a later date or by voting in person at the Annual Meeting To vote online or by telephone, please refer to the instructions included with the proxy card To vote by mail, please complete the accompanying proxy card and return it to us as instructed in the accompanying proxy card Votes submitted online or by telephone or mail must be received by 11:59 p m , Eastern Time, on April 30, 2017 Submitting your vote online or by telephone or mail will not affect your right to vote in person, if you choose to do so Proxies that are properly delivered to us and not revoked before the closing of the polls during the Annual Meeting will be voted for the proposals described in this Proxy Statement in accordance with the instructions set forth in the accompanying proxy card The Board is currently not aware of any matters proposed to be presented at the Annual Meeting other than the election of ten directors, the ratification of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017, a non-binding advisory vote on executive compensation, and a non-binding advisory vote on the frequency of future non-binding advisory votes on executive compensation If any other matter is properly presented at the Annual Meeting, the persons named in the accompanying proxy card will have discretionary authority to vote on that matter Your presence at the Annual Meeting does not of itself revoke your proxy

Attendance at the Meeting

All of our shareholders of record at the close of business on the Record Date, or their duly appointed proxies, may attend the Annual Meeting Seating is limited, however, and admission to the Annual Meeting will be on a first-come, first-served basis Registration and seating will begin at 12:30 p m , local time, and the Annual Meeting will begin at 1:00 p m , local time Each shareholder may be asked to present a valid government issued photo identification confirming his or her identity as a shareholder of record, such as a driver's license or passport Cameras, recording devices, and other electronic devices will not be permitted at the Annual Meeting

If your shares are held by a broker, bank, or other nominee (often referred to as holding in "street name") and you desire to attend the Annual Meeting, you will need to bring a legal proxy or a copy of a brokerage or bank statement reflecting your share ownership as of the Record Date All shareholders must check in at the registration desk at the Annual Meeting

Securities Entitled to Vote

Shareholder of Record. If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N A , you are considered the "shareholder of record," with respect to those shares Shareholders of record receive this Proxy Statement and the accompanying 2016 Annual Report and the proxy card directly from us

Beneficial Owner. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the "beneficial owner" of shares held in street name Your broker, bank or other nominee, who is considered with respect to those shares the shareholder of record, should have forwarded the Notice of Internet Availability of Proxy Materials to you As the beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote your shares by completing the voting instruction form

Only shareholders of record at the close of business on the Record Date are entitled to notice of the Annual Meeting Such shareholders may vote shares held by them at the close of business on the Record Date at the Annual Meeting At the close of business on the Record Date, 226,949,782 Class A Shares and 238,435,208 Class B Shares were outstanding Each of the Class A Shares is entitled to one vote per share on each proposal to be considered by our shareholders Each of the Class B Shares is entitled to ten votes per share on each proposal to be considered by our shareholders

Vote Required

In accordance with our Articles of Incorporation, the presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the total voting power of all classes of our voting stock taken together shall constitute a quorum for the transaction of business at the Annual Meeting

The affirmative vote of a plurality of the total votes cast for directors at the Annual Meeting is necessary to elect a director No cumulative voting is permitted The ten nominees receiving the highest number of votes cast "for" will be elected

The affirmative vote of a majority of the voting power represented at the Annual Meeting is required to approve the ratification of the appointment of KPMG LLP as our independent registered public accounting firm, the non-binding advisory vote on executive compensation, and the non-binding advisory vote on the frequency of future advisory votes on executive compensation The total number of votes cast "for" will be counted for purposes of determining whether sufficient affirmative votes have been cast to approve the ratification of the appointment of KPMG LLP as our independent registered public accounting firm, the non-binding advisory vote on executive compensation, and the non-binding advisory vote on the frequency of future non-binding advisory votes on executive compensation

Abstentions from voting on a proposal by a shareholder at the Annual Meeting, as well as broker nonvotes, will be considered for purposes of determining the number of total votes present at the Annual Meeting Abstentions will have the same effect as votes "against" the ratification of the appointment of KPMG LLP as our independent registered public accounting firm, the non-binding advisory vote on executive compensation, and the non-binding advisory vote on the frequency of future advisory votes on executive compensation However, abstentions will not be counted as "against" or "for" the election of directors Broker nonvotes will not be considered in determining the election of directors, the ratification of the appointment of KPMG LLP as our independent registered public accounting firm, the non-binding advisory vote on executive compensation, or the non-binding advisory vote on the frequency of future non-binding advisory votes on executive compensation

Charles W Ergen, our Chairman and Chief Executive Officer, currently possesses approximately 78 5% of the total voting power Please see "Security Ownership of Certain Beneficial Owners and Management" below Mr Ergen has indicated his intention to vote: (1) for the election of each of the ten director nominees, (2) for the ratification of the appointment of KPMG LLP as our independent registered public accounting firm, (3) for the non-binding advisory approval of executive compensation, and (4) for the holding of a non-binding advisory vote on executive compensation once every three years Accordingly, the election of each of the director nominees, the ratification of the appointment of KPMG LLP as our independent registered public accounting firm, the non-binding advisory approval of executive compensation, and the holding of a non-binding advisory vote on executive compensation once every three years are assured notwithstanding a contrary vote by any or all shareholders other than Mr Ergen

Householding

We have adopted a procedure approved by the Securities and Exchange Commission ("SEC") called "householding " Under this procedure, service providers that deliver our communications to shareholders may deliver a single copy of our Annual Report, Proxy Statement or Notice of Internet Availability of Proxy Materials to multiple shareholders sharing the same address, unless one or more of these shareholders notifies us that they wish to continue receiving individual copies Shareholders who participate in householding will continue to receive separate proxy cards This householding procedure reduces our printing costs and postage fees

We will deliver promptly upon written or oral request a separate copy of our Annual Report, Proxy Statement or Notice of Internet Availability of Proxy Materials, as applicable, to a shareholder at a shared address to which a single copy of the documents was delivered Please notify Broadridge Financial Solutions at 51 Mercedes Way, Edgewood, New York 11717 or (800) 542-1061 to receive a separate copy of our Annual Report, Proxy Statement or Notice of Internet Availability of Proxy Materials

If you are eligible for householding, but you and other shareholders with whom you share an address currently receive multiple copies of our annual reports, proxy statements and/or Notices of Internet Availability of Proxy Materials, or if you hold stock in more than one account, and in either case you wish to receive only a single copy of our Annual Report, Proxy Statement or Notice of Internet Availability of Proxy Materials for your household, please contact Broadridge Financial Solutions at the address or phone number provided above

Our Mailing Address

Our mailing address is 9601 S Meridian Blvd , Englewood, Colorado 80112

PROPOSAL NO. 1 — ELECTION OF DIRECTORS

Nominees

Our shareholders will elect a board of ten directors at the Annual Meeting Each of the directors is expected to hold office until the next annual meeting of our shareholders or until his or her respective successor shall be duly elected and qualified The affirmative vote of a plurality of the total votes cast for directors is necessary to elect a director This means that the ten nominees who receive the most votes will be elected to the ten open directorships even if they get less than a majority of the votes cast Each nominee has consented to his or her nomination and has advised us that he or she intends to serve if elected If at the time of the Annual Meeting one or more of the nominees have become unable to serve: (i) shares represented by proxies will be voted for the remaining nominees and for any substitute nominee or nominees; or (ii) the Board of Directors may, in accordance with our Bylaws, reduce the size of the Board of Directors or may leave a vacancy until a nominee is identified

The nominees for director are as follows:

Name	Age	First Became Director	Position with the Corporation
George R Brokaw	49	2013	Director
James DeFranco	64	1980	Director and Executive Vice President
Cantey M Ergen	61	2001	Director and Senior Advisor
Charles W Ergen	64	1980	Chairman and Chief Executive Officer
Steven R Goodbarn	59	2002	Director
Charles M Lillis	75	2013	Director
Afshin Mohebbi	54	2014	Director
David K Moskowitz	58	1998	Director and Senior Advisor
Tom A Ortolf	66	2005	Director
Carl E Vogel	59	2005	Director and Senior Advisor

The following sets forth the business experience of each of the nominees over the last five years:

George R. Brokaw. Mr Brokaw joined the Board in October 2013 and is a member of our Audit Committee and Nominating Committee Mr Brokaw is currently a Managing Partner of the investment firm Trafelet Brokaw & Co , LLC Until September 30, 2013, Mr Brokaw served as Managing Director of the Highbridge Growth Equity Fund at Highbridge Principal Strategies, LLC (“Highbridge”) Prior to joining Highbridge in 2012, Mr Brokaw was a Managing Partner and Head of Private Equity at Perry Capital, L L C (“Perry”) Prior to joining Perry, Mr Brokaw was Managing Director (Mergers & Acquisitions) of Lazard Frères & Co LLC (“Lazard”) from 2003 to 2005 Mr Brokaw joined the board of directors of Alico, Inc in November 2013 and continues to serve in that role Mr Brokaw previously served on the board of directors of North American Energy Partners Inc from 2006 to 2013 and the board of directors of Terrapin 3 Acquisition Corporation from 2014 to 2016 The Board has determined that Mr Brokaw meets the independence requirements of NASDAQ and SEC rules and regulations The Board concluded that Mr Brokaw should continue to serve on the Board due, among other things, to his financial experience, acquired, in part, during his tenure with Highbridge, Perry and Lazard Mr Brokaw received a B A from Yale University and a J D and M B A from the University of Virginia Mr Brokaw is a member of the New York Bar

James DeFranco. Mr DeFranco is one of our Executive Vice Presidents and has been one of our vice presidents and a member of the Board of Directors since our formation During the past five years he has held various executive officer and director positions with DISH Network and our subsidiaries During 1980, Mr DeFranco co-founded DISH Network with Charles W Ergen and Cantey M Ergen The Board concluded that Mr DeFranco should continue to serve on the Board due, among other things, to his knowledge of DISH Network since its formation, particularly in sales and marketing

Cantey M. Ergen. Mrs Ergen has served on the Board since May 2001, is currently a Senior Advisor to us and has had a variety of operational responsibilities with us since our formation Mrs Ergen served as a member of the board of trustees of Children’s Hospital Colorado from 2001 to 2012, and is now an honorary lifetime member Mrs Ergen has also served on the board of trustees of Wake Forest University since 2009 During 1980, Mrs Ergen co-founded DISH Network with her future spouse, Charles W Ergen, and James DeFranco The Board concluded that Mrs Ergen should continue to serve on the Board due, among other things, to her knowledge of DISH Network since its inception and her service to us in a multitude of roles over the years

Charles W. Ergen. Mr Ergen serves as our executive Chairman and Chief Executive Officer and has been Chairman of the Board of Directors since our formation During the past five years, Mr Ergen has held various executive officer and director positions with DISH Network and our subsidiaries including the position of President, which he held most recently from March 2015 to December 2015 During 1980, Mr Ergen co-founded DISH Network with his future spouse, Cantey M Ergen, and James DeFranco Mr Ergen also serves as executive Chairman and Chairman of the Board of Directors of EchoStar Corporation (“EchoStar”) The Board concluded that Mr Ergen should continue to serve on the Board due, among other things, to his role as our co-founder and controlling shareholder and the expertise, leadership and strategic direction that he has contributed to us since our formation

Steven R. Goodbarn. Mr Goodbarn joined the Board in December 2002 and is a member of our Audit Committee, where he serves as our “audit committee financial expert”, and our Executive Compensation Committee (the “Compensation Committee”) Mr Goodbarn co-founded Secure64 Software Corporation in 2002, where he serves as a director and served as President and Chief Executive Officer from 2005 to 2016 Mr Goodbarn was Chief Financial Officer of Janus Capital Corporation (“Janus”) from 1992 to 2000, where he was a member of the executive committee and served on the board of directors of many Janus corporate and investment entities Mr Goodbarn is a CPA and spent 12 years at Price Waterhouse prior to joining Janus The Board has determined that Mr Goodbarn meets the independence and “audit committee financial expert” requirements of NASDAQ and SEC rules and regulations Mr Goodbarn served as a member of the board of directors of EchoStar from its formation in October 2007 until November 2008 The Board concluded that Mr Goodbarn should continue to serve on the Board due, among other things, to his knowledge of DISH Network from his service as a director since 2002 and his expertise in accounting, auditing, finance and risk management that he brings to the Board, in particular in light of his background as a CPA and his prior experience serving as Chief Financial Officer of Janus

Charles M. Lillis. Mr Lillis joined the Board in November 2013 and is a member of our Audit Committee and Compensation Committee Mr Lillis served as an advisor to Wells Fargo Bank, N A ("Wells Fargo") from 2011 to 2013 Previously, Mr Lillis was a co-founder and managing partner of Castle Pines Capital LLC ("Castle Pines Capital") from 2004 to 2011, a private equity concern and a financial services entity Castle Pines Capital was acquired by Wells Fargo in 2011 Mr Lillis was also previously a co-founder and principal of LoneTree Capital Management LLC ("LoneTree Capital Management"), a private equity investing group formed in 2000 Prior to LoneTree Capital Management, Mr Lillis served as Chairman of the board of directors and Chief Executive Officer of MediaOne Group, Inc from its inception in 1995 through its acquisition by AT&T Corp in 2000 Mr Lillis also has served on the boards of the following public companies: Charter Communications Inc ("Charter") from 2003 to 2005; Medco Health Solutions, Inc from 2005 to 2012; SUPERVALU Inc from 1995 to 2011; The Williams Companies Inc from 2000 to 2009; and Washington Mutual, Inc from 2005 to 2009 Mr Lillis also serves on the board of directors of the private company SomaLogic Inc The Board has determined that Mr Lillis meets the independence requirements of NASDAQ and SEC rules and regulations The Board concluded that Mr Lillis should continue to serve on the Board due, among other things, to his financial and managerial experience

Afshin Mohebbi. Mr Mohebbi joined the Board in September 2014 and is a member of our Audit Committee and Nominating Committee Mr Mohebbi is a private investor and advisor to public and private companies Mr Mohebbi has been a Senior Advisor to TPG Capital since March 2003 Prior to TPG Capital, Mr Mohebbi was President and Chief Operating Officer of Qwest Communications International, Inc ("Qwest") from April 2001 to December 2002 From July 2000 to April 2001, Mr Mohebbi served as President, Worldwide Operations of Qwest From June 1999 to July 2000, Mr Mohebbi served as President and Chief Operating Officer at Qwest prior to its merger with US WEST, Inc Before joining Qwest, Mr Mohebbi served as President and managing director of the United Kingdom Markets for British Telecom and was a member of its management board from 1997 to 1999 Prior to British Telecom, Mr Mohebbi served as Vice President-Marketing for SBC Communications, Inc , following its acquisition of Pacific Bell in 1997 Mr Mohebbi began his career with Pacific Bell in 1983, where he held a variety of positions, including Vice President-Business Markets Mr Mohebbi previously served on the board of directors of Hanaro Telecom Incorporated from 2005 to 2007 and the board of directors of BearingPoint, Inc from 2001 to 2005 Mr Mohebbi currently serves on the board of directors of Digital Reality Trust, Inc , which he joined in 2016 Mr Mohebbi also serves on the boards of directors of several private companies The Board has determined that Mr Mohebbi meets the independence requirements of NASDAQ and SEC rules and regulations The Board concluded that Mr Mohebbi should continue to serve on the Board due, among other things, to his financial and managerial experience in the telecommunications and related industries, acquired, in part, during his tenure with TPG Capital and Qwest

David K. Moskowitz Mr Moskowitz is one of our Senior Advisors and was an Executive Vice President as well as our Secretary and General Counsel until 2007 Mr Moskowitz joined us in March 1990 He was elected to the Board in 1998 Mr Moskowitz performs certain business functions for us and our subsidiaries from time to time Mr Moskowitz served as a member of the board of directors of EchoStar from its formation in October 2007 until May 2012 Mr Moskowitz also serves on the board of directors of several private companies and charitable organizations The Board concluded that Mr Moskowitz should continue to serve on the Board due, among other things, to his knowledge of DISH Network from his service as a director since 1998 and his business and legal expertise that he brings to the Board, in particular in light of his service as our General Counsel for 17 years

Tom A. Ortolf Mr Ortolf joined the Board in May 2005 and is a member of our Audit Committee, Compensation Committee, and Nominating Committee Mr Ortolf has been the President of CMC, a privately held investment management firm, for over twenty years The Board has determined that Mr Ortolf meets the independence requirements of NASDAQ and SEC rules and regulations Mr Ortolf has also served as a member of the board of directors of EchoStar since its formation in October 2007 The Board concluded that Mr Ortolf should continue to serve on the Board due, among other things, to his knowledge of DISH Network from his service as a director since 2005 and his expertise in finance, business and risk management, in particular in light of his experience as an executive with CMC

Carl E. Vogel Mr Vogel has served on the Board since May 2005 and is currently a Senior Advisor to us Mr Vogel is also a private investor as well as a senior advisor to KKR & Co L P He served as our President from September 2006 to February 2008 and served as our Vice Chairman from June 2005 to March 2009 From October 2007 to March 2009, Mr Vogel served as the Vice Chairman of the board of directors of, and as a Senior Advisor to, EchoStar From 2001 to 2005, Mr Vogel served as the President and CEO of Charter, a publicly-traded company providing cable television and broadband services to approximately six million customers Prior to joining Charter, Mr Vogel worked as an executive officer in various capacities for companies affiliated with Liberty Media Corporation from 1998 to 2001 Mr Vogel was one of our executive officers from 1994 to 1997, including serving as our President from 1995 to 1997 Mr Vogel is also currently serving on the boards of directors of Shaw Communications Inc (which he joined in 2006), Universal Electronics, Inc (which he joined in 2009), Ascent Capital Group, Inc (f/k/a Ascent Media Corporation, which he joined in 2009), Sirius XM Holdings Inc (which he joined in 2011) and AMC Networks Inc (which he joined in 2013) The Board concluded that Mr Vogel should continue to serve on the Board due, among other things, to his knowledge of DISH Network from his service as a director and officer and his experience in the telecommunications and related industries from his service over the years as a director or officer with a number of different companies in those industries

Charles W Ergen, our Chairman and Chief Executive Officer, currently possesses approximately 78 5% of the total voting power Please see "Security Ownership of Certain Beneficial Owners and Management" below Mr Ergen has indicated his intention to vote in favor of each of the nominees set forth in Proposal No 1 Accordingly, election of all of the nominees set forth in Proposal No 1 is assured notwithstanding a contrary vote by any or all shareholders other than Mr Ergen

The Board of Directors unanimously recommends a vote FOR the election of all of the nominees named herein (Item No. 1 on the enclosed proxy card).

CORPORATE GOVERNANCE MATTERS

Board of Directors and Committees and Selection Process

Our Board held six meetings in 2016 and also took action by unanimous written consent on six occasions during 2016 Each of our directors attended at least 75% of the aggregate of: (i) the total number of meetings of the Board held during the period in which he or she was a director, and (ii) the total number of meetings held by all committees of the Board on which he or she served In addition, our non-employee directors held four executive sessions in 2016

Directors are elected annually and serve until their successors are duly elected and qualified or their earlier resignation or removal Officers serve at the discretion of the Board

We are a "controlled company" within the meaning of the NASDAQ Marketplace Rules because more than 50% of our voting power is held by Charles W Ergen, our Chairman and Chief Executive Officer Mr Ergen currently beneficially owns approximately 48 1% of our total equity securities and possesses approximately 78 5% of the total voting power Mr Ergen's beneficial ownership excludes 33,790,620 of Class A Shares issuable upon conversion of Class B Shares currently held by certain trusts established by Mr Ergen for the benefit of his family These trusts beneficially own approximately 13 0% of our total equity securities and possess approximately 12 9% of the total voting power Please see "Security Ownership of Certain Beneficial Owners and Management" below Therefore, we are not subject to the NASDAQ listing requirements that would otherwise require us to have: (i) a Board of Directors comprised of a majority of independent directors; (ii) compensation of our executive officers determined by a majority of the independent directors or a compensation committee composed solely of independent directors; (iii) a compensation committee charter which, among other things, provides the compensation committee with the authority and funding to retain compensation consultants and other advisors; and (iv) director nominees selected, or recommended for the Board's selection, either by a majority of the independent directors or a nominating committee composed solely of independent directors Nevertheless, the Corporation has created a Compensation Committee and a Nominating Committee, in addition to an Audit Committee, all of which are composed entirely of independent directors The charters of our Compensation, Audit and Nominating Committees are available free of charge on the investor relations section of our website at http://www dish com The function and authority of these committees are described below:

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Audit Committee. Our Board has established a standing Audit Committee in accordance with NASDAQ rules and Section 10A of the Securities Exchange Act of 1934 (the "Exchange Act") and related SEC rules and regulations The Audit Committee operates under an Audit Committee Charter adopted by the Board The principal functions of the Audit Committee are to: (i) select the independent registered public accounting firm and set their compensation; (ii) select the internal auditor; (iii) review and approve management's plan for engaging our independent registered public accounting firm during the year to perform non-audit services and consider what effect these services will have on the independence of our independent registered public accounting firm; (iv) review our annual financial statements and other financial reports that require approval by the Board; (v) oversee the integrity of our financial statements, our systems of disclosure and internal controls, and our compliance with legal and regulatory requirements; (vi) review the scope of our independent registered public accounting firm's audit plans and the results of their audits; and (vii) evaluate the performance of our internal audit function and independent registered public accounting firm

The Audit Committee held nine meetings and did not take action by unanimous written consent during 2016 The current members of the Audit Committee are Mr Brokaw, Mr Goodbarn, Mr Lillis, Mr Mohebbi and Mr Ortolf, with Mr Ortolf serving as Chairman of the Audit Committee and Mr Goodbarn serving as our "audit committee financial expert" The Board has determined that each of these individuals meets the independence requirements of NASDAQ and SEC rules and regulations The Board has also determined that each member of our Audit Committee is financially literate and that Mr Goodbarn qualifies as an "audit committee financial expert" as defined by applicable SEC rules and regulations

Compensation Committee. The Compensation Committee operates under a Compensation Committee Charter adopted by the Board The principal functions of the Compensation Committee are, to the extent the Board deems necessary or appropriate, to: (i) make and approve all option grants and other issuances of DISH Network's equity securities to DISH Network's executive officers and Board members other than nonemployee directors; (ii) approve all other option grants and issuances of DISH Network's equity securities, and recommend that the full Board make and approve such grants and issuances; (iii) establish in writing all performance goals for performance-based compensation that together with other compensation to senior executive officers could exceed $1 million annually, other than standard stock incentive plan options that may be paid to DISH Network's executive officers, and certify achievement of such goals prior to payment; and (iv) set the compensation of Mr Ergen, who is our Chairman and Chief Executive Officer The Compensation Committee held six meetings and took action by unanimous written consent on three occasions during 2016 The current members of the Compensation Committee are Mr Goodbarn, Mr Lillis, and Mr Ortolf, with Mr Goodbarn serving as Chairman of the Compensation Committee The Board has determined that each of these individuals meets the independence requirements of NASDAQ and SEC rules and regulations

Nominating Committee. The Nominating Committee operates under a Nominating Committee Charter adopted by the Board The principal function of the Nominating Committee is to recommend independent director nominees for selection by the Board The Nominating Committee held one meeting and took action by unanimous written consent on one occasion during 2016 The current members of the Nominating Committee are Mr Brokaw, Mr Mohebbi and Mr Ortolf, with Mr Brokaw serving as Chairman of the Nominating Committee The Board has determined that each of these individuals meets the independence requirements of NASDAQ and SEC rules and regulations

The Nominating Committee will consider candidates suggested by its members, other directors, senior management and shareholders as appropriate No search firms or other advisors were retained to identify prospective nominees during the past fiscal year The Nominating Committee has not adopted a written policy with respect to the consideration of candidates proposed by security holders or with respect to nominating anyone to our Board other than nonemployee directors Director candidates, whether recommended by the Nominating Committee, other directors, senior management or shareholders are currently considered by the Nominating Committee and the Board, as applicable, in light of the entirety of their credentials, including but not limited to the following diverse factors: (i) their reputation and character; (ii) their ability and willingness to devote sufficient time to Board duties; (iii) their educational background; (iv) their business and professional achievements, experience and industry background; (v) their independence from management under listing standards and the Corporation's governance guidelines; and (vi) the needs of the Board and the Corporation

Board Criteria. In considering whether to recommend a prospective nominee for selection by the Board, including candidates recommended by shareholders, the Nominating Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees However, DISH Network believes that the backgrounds and qualifications of the directors, considered as a group, should provide a diverse mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities The Nominating Committee recommends, if necessary, measures to be taken so that the Board reflects the appropriate balance of experience, knowledge and abilities

required for the Board as a whole and contains at least the minimum number of independent directors required by applicable laws and regulations

A shareholder who wishes to recommend a prospective nominee for the Board should notify the Corporation's Secretary or any member of the Nominating Committee in writing with whatever supporting material the shareholder considers appropriate The Nominating Committee will also consider whether to nominate any person nominated by a shareholder pursuant to the provisions of the Corporation's Bylaws relating to shareholder nominations Communications can be directed to the Corporation's Secretary or any member of the Nominating Committee in accordance with the process described in *"Shareholder Communications"* below

Board Leadership Structure. The Board currently combines the role of Chairman of the Board with the role of Chief Executive Officer, among other reasons, because of Mr Ergen's unique position and qualifications as our co-founder and controlling shareholder Mr Ergen has previously held the positions of Chairman and Chief Executive Officer of DISH Network from time to time The Board believes that Mr Ergen remains best situated to serve as Chairman, among other reasons, because he is the director most familiar with the Corporation's business and industry and is also the person most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy We believe that this leadership structure is appropriate for the Corporation, among other reasons, because it helps to ensure clarity regarding leadership of the Corporation, allows the Corporation to speak with one voice and provides for the efficient operation of our Board process This structure also avoids potential confusion as to leadership roles and duplication of efforts that can result when the roles are separated Furthermore, in light of Mr Ergen's voting control and position with DISH Network, we believe that the creation of a lead independent director position is not necessary at this time

The Board's Role in Risk Oversight

The Board has ultimate responsibility for oversight of the Corporation's risk management processes The Board discharges this oversight responsibility through regular reports received from and discussions with senior management on areas of material risk exposure to the Corporation These reports and Board discussions include, among other things, operational, financial, legal and regulatory, and strategic risks Additionally, the Corporation's risk management processes are intended to identify, manage and control risks so that they are appropriate considering the Corporation's scope, operations and business objectives The full Board (or the appropriate Committee in the case of risks in areas for which responsibility has been delegated to a particular Committee) engages with the appropriate members of senior management to enable its members to understand and provide input to, and oversight of, our risk identification, risk management and risk mitigation strategies The Audit Committee also meets regularly in executive session without management present to, among other things, discuss the Corporation's risk management culture and processes For example, as part of its charter, our Audit Committee is responsible for, among other things, discussing Corporation policies with respect to risk assessment and risk management, and reviewing contingent liabilities and risks that may be material to the Corporation When a Committee receives a report from a member of management regarding areas of risk, the Chairman of the relevant Committee is expected to report on the discussion to the full Board to the extent necessary or appropriate This enables the Board to coordinate risk oversight, particularly with respect to interrelated or cumulative risks that may involve multiple areas for which more than one Committee has responsibility The Board or applicable Committee also has authority to engage external advisors to the extent necessary or appropriate

Other Information about Our Board of Directors

Compensation Committee Interlocks and Insider Participation. The Compensation Committee is comprised solely of independent directors The Compensation Committee members are Mr Goodbarn, Mr Lillis and Mr Ortolf None of these individuals was an officer or employee of DISH Network or EchoStar at any time during the 2016 fiscal year During the 2016 fiscal year, no executive officer of DISH Network served on: (i) the compensation committee of another entity, one of whose executive officers served on our Compensation Committee; (ii) the board of directors of another entity, one of whose executive officers served on our Compensation Committee; or (iii) the compensation committee of another entity, one of whose executive officers served on our Board of Directors

Annual Meeting Attendance. Although we do not have a policy with regard to Board members' attendance at our annual meetings of shareholders, all of our directors are encouraged to attend such meetings All of our directors serving as directors at the time of our 2016 annual meeting were in attendance at our 2016 annual meeting We expect that all of our directors will attend the 2017 Annual Meeting

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Unless otherwise indicated, the following table sets forth, to the best of our knowledge, the beneficial ownership of our voting securities as of the close of business on the Record Date by: (i) each person known by us to be the beneficial owner of more than five percent of any class of our voting securities; (ii) each of our directors; (iii) our Chief Executive Officer, Chief Financial Officer and three other most highly compensated persons acting as one of our executive officers in 2016 (collectively, the "Named Executive Officers" or "NEOs"); and (iv) all of our directors and executive officers as a group Unless otherwise indicated, each person listed in the following table (alone or with family members) has sole voting and dispositive power over the shares listed opposite such person's name

Name (1)	Amount and Nature of Beneficial Ownership	Percentage of Class
Class A Common Stock:		
Charles W Ergen (2), (3)	208,113,526	48 1%
Cantey M Ergen (4)	207,341,526	48 0%
Centennial Fiduciary Management LLC (5)	33,798,805	13 0%
Putnam Investments, LLC (6)	25,330,705	11 2%
JPMorgan Chase & Co (7)	23,525,585	10 4%
Dodge & Cox (8)	16,265,180	7 2%
Eagle Capital Management, LLC (9)	16,228,710	7 2%
James DeFranco (10)	4,382,422	1 9%
David K Moskowitz (11)	177,359	*
Tom A Ortolf (12)	85,200	*
W Erik Carlson (13)	56,929	*
Warren W Schlichting (14)	53,557	*
Carl E Vogel (15)	41,563	*
Roger J Lynch (16)	40,494	*
Charles M Lillis (17)	36,860	*
George R Brokaw (18)	22,500	*
Steven R Goodbarn (19)	22,000	*
Afshin Mohebbi (20)	18,750	*
Steven E Swain (21)	13,947	*
All Directors and Executive Officers as a Group (22 persons) (22)	213,535,562	49 3%
Class B Common Stock:		
Charles W Ergen	204,644,588	85 8%
Cantey M Ergen	204,644,588	85 8%
Trusts (23)	33,790,620	14 2%
All Directors and Executive Officers as a Group (22 persons) (22)	204,644,588	85 8%

* Less than 1%

(1) Except as otherwise noted below, the address of each such person is 9601 S Meridian Blvd , Englewood, Colorado 80112 As of the close of business on the Record Date, there were 226,949,782 outstanding Class A Shares and 238,435,208 outstanding Class B Shares

(2) Mr Ergen is deemed to own beneficially all of the Class A Shares owned by his spouse, Cantey M Ergen Mr Ergen's beneficial ownership includes: (i) 498,785 Class A Shares; (ii) 19,674 Class A Shares held in the Corporation's 401(k) Employee Savings Plan (the "401(k) Plan"); (iii) 772,000 Class A Shares subject to employee stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date; (iv) 235 Class A Shares held by Mrs Ergen; (v) 2,114 Class A Shares held in the 401(k) Plan by Mrs Ergen; (vi) 8,425 Class A Shares held by one of Mr Ergen's children; (vii) 2,167,705 Class A Shares held by a charitable foundation for which Mr Ergen is an officer and for which he shares investment and voting power with Mrs Ergen; and (viii) 204,644,588 Class A Shares issuable upon conversion of Mr Ergen's Class B Shares Mr Ergen has sole voting and dispositive power with respect to 165,487,107 Class B Shares Mr Ergen's beneficial ownership of Class A Shares excludes 33,790,620 Class A Shares issuable upon conversion of Class B Shares held by certain trusts established by Mr Ergen for the benefit of his family (see (5) below in the notes to the table)

(3) Because each Class B Share is entitled to 10 votes per share, Mr Ergen owns beneficially equity securities of the Corporation representing approximately 78 5% of the voting power of the Corporation (assuming no conversion of the Class B Shares and after giving effect to the exercise of Mr Ergen's employee stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date) Mr Ergen's beneficial ownership includes: (i) 17,106,320 Class B Shares owned beneficially by Mrs Ergen solely by virtue of her position as trustee of the Ergen Three-Year 2014 DISH GRAT; and (ii) 22,051,161 Class B Shares owned beneficially by Mrs Ergen solely by virtue of her position as trustee of the Ergen Three-Year 2015 DISH GRAT Mr Ergen's beneficial ownership excludes

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33,790,620 Class A Shares issuable upon conversion of Class B Shares held by certain trusts established by Mr Ergen for the benefit of his family (see (5) below in the notes to the table) These trusts beneficially own approximately 13 0% of our total equity securities and possess approximately 12 9% of the total voting power

(4) Mrs Ergen beneficially owns all of the Class A Shares owned by her spouse, Mr Ergen, except for 772,000 Class A Shares subject to employee stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date

(5) The address of Centennial Fiduciary Management LLC is 1623 Central Avenue, Suite 214, Cheyenne, Wyoming 82001 Centennial Fiduciary Management LLC's beneficial ownership includes: (i) 8,185 Class A Shares owned beneficially by Centennial Fiduciary Management LLC solely in its capacity as trustee (with sole voting and dispositive power) of certain trusts established by Mr Ergen for the benefit of his family; and (ii) 33,790,620 Class B Shares owned beneficially by Centennial Fiduciary Management LLC solely in its capacity as trustee (with sole voting and dispositive power) of certain trusts established by Mr Ergen for the benefit of his family There is no arrangement or agreement between any of the trusts identified in clauses (i) and (ii) above to vote or dispose of any shares of DISH Network In its capacity as trustee, Centennial Fiduciary Management LLC exercises voting and dispositive power with respect to each such trust independently and in accordance with its fiduciary responsibilities to the beneficiaries of such trusts Mr William R Gouger is deemed to own beneficially all of the Class A Shares and Class B Shares owned beneficially by Centennial Fiduciary Management LLC solely by virtue of his position as the sole member of the investment committee (with sole voting and dispositive power) of Centennial Fiduciary Management LLC, which serves as trustee of certain trusts established by Mr Ergen for the benefit of his family The address of Mr Gouger is 5701 S Santa Fe Drive, Littleton, Colorado 80123

(6) The address of Putnam Investments, LLC ("Putnam Investments") is One Post Office Square, Boston, Massachusetts 02109 Of the Class A Shares beneficially owned, Putnam Investments has sole voting power as to 147,666 Class A Shares and sole dispositive power as to 25,330,705 Class A Shares The foregoing information is based solely upon a Schedule 13G filed by Putnam Investments with the SEC on February 14, 2017

(7) The address of JPMorgan Chase & Co ("JPMorgan Chase") is 270 Park Avenue, New York, New York 10017 Of the Class A Shares beneficially owned, JPMorgan Chase has sole voting power as to 21,436,727 Class A Shares and sole dispositive power as to 23,315,754 Class A Shares In addition, of the Class A Shares beneficially owned, JPMorgan Chase has shared voting power as to 160,053 Class A Shares and shared dispositive power as to 207,632 Class A Shares The foregoing information is based solely upon a Schedule 13G filed by JPMorgan Chase with the SEC on January 11, 2017

(8) The address of Dodge & Cox is 555 California Street, 40th Floor, San Francisco, California 94104 Of the Class A Shares beneficially owned, Dodge & Cox has sole voting power as to 15,383,913 Class A Shares and sole dispositive power as to 16,265,180 Class A Shares The foregoing information is based solely upon a Schedule 13G filed by Dodge & Cox with the SEC on February 14, 2017

(9) The address of Eagle Capital Management, LLC ("Eagle") is 499 Park Avenue, 17th Floor, New York, New York 10022 Of the Class A Shares beneficially owned, Eagle has sole voting power as to 13,477,752 Class A Shares and sole dispositive power as to 16,228,710 Class A Shares The foregoing information is based solely upon a Schedule 13G filed by Eagle with the SEC on February 14, 2017

(10) Mr DeFranco's beneficial ownership includes: (i) 1,133,529 Class A Shares; (ii) 19,674 Class A Shares held in the 401(k) Plan; (iii) 12,000 Class A Shares subject to employee stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date; (iv) 50,000 Class A Shares held by Mr DeFranco in an irrevocable trust for the benefit of his children and grandchildren; (v) 12,160 Class A Shares held by Mr DeFranco as custodian for his children; (vi) 1,250,000 Class A Shares controlled by Mr DeFranco as general partner of a limited partnership; and (vii) 1,905,059 Class A Shares held by Mr DeFranco as a general partner of a different limited partnership

(11) Mr Moskowitz's beneficial ownership includes: (i) 130,666 Class A Shares; (ii) 18,865 Class A Shares held in the 401(k) Plan; (iii) 1,328 Class A Shares held as custodian for his children; and (iv) 26,500 Class A Shares held by a charitable foundation for which Mr Moskowitz is a member of the board of directors

(12) Mr Ortolf's beneficial ownership includes: (i) 25,000 Class A Shares subject to nonemployee director stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date; (ii) 200 Class A Shares held in the name of one of his children; and (iii) 60,000 Class A Shares held by a partnership of which Mr Ortolf is a partner and are held as collateral for a margin account

(13) Mr Carlson's beneficial ownership includes: (i) 9,678 Class A Shares; (ii) 1,251 Class A Shares held in the 401(k) Plan; and (iii) 46,000 Class A Shares subject to employee stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date

(14) Mr Schlichting's beneficial ownership includes: (i) 2,367 Class A Shares; (ii) 304 Class A Shares held in the 401(k) Plan; and (iii) 50,886 Class A Shares subject to employee stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date

(15) Mr Vogel's beneficial ownership includes: (i) 40,165 Class A Shares (including 10,000 shares held in an account that is subject to a margin loan); and (ii) 1,398 Class A Shares held in the 401(k) Plan

(16) Mr Lynch's beneficial ownership includes: (i) 243 Class A Shares; (ii) 251 Class A Shares held in the 401(k) Plan; and (iii) 40,000 Class A Shares subject to employee stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date

(17) Mr Lillis' beneficial ownership includes: (i) 8,080 Class A Shares; (ii) 22,500 Class A Shares subject to nonemployee director stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date; (iii) 2,355 Class A Shares held by a limited liability company of which Mr Lillis is the managing member; and (iv) 3,925 Class A Shares held by Mr Lillis' spouse

(18) Mr Brokaw's beneficial ownership includes 22,500 Class A Shares subject to nonemployee director stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date

(19) Mr Goodbarn's beneficial ownership includes: (i) 5,000 Class A Shares; and (ii) 17,000 Class A Shares subject to nonemployee director stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date

(20) Mr Mohebbi's beneficial ownership includes 18,750 Class A Shares subject to nonemployee director stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date

(21) Mr Swain's beneficial ownership includes: (i) 591 Class A Shares; (ii) 356 Class A Shares held in the 401(k) Plan; and (iii) 13,000 Class A Shares subject to employee stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date

(22) Includes: (i) 1,850,619 Class A Shares; (ii) 74,615 Class A Shares held in the 401(k) Plan; (iii) 1,476,636 Class A Shares subject to employee and nonemployee director stock options that are either currently exercisable or may become exercisable within 60 days of the Record Date; (iv) 3,217,414 Class A Shares held in partnerships; (v) 204,644,588 Class A Shares issuable upon conversion of Class B Shares; (vi) 77,485 Class A Shares held in the name of, or in trust for, children and other family

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members; and (vii) 2,194,205 Class A Shares held by charitable foundations Class A Shares and Class B Shares beneficially owned by both Mr and Mrs Ergen are only included once in calculating the aggregate number of shares owned by directors and executive officers as a group

(23) Held by certain trusts established by Mr Ergen for the benefit of his family

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers and holders of more than 10% of our common stock to file reports with the SEC regarding their ownership and changes in ownership of our equity securities We believe that during 2016, our directors, executive officers and 10% shareholders complied with all Section 16(a) filing requirements In making these statements, we have relied upon examination of copies of Forms 3, 4 and 5 provided to us and the written representations of our directors and officers

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis addresses our compensation objectives and policies for our Named Executive Officers, or NEOs, the elements of NEO compensation and the application of those objectives and policies to each element of fiscal 2016 compensation for our NEOs Our NEOs in 2016 were Charles W Ergen, W Erik Carlson, Roger J Lynch, Warren W Schlichting and Steven E Swain

This Compensation Discussion and Analysis contains information regarding company performance targets and goals for our executive compensation program These targets and goals were disclosed to provide information on how executive compensation was determined in 2016 but are not intended to be estimates of future results or other forward-looking guidance We caution investors against using these targets and goals outside of the context of their use in our executive compensation program as described herein

<u>Overall Compensation Program Objectives and Policies</u>

Compensation Philosophy

DISH Network’s executive compensation program is guided by the following key principles:

- Attraction, retention and motivation of executive officers over the long-term;
- Recognition of individual performance;
- Recognition of the achievement of company-wide performance goals; and
- Creation of shareholder value by aligning the interests of management and DISH Network’s shareholders through equity incentives

General Compensation Levels

The total direct compensation opportunities, both base salaries and long-term incentives, offered to DISH Network’s NEOs have been designed to ensure that they are competitive in the market, support DISH Network’s executive recruitment and retention objectives, reward individual and company-wide performance and contribute to DISH Network’s long-term success by aligning the interests of its executive officers and shareholders

The Compensation Committee, without Mr Ergen present, determines Mr Ergen’s compensation Mr Ergen recommends to the Board of Directors, but the Board of Directors ultimately approves, the base compensation of DISH Network’s other NEOs The Compensation Committee has made and approved grants of options and other equity-based compensation to DISH Network’s NEOs, and established in writing performance goals for any performance-based compensation that together with other compensation to any of DISH Network’s NEOs could exceed $1 million annually The Compensation Committee has also certified achievement of those performance goals prior to payment of performance-based compensation

In determining the actual amount of each NEO’s compensation, the Corporation considers, among other things, the following factors: (i) the information described in “Compilation of Certain Proxy Data” below; (ii) subjective performance evaluations of the individual’s performance (after reviewing Mr Ergen’s recommendations with respect to the NEOs other than himself); (iii) the individual’s success in achieving individual and company-wide goals; (iv) whether the performance goals of any short-term or long-term incentive plans were met and the payouts that would become payable upon achievement of those performance goals; (v) equity awards previously granted to the individual; and (vi) equity awards that would be normally granted upon a promotion in accordance with DISH Network’s policies for promotions The Corporation also considers the extent to which individual extraordinary efforts of each of DISH Network’s NEOs resulted in tangible increases in corporate, division or department success when setting base cash salaries and short term incentive compensation

Furthermore, the Compensation Committee also makes a subjective determination as to whether an increase should be made to Mr Ergen’s compensation based on its evaluation of Mr Ergen’s contribution to the success of DISH Network, whether the performance goals of any short-term or long-term incentive plans were met, the respective payouts that would become payable to Mr Ergen upon achievement of those performance goals, the respective options and other stock awards currently held by Mr Ergen and whether such awards are sufficient to retain Mr Ergen

This approach to general compensation levels is not formulaic and the weight given to any particular factor in determining a particular NEO’s compensation depends on the subjective consideration of all factors described above in the aggregate

With respect to incentive compensation, DISH Network attempts to ensure that each NEO has equity incentives at any given time that are significant in relation to such individual’s annual cash compensation to ensure that each of DISH Network’s NEOs has appropriate incentives tied to the performance of DISH Network’s Class A Shares Therefore, DISH Network may grant more equity incentives to one particular NEO in a given year if a substantial portion of the NEO’s equity incentives are vested and the underlying stock is capable of being sold In addition, if an NEO recently received a substantial amount of equity incentives, DISH Network may not grant any equity incentives to that particular NEO

Compilation of Certain Proxy Data

In connection with the approval process for DISH Network’s executive officer compensation, the Board of Directors and the Compensation Committee had management prepare a compilation of the compensation components for the NEOs of companies selected by the Compensation Committee, as disclosed in their respective publicly-filed proxy statements (the “Proxy Data”) These surveyed companies included: AT&T Inc , DirecTV; Comcast Corporation; Time Warner Cable Inc ; Charter Communications, Inc ; Liberty Global, Inc ; Verizon Communications Inc ; CenturyLink, Inc ; Level 3 Communications, Inc ; and Netflix, Inc The Proxy Data, along with other information

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obtained by members of the Compensation Committee from media reports, such as newspaper or magazine articles or other generally available sources related to executive compensation, and from corporate director events attended by members of the Compensation Committee, is used solely as a subjective frame of reference, rather than a basis for benchmarking compensation for DISH Network's NEOs We do not utilize a formulaic or standard, formalized benchmarking level or element in tying or otherwise setting DISH Network's executive compensation to that of other companies Generally, DISH Network's overall compensation lags behind competitors in the area of base pay, severance packages, and short-term incentives but is intended to be competitive over time in equity compensation If DISH Network's stock performance substantially outperforms similar companies, executive compensation at DISH Network could exceed that at similar companies Barring significant increases in the stock price, however, DISH Network's compensation levels generally lag its peers

Deductibility of Compensation

Section 162(m) of the U S Internal Revenue Code (the "Code") places a limit on the tax deductibility of compensation in excess of $1 million paid to certain "covered employees" of a publicly held corporation (generally, the corporation's chief executive officer and its next three most highly compensated executive officers (other than the chief financial officer) in the year that the compensation is paid) This limitation applies only to compensation that is not considered performance-based under the Section 162(m) rules We generally structure our compensation programs, where feasible, to minimize or eliminate the impact of the limitations of Section 162(m) of the Code when we believe such payments are appropriate, after taking into consideration changing business conditions or the officer's performance However, nondeductible compensation in excess of this limitation may be paid

Use of Compensation Consultants

No compensation consultants were retained by the Corporation, the Board of Directors or the Compensation Committee to either evaluate or recommend the setting of executive compensation during the past fiscal year

<u>Implementation of Executive Compensation Program Objectives and Policies</u>

Weighting and Selection of Elements of Compensation

As described in "General Compensation Levels" above, we have not in the past assigned specific weights to any factors considered in determining compensation, and none of the factors are more dispositive than others

Elements of Executive Compensation

The primary components of DISH Network's executive compensation program have included:

- base cash salary;
- short-term incentive compensation, including conditional and/or performance-based cash incentive compensation and discretionary bonuses;
- long-term equity incentive compensation in the form of stock options and restricted stock units offered under DISH Network's stock incentive plans;
- 401(k) plan; and
- other compensation, including perquisites and personal benefits and post-termination compensation

These elements combine to promote the objectives and policies described above Base salary, 401(k) benefits and other benefits and perquisites provided generally to DISH Network employees provide a minimum level of compensation for our NEOs Short-term incentives reward individual performance and achievement of annual goals important to DISH Network Long-term equity-incentive compensation aligns NEO compensation directly with the creation of long-term shareholder value and promotes retention

DISH Network has not required that a certain percentage of an executive's compensation be provided in one form versus another However, our goal is to award compensation that is reasonable in relation to DISH Network's compensation program and objectives when all elements of potential compensation are considered Each element of DISH Network's historical executive compensation and the rationale for each element is described below

Base Cash Salary

DISH Network has traditionally included salary in its executive compensation package under the belief that it is appropriate that some portion of the compensation paid to its executives be provided in a form that is fixed and liquid occurring over regular intervals Generally, for the reasons discussed in "Long-Term Equity Incentive Compensation," DISH Network has weighted overall compensation towards equity components as opposed to base salaries The Board of Directors has traditionally been free to set base salary at any level deemed appropriate, with the Compensation Committee setting the base salary of the Chairman The Compensation Committee and the Board of Directors typically review base salaries once annually Any increases or decreases in base salary on a year-over-year basis have usually been dependent on a combination of the following factors, as assessed by the Compensation Committee and/or the Board of Directors, as applicable:

- DISH Network's overall financial and business performance;
- the performance of the NEO's business unit;
- the NEO's individual contributions to DISH Network; and
- the rate of DISH Network's standard annual merit increase for employees who are performing at a satisfactory level

Short-Term Incentive Compensation

This compensation program, if implemented for a particular year, generally provides for a bonus that is linked to annual performance as determined by the Compensation Committee at the beginning of each fiscal year when it establishes the short-term incentive plan for that year The objective of the short-term incentive plan is to compensate NEOs in significant part based on the achievement of specific annual goals that the Compensation Committee believes will create an incentive to maximize long-term shareholder value This compensation program also permits short-term incentive compensation to be awarded in the form of discretionary cash bonuses based on individual performance during the year

During 2016, we elected not to implement a short-term incentive program The decision not to implement a short-term incentive program during 2016 was made based upon, among other things, the adoption of the 2013 Long Term Incentive Plan, or 2013 LTIP, discussed below While the Compensation Committee did not implement a short-term incentive program during 2016, the Compensation Committee granted certain short-term performance based awards to Messrs Carlson, Lynch and Schlichting during 2016, discussed below

Long-Term Equity Incentive Compensation

DISH Network has traditionally operated under the belief that executive officers will be better able to contribute to its long-term success and help build incremental shareholder value if they have a stake in that future success and value DISH Network believes this stake focuses the executive officers' attention on managing DISH Network as owners with equity positions in DISH Network and aligns their interests with the long-term interests of DISH Network's shareholders Equity awards therefore have represented an important and significant component of DISH Network's compensation program for executive officers DISH Network has attempted to create general incentives with its standard stock option grants and conditional incentives through conditional awards that may include payouts in cash or equity

General Equity Incentives

With respect to equity incentive compensation, DISH Network attempts to ensure that each NEO has equity incentives at any given time that are significant in relation to such individual's annual cash compensation to ensure that each of DISH Network's NEOs has appropriate incentives tied to the performance of DISH Network's Class A Shares Therefore, DISH Network may grant more equity incentives to one particular NEO in a given year if a substantial portion of the NEO's equity incentives are vested and the underlying stock is capable of being sold In addition, if an NEO recently received a substantial amount of equity incentives, DISH Network may not grant any equity incentives to that particular NEO In particular, in granting awards for 2016, the Compensation Committee took into account, among other things, the amount necessary to retain our executive officers and that our executive officers had been granted equity incentives under the 2013 LTIP and the adoption of the 2017 Long Term Incentive Plan, or 2017 LTIP, discussed below

In granting equity incentive compensation, the Compensation Committee also takes into account whether the NEO has been promoted in determining whether to award equity awards to that individual Finally, from time to time, the Compensation Committee may award one-time equity awards based on a number of subjective criteria, including the NEO's position and role in DISH Network's success and whether the NEO made any exceptional contributions to DISH Network's success

To aid in our retention of employees, options granted under DISH Network's stock incentive plans generally vest at the rate of 20% per year and have exercise prices not less than the fair market value of DISH Network's Class A Shares on the date of grant or the last trading day prior to the date of grant (if the date of grant is not a trading day) Other than performance-based awards, including awards granted under the 2013 LTIP and the 2017 LTIP, DISH Network's standard form of option agreement given to executive officers has included acceleration of vesting upon a change in control of DISH Network for those executive officers that are terminated by DISH Network or the surviving entity, as applicable, for any reason other than for cause during the twenty-four month period following such change in control

The principal provisions of our equity incentive plans, and certain material equity incentive grants under such plans, are summarized below This summary and the features of these equity incentive plans and grants set forth below do not purport to be complete and are qualified in their entirety by reference to the provisions of the specific equity incentive plan or grant

Practices Regarding Grant of Equity Incentives

Prior to 2013, DISH Network generally awarded equity incentives as of the last day of each calendar quarter and set exercise prices at not less than the fair market value of Class A Shares on the date of grant or the last trading day prior to the date of grant (if the last day of the calendar quarter was not a trading day) Beginning April 1, 2013, DISH Network generally awards equity incentives as of the first day of each calendar quarter and will set exercise prices at not less than the fair market value of Class A Shares on the date of grant or the last trading day prior to the date of grant (if the date of grant is not a trading day)

2009 Stock Incentive Plan

We have adopted an employee stock incentive plan, which we refer to as the 2009 Stock Incentive Plan The purpose of the 2009 Stock Incentive Plan is to provide incentives to attract and retain executive officers and other key employees Awards available to be granted under the 2009 Stock Incentive Plan include: (i) stock options; (ii) stock appreciation rights; (iii) restricted stock and restricted stock units; (iv) performance awards; (v) dividend equivalents; and (vi) other stock-based awards

Class B Chairman Stock Option Plan

We have adopted a Class B Chairman stock option plan, which we refer to as the 2002 Class B Chairman Stock Option Plan The purpose of the 2002 Class B Chairman Stock Option Plan is to promote the interests of DISH Network and its subsidiaries by aiding in the retention of Charles W Ergen, the Chairman of DISH Network, who our Board of Directors believes is crucial to assuring our future success, to offer Mr Ergen incentives to put forth maximum efforts for our future success and to afford Mr Ergen an opportunity to acquire additional proprietary interests in DISH Network Mr Ergen abstained from our Board of Directors' vote on this matter Awards available to be granted under the 2002 Class B Chairman Stock Option Plan include nonqualified stock options and dividend equivalent rights with respect to DISH Network's Class B Shares

Employee Stock Purchase Plan

We have adopted an employee stock purchase plan, which we refer to as our ESPP The purpose of the ESPP is to provide our eligible employees with an opportunity to acquire a proprietary interest in us by the purchase of our Class A Shares All full-time employees who are employed by DISH Network for at least one calendar quarter are eligible to participate in the ESPP Employee stock purchases are made through payroll deductions Under the terms of the ESPP, employees are not permitted to deduct an amount that would permit such employee to purchase our capital stock in an amount that exceeds $25,000 in fair market value of capital stock in any one year The ESPP is intended to qualify under Section 423 of the Code and thereby provide participating employees with an opportunity to receive certain favorable income tax consequences as to stock purchased under the ESPP

2011 Equity Incentives to Mr. Ergen

During 2011, the Compensation Committee determined that Mr Ergen should receive a grant of options to purchase 1,200,000 of the Corporation's Class A Shares, with such award vesting incrementally before June 30, 2021 according to the following vesting schedules

As determined by the Compensation Committee, fifty percent (50%) of the option awards granted to Mr Ergen vest based upon achieving the following specified cumulative free cash flow goals while achieving and maintaining a minimum threshold of 14,250,000 total net subscribers:

Cumulative Free Cash Flow Goal	Vesting Schedule
$ 250 million	30,000
$ 500 million	30,000
$ 750 million	30,000
$ 1 billion	30,000
$ 1 25 billion	30,000
$ 1 5 billion	30,000
$ 1 75 billion	30,000
$ 2 billion	30,000
$ 2 25 billion	30,000
$ 2 5 billion	30,000
$ 2 75 billion	30,000
$ 3 billion	30,000
$ 3 25 billion	30,000
$ 3 5 billion	30,000
$ 3 75 billion	30,000
$ 4 billion	30,000
$ 4 25 billion	30,000
$ 4 5 billion	30,000
$ 4 75 billion	30,000
$ 5 billion	30,000

In the event that the total net subscriber threshold is met and a cumulative free cash flow goal is achieved as of the last day of a given calendar quarter, as determined by the Compensation Committee: (i) the applicable cumulative free cash flow goal(s) will be retired; and (ii) the corresponding increment of the option will vest and shall become exercisable contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC During 2013, we achieved the cumulative free cash flow goal of $2 5 billion while achieving and maintaining a minimum threshold of 14,250,000 total net subscribers, resulting in the vesting of 300,000 stock options during 2013, as determined by the Compensation Committee Accordingly, the $250 million, $500 million, $750 million, $1 billion, $1 25 billion, $1 5 billion, $1 75 billion, $2 billion, $2 25 billion and $2 5 billion cumulative free cash flow goals under the grant were retired During 2014, we achieved the cumulative free cash flow goal of $3 75 billion while achieving and maintaining a minimum threshold of 14,250,000 total net subscribers, resulting in the vesting of 150,000 stock options during 2014, as determined by the Compensation Committee Accordingly, the $2 75 billion, $3 billion, $3 25 billion, $3 5 billion and $3 75 billion cumulative free cash flow goals under the grant were retired During 2015, we achieved the cumulative free cash flow goal of $5 0 billion while achieving and maintaining a minimum threshold of 14,250,000 total net subscribers, resulting in the vesting of 150,000 stock options during 2015, as determined by the Compensation Committee Accordingly, all of the remaining cumulative free cash flow goals under the grant were retired during 2015

As determined by the Compensation Committee, the other fifty percent (50%) of the option awards granted to Mr Ergen vest based upon achieving the following specified total net subscriber goals while achieving and maintaining the specified cumulative free cash flow goal:

Cumulative Free Cash Flow Goal	Total Net Subscriber Goal	Vesting Schedule
$ 250 million	14,250,000	30,000
$ 500 million	14,500,000	30,000
$ 750 million	14,750,000	30,000
$ 1 billion	15,000,000	30,000
$ 1 25 billion	15,250,000	30,000
$ 1 5 billion	15,500,000	30,000
$ 1 75 billion	15,750,000	30,000
$ 2 billion	16,000,000	30,000
$ 2 25 billion	16,250,000	30,000
$ 2 5 billion	16,500,000	30,000
$ 2 75 billion	16,750,000	30,000
$ 3 billion	17,000,000	30,000
$ 3 25 billion	17,250,000	30,000
$ 3 5 billion	17,500,000	30,000
$ 3 75 billion	17,750,000	30,000
$ 4 billion	18,000,000	30,000
$ 4 25 billion	18,250,000	30,000
$ 4 5 billion	18,500,000	30,000
$ 4 75 billion	18,750,000	30,000
$ 5 billion	19,000,000	30,000

In the event that the cumulative free cash flow goal is met (or has already been retired and continues to be met) and a total net subscriber goal is achieved as of the last day of any such calendar quarter, as determined by the Compensation Committee: (i) the applicable total net subscriber goal(s) will be retired; and (ii) the corresponding increment of the option will vest and shall become exercisable contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC During 2013, we achieved the total net subscriber goal of 14,250,000 while achieving and maintaining the cumulative free cash flow goal of at least $250 million, resulting in the vesting of 30,000 stock options during 2013, as determined by the Compensation Committee Accordingly, the total net subscriber goal of 14,250,000 under the grant was retired During 2014, we achieved the total net subscriber goal of 14,500,000 while achieving and maintaining the cumulative free cash flow goal of at least $500 million, resulting in the vesting of 30,000 stock options during 2014, as determined by the Compensation Committee Accordingly, the total net subscriber goal of 14,500,000 under the grant was retired During 2015 and 2016, none of the total net subscriber goals under this grant were achieved

For purposes of the total net subscriber goal and total net subscriber threshold under this equity incentive award, the calculation of "subscribers" is a formula that takes into account, among other things, Pay-TV subscribers, broadband subscribers and wireless subscribers (including, without limitation, the applicable characteristics of such subscribers) In addition, for purposes of the cumulative free cash flow goals under this equity incentive award, the calculation of "cumulative free cash flow" is a formula that takes into account, among other things, free cash flow as set forth in the Corporation's financial results for that quarter or year, as applicable, filed with the SEC The Compensation Committee has final authority to, among other things, interpret and calculate any and all aspects of this equity incentive award, including vesting and all other aspects of calculating the achievement of the goals under this equity incentive award

2013 Long-Term Incentive Plan

On November 30, 2012, the Board of Directors and the Compensation Committee approved a long-term, performance-based stock incentive plan, the 2013 Long Term Incentive Plan, or 2013 LTIP, within the terms of DISH Network's 2009 Stock Incentive Plan The purpose of the 2013 LTIP is to promote DISH Network's interests and the interests of its shareholders by providing key employees with financial rewards through equity participation upon achievement of specified long-term cumulative free cash flow goals while achieving and maintaining a specified long-term subscriber threshold and total net subscriber goals The employees eligible to participate in the 2013 LTIP generally include DISH Network's executive officers, senior vice presidents, vice presidents and director-level employees Employees participating in the 2013 LTIP receive a one-time award of: (i) an option to acquire a specified number of shares priced at the market value as of the first day of the calendar quarter in which the option was granted or the last trading day prior to the date of grant (if the first day of the calendar quarter is not a trading day) and (ii) rights to acquire for no additional consideration a specified smaller number of Class A Shares Initial awards granted under the 2013 LTIP were made as of January 1, 2013 Under the 2013 LTIP, the cumulative free cash flow goals and the total net subscriber threshold are measured on the last day of each calendar quarter The cumulative free cash flow goals commenced April 1, 2013 The total net subscriber goals are measured on the last day of each calendar quarter commencing on January 1, 2013 For purposes of the total net subscriber goal and total net subscriber threshold under the 2013 LTIP, the calculation of "subscribers" is a formula that takes into account, among other things, Pay-TV subscribers and broadband subscribers (including, without limitation, the applicable characteristics of such subscribers) In addition, for purposes of the cumulative free cash flow goals under the 2013 LTIP, the calculation of "cumulative free cash flow" is a formula that takes into account, among other things, free cash flow as set forth in the Corporation's financial results for that quarter or year, as applicable, filed with the SEC, but excluding free cash flows from the wireless line of business The Compensation Committee has final authority to, among other things, interpret and calculate any and all aspects of the 2013 LTIP, including vesting and all other aspects of calculating the achievement of the goals under the 2013 LTIP

In the event that a cumulative free cash flow goal and/or total net subscriber goal is achieved, and the total net subscriber threshold is met, as of the last day of any such calendar quarter, as determined by the Compensation Committee: (i) the applicable cumulative free cash flow goal and/or total net subscriber goal will be retired; and (ii) the corresponding increment of the option/restricted stock unit will vest and shall become exercisable contemporaneously with filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC, in accordance with the following vesting schedules:

Cumulative Free Cash Flow Goal	Total Net Subscriber Threshold	Vesting Schedule
$ 1 billion	14 5 million	10%
$ 2 billion	14 5 million	10%
$ 3 billion	14 5 million	10%
$ 4 billion	14 5 million	10%
$ 5 billion	14 5 million	10%

Total Net Subscriber Goal	Vesting Schedule
14 5 million	10%
14 75 million	10%
15 million	10%
15 25 million	10%
15 5 million	10%

Employees who were granted equity awards after April 1, 2014 under the 2013 LTIP received: (i) an option to acquire a reduced number of Class A Shares; and (ii) rights to acquire for no additional consideration a reduced number of Class A Shares, relative to the amounts that were granted to employees at the same level prior to April 1, 2014 Such awards are subject to a vesting schedule that varies based upon the date on which such awards were granted

Mr Ergen and Mr Carlson were each granted an option to purchase 60,000 Class A Shares and 30,000 RSUs under the 2013 LTIP on January 1, 2013 Mr Swain was granted an option to purchase 15,000 Class A Shares and 7,500 RSUs under the 2013 LTIP on January 1, 2013 Mr Swain was granted an additional option to purchase 12,000 Class A Shares and 6,000 RSUs under the 2013 LTIP on July 1, 2014 as a result of his promotion to Senior Vice President of Programming on April 28, 2014 Mr Lynch was granted an option to purchase 42,000 Class A Shares and 21,000 RSUs under the 2013 LTIP on April 1, 2015 as a result of his eligibility to participate in the 2013 LTIP Mr Schlichting was granted an option to purchase 30,000 Class A Shares and 15,000 RSUs under the 2013 LTIP on January 1, 2013 Mr Schlichting was granted an additional option to purchase 15,000 Class A Shares and 7,500 RSUs under the 2013 LTIP on January 1, 2016 as a result of his promotion to Executive Vice President, Marketing, Programming, and Media Sales on December 11, 2015 During 2013, none of the goals under the 2013 LTIP were achieved During 2014, we achieved the cumulative free cash flow goal of $1 billion while achieving and maintaining 14 5 million total net subscribers, which resulted in the cumulative vesting of 10% of the 2013 LTIP stock awards during 2014, as determined by the Compensation Committee Accordingly, the $1 billion cumulative free cash flow goal under the 2013 LTIP was retired In addition, during 2014, we achieved the 14 5 million total net subscriber goal, which resulted in the cumulative vesting of 10% of the 2013 LTIP stock awards during 2014, as determined by the Compensation Committee Accordingly, the 14 5 million total net subscriber goal under the 2013 LTIP was retired During 2015 and 2016, none of the goals under the 2013 LTIP were achieved

2015 Cash Incentive to Mr. Schlichting

Mr Schlichting became an executive officer of the Corporation on December 11, 2015 when he was promoted to Executive Vice President, Marketing, Programming, and Media Sales Prior to Mr Schlichting becoming an executive officer on December 11, 2015, Mr Schlichting was granted a performance-based cash award for 2015 that vested upon achieving certain media sales revenue goals These goals were established and substantially achieved prior to Mr Schlichting becoming an executive officer of the Corporation Pursuant to this award, Mr Schlichting received $375,000 during the year ended December 31, 2016

2015 Cash Incentive to Mr. Lynch

The Compensation Committee determined that, on April 1, 2015, Mr Lynch should receive a grant of a performance-based cash award of one million dollars ($1,000,000), with such award vesting based upon achieving a certain number of total net Internet protocol television ("IPTV") subscribers on or before December 31, 2016 (the "Total Net IPTV Subscriber Goal") In the event that the Total Net IPTV Subscriber Goal was achieved as of the last day of a given calendar quarter, as determined by the Compensation Committee, the one million dollar ($1,000,000) performance-based cash award vests contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC For purposes of the Total Net IPTV Subscriber Goal under this performance-based cash award, the calculation of "total net IPTV subscribers" was a formula that took into account, among other things, subscribers to our Sling branded pay-TV services The Compensation Committee had final authority to, among other things, interpret and calculate any and all aspects of this performance-based cash award, including vesting and all other aspects of calculating the achievement of the goal under this performance-based cash award During the third quarter 2016, we achieved the Total Net IPTV Subscriber Goal, which resulted in the vesting of the $1,000,000 performance-based cash award during 2016, as determined by the Compensation Committee Accordingly, the Total Net IPTV Subscriber Goal under this grant was retired

2016 Equity Incentive to Mr. Lynch

The Compensation Committee determined that, on January 1, 2016, Mr Lynch should receive a grant of an option to purchase 500,000 Class A Shares, with such option awards vesting incrementally according to the following vesting schedules

As determined by the Compensation Committee, fifty percent (50%) of the option award granted to Mr Lynch vests based upon achieving certain specified total net IPTV subscriber goals while achieving and maintaining certain corresponding IPTV earnings thresholds In the event that the relevant IPTV earnings threshold is met and a total net IPTV subscriber goal is achieved as of the last day of a given calendar quarter, as determined by the Compensation Committee: (i) the applicable total net IPTV subscriber goal(s) will be retired; and (ii) the corresponding increment(s) of the option award will vest and shall become exercisable contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC During 2016, none of the total net IPTV subscriber goals under this option award were achieved

As determined by the Compensation Committee, the other fifty percent (50%) of the option award granted to Mr Lynch vests based upon achieving certain specified IPTV earnings goals while achieving and maintaining certain corresponding total net IPTV subscriber thresholds In the event that the relevant total net IPTV subscriber threshold is met and an IPTV earnings goal is achieved as of the last day of a given calendar quarter, as determined by the Compensation Committee: (i) the applicable IPTV earnings goal(s) will be retired; and (ii) the corresponding increment(s) of the option award will vest and shall become exercisable contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC During 2016, none of the IPTV earnings goals under this option award were achieved

For purposes of the total net IPTV subscriber goals and the total net IPTV subscriber thresholds under this option award, the calculation of "total net IPTV subscribers" is a formula that takes into account, among other things, subscribers to our Sling branded pay-TV services In addition, for purposes of the IPTV earnings goals and the IPTV earnings thresholds under this option award, the calculation of "earnings" is a formula that takes into account, among other things, earnings before interest, tax, depreciation and amortization ("EBITDA") as it relates to our Sling branded pay-TV services The Compensation Committee has final authority to, among other things, interpret and calculate any and all aspects of this equity incentive award, including vesting and all other aspects of calculating the achievement of the goals under this equity incentive award

2016 Cash Incentive to Mr. Carlson

The Compensation Committee determined that, on January 1, 2016, Mr Carlson should receive a grant of a performance-based cash award of three hundred thousand dollars ($300,000), with such award vesting based upon achieving certain quarterly earnings goals during 2016, using a formula that takes into account, among other things, EBITDA as set forth in the Corporation's financial results for that quarter or year, as applicable, filed with the SEC (each a "Quarterly Earnings Goal"), in increments of seventy-five thousand dollars ($75,000) in each calendar quarter The Quarterly Earnings Goals for 2016 were as follows: (i) $750 million in the first quarter 2016; (ii) $750 million in the second quarter 2016; (iii) $750 million in the third quarter 2016; and (iv) $750 million in the fourth quarter 2016

In the event that a Quarterly Earnings Goal was achieved as of the last day of a given calendar quarter, as determined by the Compensation Committee, the corresponding increment(s) of the performance-based cash award vested contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC Furthermore, in the event that the Corporation achieved an aggregate amount of earnings for 2016 that was greater than or equal to $3 billion (the sum of the above Quarterly Earnings Goals (subject to adjustment based upon certain gross subscriber additions during 2016), the "Total Earnings Goal"), as determined by the Compensation Committee, any unvested increment of the three hundred thousand dollars ($300,000) vested contemporaneously with the filing of the Corporation's financial results for the year ended December 31, 2016, with the SEC

For purposes of gross subscriber additions, the calculation of "subscribers" is a formula that takes into account, among other things, Pay-TV subscribers and broadband subscribers In addition, for purposes of the Quarterly Earnings Goals and the Total Earnings Goal under this performance-based cash award, the calculation of "earnings" is a formula that takes into account, among other things, EBITDA as set forth in the Corporation's financial results for that quarter or year, as applicable, filed with the SEC The Compensation Committee had final authority to, among other things, interpret and calculate any and all aspects of this performance-based cash award, including vesting and all other aspects of calculating the achievement of the goals under this performance-based cash award

During 2016, we achieved the Quarterly Earnings Goals for the first quarter 2016, the second quarter 2016 and the fourth quarter 2016, which resulted in the vesting of $150,000 during 2016 and $75,000 during 2017, as determined by the Compensation Committee Accordingly, the Quarterly Earnings Goals for the first quarter 2016, the second quarter 2016 and the fourth quarter 2016 under this grant were retired During 2016, we also achieved the Total Earnings Goal, which resulted in the vesting of the remaining unvested $75,000 during 2017, as determined by the Compensation Committee Accordingly, the Quarterly Earnings Goal for the third quarter 2016 and the Total Earnings Goal under this grant were retired

2016 Cash Incentive to Mr. Schlichting

The Compensation Committee determined that, on January 1, 2016, Mr Schlichting should receive a grant of a performance-based cash award of three hundred thousand dollars ($300,000), with such award vesting according to the following vesting schedules

As determined by the Compensation Committee, two hundred seventy thousand dollars ($270,000) of the performance-based cash award granted to Mr Schlichting vests based upon achieving certain quarterly DBS media sales revenue goals during 2016, using a formula that takes into account, among other things, certain media sales revenue for the Corporation's DBS business (each a "Quarterly DBS Media Sales Revenue Goal"), in increments of sixty-seven thousand five hundred dollars ($67,500) in each calendar quarter The Quarterly DBS Media Sales Revenue Goals for 2016 were as follows: (i) $143 5 million in the first quarter 2016; (ii) $148 6 million in the second quarter 2016; (iii) $147 8 million in the third quarter 2016; and (iv) $175 1 million in the fourth quarter 2016

In the event that a Quarterly DBS Media Sales Revenue Goal was achieved as of the last day of a given calendar quarter, as determined by the Compensation Committee, the corresponding increment(s) of the performance-based cash award vested contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC Furthermore, in the event that the Corporation's DBS business achieved an aggregate amount of media sales total revenue for 2016 that was greater than or equal to $615 million (the sum of the above Quarterly DBS Media Sales Revenue Goals, the "Total DBS Media Sales Revenue Goal"), as determined by the Compensation Committee, any unvested increment of the two hundred seventy thousand dollars ($270,000) vested contemporaneously with the filing of the Corporation's financial results for the year ended December 31, 2016, with the SEC During 2016, we achieved the Quarterly DBS Media Sales Revenue Goal for the second quarter 2016, which resulted in the vesting of $67,500 during 2016, as determined by the Compensation Committee Accordingly, the Quarterly DBS Media Sales Revenue Goal for the second quarter 2016 under this grant was retired During 2016, neither the Total DBS Media Sales Revenue Goal nor any of the Quarterly DBS Media Sales Revenue Goals for the first quarter 2016, third quarter 2016 or fourth quarter 2016 under this performance-based cash award were achieved

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As determined by the Compensation Committee, thirty thousand dollars ($30,000) of the performance-based cash award granted to Mr Schlichting vests based upon achieving certain quarterly IPTV media sales revenue goals during 2016, using a formula that takes into account, among other things, certain media sales revenue for the Corporation's Sling branded pay-TV business (each a "Quarterly IPTV Media Sales Revenue Goal"), in increments of seven thousand five hundred dollars ($7,500) in each calendar quarter The Quarterly IPTV Media Sales Revenue Goals for 2016 were approximately as follows: (i) $1 million in the first quarter 2016; (ii) $3 million in the second quarter 2016; (iii) $6 million in the third quarter 2016; and (iv) $14 million in the fourth quarter 2016

In the event that a Quarterly IPTV Media Sales Revenue Goal was achieved as of the last day of a given calendar quarter, as determined by the Compensation Committee, the corresponding increment(s) of the performance-based cash award vests contemporaneously with the filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC Furthermore, in the event that the Corporation's Sling branded pay-TV business achieved an aggregate amount of media sales total revenue for 2016 that was greater than or equal to $24 million (the sum of the above Quarterly IPTV Media Sales Revenue Goals, the "Total IPTV Media Sales Revenue Goal"), as determined by the Compensation Committee, any unvested increment of the thirty thousand dollars ($30,000) vests contemporaneously with the filing of the Corporation's financial results for the year ended December 31, 2016, with the SEC During 2016, neither the Total IPTV Media Sales Revenue Goal nor any of the Quarterly IPTV Media Sales Revenue Goals under this performance-based cash award were achieved

In addition, for purposes of the Quarterly DBS Media Sales Revenue Goals, the Quarterly IPTV Media Sales Revenue Goals, the Total DBS Media Sales Revenue Goal and the Total IPTV Media Sales Revenue Goal under this performance-based cash award, the calculation of "media sales revenue" is a formula that takes into account, among other things, certain media sales The Compensation Committee has final authority to, among other things, interpret and calculate any and all aspects of this performance-based cash award, including vesting and all other aspects of calculating the achievement of the goals under this performance-based cash award

2017 Long-Term Incentive Plan

On December 2, 2016, the Board of Directors and the Compensation Committee approved a long-term, performance-based stock incentive plan, the 2017 Long Term Incentive Plan, or 2017 LTIP, within the terms of DISH Network's 2009 Stock Incentive Plan The purpose of the 2017 LTIP is to promote DISH Network's interests and the interests of its shareholders by providing key employees with financial rewards through equity participation upon achievement of specified long-term cumulative free cash flow goals (while achieving and maintaining a specified long-term subscriber threshold) and total net subscriber goals The employees eligible to participate in the 2017 LTIP generally include DISH Network's executive officers, senior vice presidents, vice presidents and director-level employees Employees participating in the 2017 LTIP receive a one-time award of an option to acquire a specified number of shares priced at the market value as of the first day of the calendar quarter in which the option was granted or the last trading day prior to the date of grant (if the first day of the calendar quarter is not a trading day) Initial awards granted under the 2017 LTIP were made as of January 1, 2017 Under the 2017 LTIP, the cumulative free cash flow goals, total net subscriber threshold and total net subscriber goals are measured on the last day of each calendar quarter commencing on January 1, 2017 For purposes of the total net subscriber goal and total net subscriber threshold under the 2017 LTIP, the calculation of "subscribers" is a formula that takes into account, among other things, Pay-TV subscribers and broadband subscribers (including, without limitation, the applicable characteristics of such subscribers) In addition, for purposes of the cumulative free cash flow goals under the 2017 LTIP, the calculation of "cumulative free cash flow" is a formula that takes into account, among other things, free cash flow as set forth in the Corporation's financial results for that quarter or year, as applicable, filed with the SEC, subject to certain exclusions The Compensation Committee has final authority to, among other things, interpret and calculate any and all aspects of the 2017 LTIP, including vesting and all other aspects of calculating the achievement of the goals under the 2017 LTIP

In the event that a cumulative free cash flow goal is achieved (and the total net subscriber threshold is met) or a total net subscriber goal is achieved as of the last day of any such calendar quarter, as determined by the Compensation Committee: (i) the applicable cumulative free cash flow goal and/or total net subscriber goal will be retired; and (ii) the corresponding increment of the option will vest and shall become exercisable contemporaneously with filing of the Corporation's financial results for that quarter or year, as applicable, with the SEC, in accordance with the following vesting schedules:

Cumulative Free Cash Flow Goal	Total Net Subscriber Threshold	Vesting Schedule
$ 1 billion	14 0 million	12 5%
$ 2 billion	14 0 million	12 5%
$ 3 billion	14 0 million	12 5%
$ 4 billion	14 0 million	12 5%
$ 4 5 billion	14 0 million	12 5%

Total Net Subscriber Goal	Vesting Schedule
14 5 million	12 5%
15 million	12 5%
15 5 million	12 5%

Employees who are granted equity awards after March 31, 2017 under the 2017 LTIP will be eligible to receive an option to acquire a reduced number of Class A Shares, relative to the amounts that were granted to employees at the same level prior to March 31, 2017 Such awards are subject to a vesting schedule that varies based upon the date on which such awards were granted

Messrs Ergen, Carlson, Lynch and Schlichting were each granted an option to purchase 60,000 Class A Shares under the 2017 LTIP on January 1, 2017 Mr Swain was granted an option to purchase 30,000 Class A Shares under the 2017 LTIP on January 1, 2017

401(k) Plan

DISH Network has adopted the 401(k) Plan, a defined-contribution tax-qualified 401(k) plan, for its employees, including its executives, to encourage its employees to save some percentage of their cash compensation for their eventual retirement DISH Network's executives participate in the 401(k) Plan on the same terms as DISH Network's other employees Under the 401(k) Plan, employees generally become eligible for participation in the 401(k) Plan upon completing ninety days of service with DISH Network and reaching age 19 401(k) Plan participants are able to contribute up to 50% of their compensation in each contribution period, subject to the maximum deductible limit provided by the Code DISH Network may also make a 50% matching employer contribution up to a maximum of $2,500 per participant per calendar year In addition, DISH Network may also make an annual discretionary profit sharing contribution to the 401(k) Plan with the approval of its Compensation Committee and Board of Directors 401(k) Plan participants are immediately vested in their voluntary contributions and earnings on voluntary contributions DISH Network's matching employer contributions and any annual discretionary profit sharing contributions to 401(k) Plan participants' accounts vest 20% per year commencing one year from the employee's date of employment

Perquisites and Personal Benefits, Post-Termination Compensation and Other Compensation

DISH Network has traditionally offered numerous plans and other benefits to its executive officers on the same terms as other employees These plans and benefits have generally included medical, vision and dental insurance, life insurance and the employee stock purchase plan, as well as discounts on DISH Network's products and services Relocation benefits may also be reimbursed, but are individually negotiated when they occur DISH Network has also permitted certain NEOs and their family members and guests to use its corporate aircraft for personal use DISH Network has also paid for annual tax preparation costs for certain NEOs

DISH Network has not traditionally had any plans in place to provide severance benefits to employees However, certain non-performance based stock options and restricted stock units have been granted to its executive officers subject to accelerated vesting upon a change in control

Non-Binding Shareholder Advisory Vote on Executive Compensation

DISH Network provided its shareholders with the opportunity to cast a non-binding advisory vote on executive compensation at the annual meeting of shareholders held in October 2014 Over 98% of the voting power represented at the meeting and entitled to vote on that matter voted in favor of the executive compensation proposal The Compensation Committee reviewed these voting results Since the voting results affirmed shareholders' support of DISH Network's approach to executive compensation, DISH Network did not change its approach in 2015 or 2016 as a direct result of the vote As determined at the annual meeting of shareholders held in May 2011, DISH Network intends to continue to seek a non-binding shareholder advisory vote on executive compensation once every three years and will seek such vote at the Annual Meeting For information regarding this year's non-binding shareholder advisory vote on executive compensation, see Proposal No 3

2016 Executive Compensation

Generally, DISH Network has historically made decisions with respect to executive compensation for a particular compensation year in December of the preceding compensation year or the first quarter of the applicable compensation year With respect to the executive compensation of each NEO for 2016, the Compensation Committee (along with Mr Ergen, for each of the NEOs other than himself) reviewed total compensation of each NEO and the value of (a) historic and current components of each NEO's compensation, including the annual base salary and bonus paid to the NEO in the prior year, and (b) equity incentives held by each NEO in DISH Network's stock incentive plans The Compensation Committee (along with Mr Ergen, for each of the NEOs other than himself) also reviewed the Proxy Data prepared for 2015 and other information described in "Compilation of Certain Proxy Data" above As described in "General Compensation Levels" above, DISH Network aims to provide annual base salaries and long-term incentives that are competitive in the market with an emphasis on providing a substantial portion of overall compensation in the form of equity incentives In addition, the Compensation Committee has discretion to award performance based compensation that is based on performance goals different from those that were previously set or that is higher or lower than the anticipated compensation that would be awarded under DISH Network's incentive plans if particular performance goals were met The Compensation Committee did not exercise this discretion in 2016 However, from time to time, the Compensation Committee has exercised its authority to, among other things, interpret and calculate any and all aspects of performance

based awards under DISH Network's incentive plans, including vesting and all other aspects of calculating the achievement of the goals under such performance based compensation awards in accordance with their terms

Compensation of our Chairman and Chief Executive Officer

2016 Base Salary of Chairman and Chief Executive Officer. Mr Ergen's annual base salary for 2016 was determined based on a review by the Compensation Committee of the expected annual base salaries in 2016 of each of DISH Network's other NEOs The Compensation Committee did not increase Mr Ergen's salary in 2016 DISH's Compensation Committee noted that Mr Ergen's base salary continued to be lower than the base salaries of the CEOs of the significant majority of the surveyed companies in the Proxy Data

2016 Cash Bonus. No cash bonus was paid to Mr Ergen in 2016

2016 Equity Incentives. With respect to equity incentives, DISH Network attempts to ensure that the Chairman and Chief Executive Officer has equity awards at any given time that are significant in relation to his annual cash compensation to ensure that he has appropriate incentives tied to the performance of DISH Network's Class A Shares As discussed above, Mr Ergen received certain equity awards under the 2017 LTIP on January 1, 2017

Compensation of Other Named Executive Officers

2016 Base Salary

Base salaries for each of the other NEOs are determined annually by the Board of Directors primarily based on Mr Ergen's recommendations The Board of Directors places substantial weight on Mr Ergen's recommendations in light of his role as Chairman and as co-founder and controlling shareholder of DISH Network Mr Ergen made recommendations to the Board of Directors with respect to the 2016 annual base salary of each of the other NEOs after considering: (a) the NEO's annual base salary in 2015, (b) the range of the percentage increases in annual base salary for NEOs of the companies contained in the Proxy Data, (c) whether the NEO's annual base salary was appropriate in light of DISH Network's goals, including retention of the NEO, (d) the expected compensation to be paid to other NEOs in 2016 in relation to a particular NEO in 2016, (e) whether the NEO was promoted or newly hired in 2016, and (f) whether in Mr Ergen's subjective determination, the NEO's performance in 2015 warranted an increase in the NEO's annual base salary in 2016 Placing primary weight on: (i) the NEO's annual base salary in 2015 and (ii) whether, in Mr Ergen's subjective view, an increase in 2016 annual base salary was warranted based on performance and/or necessary to retain the NEO, Mr Ergen recommended the annual base salary amounts indicated in "Executive Compensation and Other Information - Summary Compensation Table" below The basis for Mr Ergen's recommendation with respect to each of the other NEOs is discussed below The Board of Directors accepted each of Mr Ergen's recommendations on annual base salaries for each of the other NEOs

Mr. Carlson. Mr Carlson's 2016 annual base salary was increased to $500,000 as a result of his promotion to President and Chief Operating Officer on December 11, 2015

Mr. Lynch. In determining Mr Lynch's 2016 annual base salary, Mr Ergen subjectively determined that Mr Lynch's existing base compensation was already within the range of market compensation indicated in the Proxy Data in light of DISH Network's practices with respect to annual base salaries and that therefore an increase over Mr Lynch's 2015 annual base salary was not necessary

Mr. Schlichting. Mr Schlichting's 2016 annual base salary was increased to $350,000 as a result of his promotion to Executive Vice President, Marketing, Programming, and Media Sales on December 11, 2015

Mr. Swain. In determining Mr Swain's 2016 annual base salary, Mr Ergen subjectively determined that Mr Swain's performance met expectations for 2015 and that Mr Swain was therefore eligible for our standard merit increase

2016 Cash Bonuses.

Consistent with prior years, Mr Ergen generally recommended that other NEOs receive cash bonuses only to the extent that such amounts would be payable pursuant to the existing short-term incentive plan, if any As discussed above, in light of prior grants of equity incentives, among other things, the Board of Directors and the Compensation Committee elected not to implement a short-term incentive program for 2016 Primarily on the basis of Mr Ergen's and the Compensation Committee's recommendations, on February 6, 2017, the Board approved a $280,000 discretionary cash bonus to Mr Schlichting for his efforts during the year ended December 31, 2016 No discretionary cash bonus was paid to Messrs Carlson, Lynch or Swain during 2016

As discussed above, prior to Mr Schlichting becoming an executive officer on December 11, 2015, Mr Schlichting was granted a performance-based cash award for 2015 that vested upon achieving certain media sales revenue goals These goals were established and substantially achieved prior to Mr Schlichting becoming an executive officer of the Corporation Pursuant to this award, Mr Schlichting received $375,000 for the year ended December 31, 2016

In addition, Messrs Carlson, Lynch and Schlichting received $150,000, $1,000,000, and $67,500, respectively, for the year ended December 31, 2016, under certain performance-based cash awards discussed above

2016 Equity Incentives

With respect to equity incentives, DISH Network primarily evaluates the position of each NEO to ensure that each individual has equity incentives at any given time that are significant in relation to the NEO's annual cash compensation to ensure that the NEO has appropriate incentives tied to the performance of DISH Network's Class A Shares This determination is made by the Compensation Committee primarily on the basis of Mr Ergen's recommendation As discussed above, in granting awards to the other NEOs for 2016, Mr Ergen based his recommendation on, and the Compensation Committee took into account, among other things, what was necessary to retain our executive officers and to align the interests of our executive officers and shareholders The Compensation Committee determined that, on January 1, 2016, Mr Carlson should receive a grant of an option to purchase 200,000 Class A Shares under the 2009 Stock Incentive Plan in connection with his promotion to President and Chief Operating Officer on December 11, 2015 The Compensation Committee determined that, on January 1, 2016, Mr Schlichting should receive a grant of an option to purchase 100,000 Class A Shares under the 2009 Stock Incentive Plan in connection with his promotion to Executive Vice President, Marketing, Programming, and Media Sales on December 11, 2015 The Compensation Committee determined that, on April 1, 2016, Mr Swain should receive a grant of an option to purchase 15,000 Class A Shares under the 2009 Stock Incentive Plan In addition, as discussed above, Messrs Carlson, Lynch, Schlichting and Swain each received awards under the 2017 LTIP on January 1, 2017

COMPENSATION COMMITTEE REPORT

The Compensation Committee is appointed by the Board of Directors of DISH Network to discharge certain of the Board's responsibilities relating to compensation of DISH Network's executive officers

The Compensation Committee, to the extent the Board deems necessary or appropriate, will:

- Make and approve all option grants and other issuances of DISH Network's equity securities to DISH Network's executive officers and Board members other than nonemployee directors;
- Approve all other option grants and issuances of DISH Network's equity securities, and recommend that the full Board make and approve such grants and issuances;
- Establish in writing all performance goals for performance-based compensation that together with other compensation to senior executive officers could exceed $1 million annually, other than standard Stock Incentive Plan options that may be paid to DISH Network's executive officers, and certify achievement of such goals prior to payment; and
- Set the compensation of the Chairman

Based on the review of the Compensation Discussion and Analysis and discussions with management, we recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Corporation's Proxy Statement

Respectfully submitted,

The DISH Network Executive Compensation Committee

Steven R Goodbarn (Chairman)
Charles M Lillis
Tom A Ortolf

The report of the Compensation Committee and the information contained therein shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in any filing we make under the Securities Act of 1933 (the "Securities Act") or under the Exchange Act, irrespective of any general statement incorporating by reference this information into any such filing, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that we specifically incorporate this information by reference into a document we file under the Securities Act or the Exchange Act

EXECUTIVE COMPENSATION AND OTHER INFORMATION

Compensation Program Risk Assessment

Annually, management reviews the components of our compensation for each employee other than our executive officers Base salaries for each of our executive officers (other than Mr Ergen) are determined annually by our Board of Directors primarily based on Mr Ergen's recommendations The Board of Directors places substantial weight on Mr Ergen's recommendations in light of his role as Chairman and Chief Executive Officer and as co-founder and controlling shareholder of DISH Network The Board of Directors ultimately approved base cash salaries for 2016 for each of these executive officers other than Mr Ergen

Our Compensation Committee, without Mr Ergen present, sets Mr Ergen's base cash salary Our Compensation Committee makes and approves grants of options and other equity-based compensation to all of our executive officers

The primary components of our executive compensation have historically included:

- base cash salary;
- short-term incentive compensation, including conditional and/or performance-based cash incentive compensation and discretionary bonuses;
- long-term equity incentive compensation in the form of stock options and restricted stock units offered under DISH Network's stock incentive plans;
- 401(k) plan; and
- other compensation, including perquisites and personal benefits and post-termination compensation

DISH Network's executive compensation program may also include short-term incentive compensation, including conditional and/or performance-based cash incentive compensation and discretionary bonuses We design corporate performance metrics that determine payouts for certain business segment leaders in part on the achievement of longer-term company-wide goals This is based on our belief that applying company-wide metrics encourages decision-making that is in the best long-term interests of DISH Network and our shareholders as a whole However, during 2016, we elected not to implement a short-term incentive program

Base salary, 401(k) benefits and other benefits and perquisites provided generally to DISH Network employees provide a minimum level of compensation for our executive officers DISH Network has included base salary as a component of its executive compensation package because we believe it is appropriate that some portion of the compensation paid to executives be provided in a form that is fixed and liquid occurring over regular intervals Generally, however, DISH Network has weighted overall compensation towards incentives, particularly equity components, as opposed to base salaries

With respect to other compensation, including perquisites and personal benefits and post-termination compensation, DISH Network has traditionally offered benefits to its executive officers on substantially the same terms as offered to other employees These benefits generally have included medical, vision and dental insurance, life insurance and the employee stock purchase plan, as well as discounts on DISH Network's products and services DISH Network has not traditionally provided severance benefits to employees However, certain non-performance based stock options and restricted stock units have been granted to its executive officers subject to acceleration of vesting upon a change in control of DISH Network for those executive officers who are terminated by us or the surviving entity, as applicable, for any reason other than for cause during the twenty-four month period following such change in control

Generally, DISH Network's overall executive compensation trails that of its competitors in the areas of base pay, severance packages, and short-term incentives but is intended to be competitive over time in equity compensation With respect to equity incentive compensation, DISH Network attempts to ensure that each executive officer retains equity awards that at any given time are significant in relation to such individual's annual cash compensation to ensure that each of its executive officers has appropriate incentives tied to the value realized by our shareholders

DISH Network generally grants equity incentives only to a limited number of employees at certain levels The awards generally vest annually at the rate of 20% per year We generally use multi-year vesting of our equity awards to account for the appropriate time horizon of risk DISH Network has operated under the belief that executive officers will be better able to contribute to its long-term success and help build incremental shareholder value prudently if they have a stake in that future success and value over a long period DISH Network believes this stake focuses the executive officers' attention on managing DISH Network as owners with equity positions in DISH Network and aligns their interests with the long-term interests of DISH Network's shareholders Equity awards therefore have represented an important and significant component of DISH Network's compensation program for executive officers These awards, coupled with the relatively longer time frame during which these awards vest, mitigate the effect of short-term variations in our operating and financial performance, and we believe focus management goals appropriately on longer-term value creation for shareholders rather than rewarding short-term gains In light of our approach towards compensation as set forth above, we believe that our process assists us in our efforts to mitigate excessive risk-taking

Summary Compensation Table

Our executive officers are compensated by certain of our subsidiaries The following table sets forth the cash and noncash compensation for the fiscal year ended December 31, 2016 for the NEOs

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards (1) ($)	Option Awards (1) ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation (2) ($)	Total ($)
Charles W. Ergen (3)	2016	$ 1,000,000	$ —	$ —	$ —	$ —	$ —	$ 656,833	$ 1,656,833
Chairman and Chief Executive Officer	2015	$ 972,308	$ —	$ —	$ —	$ —	$ —	$ 368,467	$ 1,340,775
	2014	$ 900,000	$ —	$ —	$ —	$ —	$ —	$ 794,800	$ 1,694,800
Roger J. Lynch (4)	2016	$ 528,846	$ —	$ —	$ 2,685,879	$ 1,000,000	$ —	$ 6,820	$ 4,221,545
Chief Executive Officer Sling TV Holding L.L.C.	2015	$ 486,538	$ —	$ 627,612	$ 535,183	$ —	$ —	$ 2,600	$ 1,651,933
W. Erik Carlson (5) *President and Chief Operating Officer*	2016	$ 515,000	$ —	$ —	$ 3,174,500	$ 150,000	$ —	$ 6,980	$ 3,846,480
Warren W. Schlichting (6)	2016	$ 372,885	$ 280,000	$ 83,814	$ 1,637,447	$ 442,500	$ —	$ 8,702	$ 2,825,348
Executive Vice President Marketing Programming and Media Sales	2015	$ 300,000	$ —	$ —	$ —	$ 661,562	$ —	$ 12,917	$ 974,479
Steven E. Swain	2016	$ 357,539	$ —	$ —	$ 186,725	$ —	$ —	$ 7,020	$ 551,284
Senior Vice President	2015	$ 330,000	$ —	$ —	$ —	$ —	$ —	$ 7,020	$ 337,020
and Chief Financial Officer	2014	$ 298,269	$ —	$ 49,208	$ 549,601	$ —	$ —	$ 6,500	$ 903,578

(1) The amounts reported reflect grant date fair values. These amounts include both performance and non-performance based awards. The grant date fair values for performance awards are based on the probable outcome of the performance conditions under the awards and do not necessarily reflect the amount of compensation actually realized or that may be realized.

Assuming achievement of all performance conditions underlying the performance awards included in this column, the total grant date fair values would be as follows

	Aggregate Grant Date Fair Value of 2016 Performance Awards
Roger J. Lynch	$ 13,429,397

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Warren W. Schlichting	$	670,055

Assumptions used in the calculation of grant date fair values are included in Note 13 to the Corporation s audited financial statements for the fiscal year ended December 31, 2016, included in the Corporation s Annual Report on Form 10-K filed with the SEC on February 22, 2017.

(2) "All Other Compensation" for all of the NEOs includes amounts contributed pursuant to our 401(k) matching program and our profit sharing program.

(3) Mr. Ergen s "All Other Compensation" for 2016 also includes a tax preparation payment. In addition, Mr. Ergen s "All Other Compensation" for 2016 includes $600,173 for Mr. Ergen s personal use (and on certain occasions for the personal use by members of his family and other guests) of corporate aircraft during the year ended December 31, 2016. We calculated the value of personal use of corporate aircraft based upon the incremental cost of such usage to DISH Network. Since both the Corporation and EchoStar use the corporate aircraft and Mr. Ergen is an employee of both the Corporation and EchoStar, certain incremental costs related to personal use of corporate aircraft by Mr. Ergen and his family members and guests are allocated between the Corporation and EchoStar.

(4) Mr. Lynch s "Non-Equity Incentive Plan Compensation" for 2016 was received under a performance-based cash award discussed above.

(5) Mr. Carlson s "Non-Equity Incentive Plan Compensation" for 2016 was received under a performance-based cash award discussed above.

(6) Mr. Schlichting s "Non-Equity Incentive Plan Compensation" for 2016 was received under the performance-based cash awards discussed above.

Grant of Plan-Based Awards

The following table provides information on equity awards in 2016 for the NEOs

Name	Grant Date	Date of Compensation Committee Approval	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (1) (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/sh)	Grant Date Fair Value of Stock and Option Awards (2)
Charles W. Ergen	04/01/2016	02/11/2016	$ —	$ —	$ —	—	—	—	70	—	$ —	$ —
Roger J. Lynch	01/01/2016	12/31/2015	$ —	$ —	$ —	—	—	500,000	—	—	$ 57.18	$ 2,685,879
	04/01/2016	02/11/2016	$ —	$ —	$ —	—	—	—	70	—	$ —	$ —
W. Erik Carlson	01/01/2016	12/31/2015	$ —	$ —	$ 300,000	—	—	—	—	200,000	$ 57.18	$ 3,174,500
	04/01/2016	02/11/2016	$ —	$ —	$ —	—	—	—	70	—	$ —	$ —
Warren W. Schlichting	01/01/2016	12/11/2015	$ —	$ —	$ 300,000	—	—	15,000	—	100,000	$ 57.18	$ 1,637,447
	01/01/2016	12/11/2015	$ —	$ —	$ —	—	—	7,500	—	—	$ —	$ 83,814
	04/01/2016	02/11/2016	$ —	$ —	$ —	—	—	—	70	—	$ —	$ —
Steven E. Swain	04/01/2016	02/11/2016	$ —	$ —	$ —	—	—	—	70	—	$ —	$ —
	04/01/2016	03/31/2016	$ —	$ —	$ —	—	—	—	—	15,000	$ 46.29	$ 186,725

(1) The amounts reported in the "All Other Stock Awards" column represent Class A Shares awarded to the eligible NEOs during 2016 pursuant to our profit sharing program.

(2) These amounts include both performance and non-performance based awards. The grant date fair values for performance awards are based on the probable outcome of the performance conditions under the awards and do not necessarily reflect the amount of compensation actually realized or that may be realized.

Assuming achievement of all performance conditions underlying the performance awards included in this column, the total grant date fair values would be as follows

		2016 Performance Awards
Roger J. Lynch	$	13,429,397
Warren W. Schlichting	$	670,055

Assumptions used in the calculation of grant date fair values are included in Note 13 to the Corporation s audited financial statements for the fiscal year ended December 31, 2016, included in the Corporation s Annual Report on Form 10-K filed with the SEC on February 22, 2017.

Outstanding Equity Awards at Fiscal Year-End

The following table provides information on outstanding equity awards at fiscal year-end 2016 for the NEOs

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (1) ($)
Charles W. Ergen	100,000	—	—	$ 23.96	03/31/2018**(2)**	—	$ —	—	$ —
	660,000	—	540,000	$ 27.90	09/30/2021**(2)**	—	$ —	—	$ —
	12,000	—	48,000	$ 36.40	01/01/2023	—	$ —	24,000**(3)**	$ 1,390,320
Roger J. Lynch	40,000	—	—	$ 18.00	12/31/2019 **(2)**	—	$ —	—	$ —
	—	—	42,000	$ 69.73	01/01/2023	—	$ —	21,000**(4)**	$ 1,216,530
	—	—	500,000	$ 57.18	01/01/2026	—	$ —	—	$ —
W. Erik Carlson	6,000	—	—	$ 21.59	03/31/2021 **(2)**	—	$ —	—	$ —
	—	—	48,000	$ 36.40	01/01/2023	—	$ —	24,000**(3)**	$ 1,390,320
	—	200,000	—	$ 57.18	01/01/2026	—	$ —	—	$ —
Warren W. Schlichting	8,878	—	—	$ 22.28	03/31/2017**(2)**	—	$ —	—	$ —
	16,008	—	—	$ 22.28	09/30/2021**(2)**	—	$ —	—	$ —
	6,000	—	24,000	$ 36.40	01/01/2023	—	$ —	12,000**(3)**	$ 695,160
	—	—	15,000	$ 57.18	01/01/2023	—	$ —	7,500**(5)**	$ 434,475
	—	100,000	—	$ 57.18	01/01/2026	—	$ —	—	$ —

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Steven E. Swain	—	—	12,000	$ 36.40	01/01/2023	—	$ —	6,000**(3)**	$ 347,580
	—	—	12,000	$ 65.61	01/01/2023	—	$ —	6,000**(6)**	$ 347,580
	10,000	15,000	—	$ 65.61	07/01/2024	—	$ —	—	$ —
	—	15,000	—	$ 46.29	04/01/2026	—	$ —	—	$ —

(1) Amount represents the number of unvested, performance-based restricted stock units multiplied by $57.93, the closing market price of DISH Network s Class A Shares on December 30, 2016.

(2) On December 2, 2012, we declared a dividend of $1.00 per share on our outstanding Class A Shares and Class B Shares. The dividend was paid in cash on December 28, 2012 to shareholders of record on December 14, 2012. In light of such dividend, our Board of Directors and Compensation Committee, which administers our stock incentive plans, determined to adjust the exercise price of certain stock options issued under the plans by decreasing the exercise price by $0.77 per share during January 2013.

(3) Restricted stock awarded on January 1, 2013 under DISH Network s Stock Incentive Plans.

(4) Restricted stock awarded on April 1, 2015 under DISH Network s Stock Incentive Plans.

(5) Restricted stock awarded on January 1, 2016 under DISH Network s Stock Incentive Plans.

(6) Restricted stock awarded on July 1, 2014 under DISH Network s Stock Incentive Plans.

Option Exercises and Stock Vested

The following table provides information on option exercises and stock vested in 2016 for the NEOs

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (1) ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Steven E Swain	2,000	$ 75,440	—	$ —

(1) The value realized on exercise is computed by multiplying the difference between the exercise price of the stock option and the market price of the Class A Shares on the date of exercise by the number of shares with respect to which the option was exercised

Potential Payments Upon Termination Following a Change in Control

As discussed in "Compensation Discussion and Analysis" above, our standard form of non-performance based option agreement given to executive officers includes acceleration of vesting upon a change in control of DISH Network for those executive officers that are terminated by us or the surviving entity, as applicable, for any reason other than for cause during the twenty-four month period following such change in control

Generally a change in control is deemed to occur upon: (i) a transaction or a series of transactions the result of which is that any person (other than Mr Ergen, our controlling shareholder, or a related party) individually owns more than fifty percent (50%) of the total equity interests of either (A) DISH Network or (B) the surviving entity in any such transaction(s) or a controlling affiliate of such surviving entity in such transaction(s); and (ii) the first day on which a majority of the members of the Board of Directors of DISH Network are not continuing directors

Assuming a change in control were to have taken place as of December 31, 2016, and the executives were terminated by DISH Network or the surviving entity at such date, the estimated benefits that would have been provided are as follows:

Name	Maximum Value of Accelerated Vesting of Options
Charles W Ergen (1)	$ —
Roger J Lynch (1)	$ —
W Erik Carlson	$ 150,000
Warren W Schlichting	$ 75,000
Steven E Swain	$ 174,600

(1) The value of potentially accelerated unvested options is zero because Mr Ergen and Mr Lynch did not have any unvested non-performance based options as of December 31, 2016

DIRECTOR COMPENSATION

The following table sets forth the cash and noncash compensation for the fiscal year ended December 31, 2016 for each of our nonemployee directors Our employee directors are not compensated for their service as directors and, consequently, are not included in the table

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards (1) ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation	All Other Compensation ($)	Total ($)

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								Earnings ($)				
George R Brokaw	$	86,000	$	—	$	55,797	$	—	$	—	$	—	$	141,797
Steven R Goodbarn	$	71,500	$	—	$	55,797	$	—	$	—	$	—	$	127,297
Charles M Lillis	$	80,500	$	—	$	55,797	$	—	$	—	$	—	$	136,297
Afshin Mohebbi	$	80,500	$	—	$	55,797	$	—	$	—	$	—	$	136,297
Tom A Ortolf	$	72,500	$	—	$	55,797	$	—	$	—	$	—	$	128,297

(1) The amounts reported in the "Option Awards" column reflect the aggregate grant date fair values Assumptions used in the calculation of these amounts are included in Note 13 to the Corporation's audited financial statements for the fiscal year ended December 31, 2016, included in the Corporation's Annual Report on Form 10-K filed with the SEC on February 22, 2017

On January 1, 2016, Mr Brokaw, Mr Goodbarn, Mr Lillis, Mr Mohebbi and Mr Ortolf were each granted an option to acquire 5,000 Class A Shares at an exercise price of $57 18 per share under our 2001 Director Plan Options granted under our 2001 Director Plan are 100% vested upon issuance Thus, the amount recognized for financial statement reporting purposes and the full grant date fair value are the same

Standard Nonemployee Director Compensation Arrangements

We use a combination of cash and equity compensation to attract and retain qualified candidates to serve on our Board

Cash Compensation. Each nonemployee director receives an annual retainer of $60,000 which is paid in equal quarterly installments; provided such person is a member of the Board on the last day of the applicable calendar quarter Our nonemployee directors also receive $1,000 for each meeting attended in person and $500 for each meeting attended by telephone; provided that if there is more than one meeting of the Board of Directors and/or any committee thereof on the same day, then the applicable nonemployee director is only entitled to receive compensation for attendance at a single meeting Additionally, the chairperson of each committee of the Board receives a $5,000 annual retainer, which is paid in equal quarterly installments; provided such person is the chairperson of the committee on the last day of the applicable calendar quarter Furthermore, our nonemployee directors receive: (i) reimbursement, in full, of reasonable travel expenses related to attendance at all meetings of the Board of Directors and its committees and (ii) reimbursement, in full, of reasonable expenses related to educational activities undertaken in connection with service on the Board of Directors and its committees

In May 2016, the Board approved a monthly retainer of $5,000 (not to exceed a total of $25,000) for each of Messrs Brokaw, Lillis and Mohebbi in connection with certain additional strategic services that they provided for the Board

Equity Compensation. We have adopted a nonemployee director stock option plan, which we refer to as the 2001 Director Plan The purpose of the 2001 Director Plan is to advance our interests through the motivation, attraction and retention of highly-qualified nonemployee directors Upon election to our Board, our nonemployee directors are granted an option to acquire a certain number of our Class A Shares under our 2001 Director Plan effective as of the first day of the next calendar quarter Options granted under our 2001 Director Plan are 100% vested upon issuance and have a term of five years We also have the discretion to grant each continuing nonemployee director an option to acquire Class A Shares annually, and we have typically granted each continuing nonemployee director an option to acquire 5,000 Class A Shares in recent years

Our nonemployee directors do not hold any stock awards except those granted to the nonemployee directors pursuant to our 2001 Director Plan We have granted the following options to our nonemployee directors under such plan:

	Option Awards		
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Option Exercise Price ($)	Option Expiration Date
George R Brokaw	7,500	$ 57 92	01/01/19
	5,000	$ 72 89	01/01/20
	5,000	$ 57 18	01/01/21
Total Options Outstanding at December 31, 2016	17,500		
Steven R Goodbarn	2,000	$ 42 52	06/30/18
	5,000	$ 72 89	01/01/20
	5,000	$ 57 18	01/01/21
Total Options Outstanding at December 31, 2016	12,000		
Charles M Lillis	7,500	$ 57 92	01/01/19
	5,000	$ 72 89	01/01/20
	5,000	$ 57 18	01/01/21
Total Options Outstanding at December 31, 2016	17,500		
Afshin Mohebbi	8,750	$ 63 60	10/01/19
	5,000	$ 57 18	01/01/21
Total Options Outstanding at December 31, 2016	13,750		
Tom A Ortolf	5,000	$ 27 78	06/30/17**(1)**
	5,000	$ 42 52	06/30/18
	5,000	$ 72 89	01/01/20
	5,000	$ 57 18	01/01/21
Total Options Outstanding at December 31, 2016	20,000		

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(1) On December 2, 2012, we declared a dividend of $1 00 per share on our outstanding Class A Shares and Class B Shares The dividend was paid in cash on December 28, 2012 to shareholders of record on December 14, 2012 In light of such dividend, our Board determined to adjust the exercise price of certain stock options issued to nonemployee directors under the plans by decreasing the exercise price by $0 77 per share during January 2013

EQUITY COMPENSATION PLAN INFORMATION

We have two employee stock incentive plans: our 1999 Stock Incentive Plan and 2009 Stock Incentive Plan (the "Stock Incentive Plans") We adopted the Stock Incentive Plans to provide incentives to attract and retain executive officers and other key employees While awards remain outstanding under our 1999 Stock Incentive Plan, we no longer grant equity awards pursuant to this plan The Stock Incentive Plans are administered by our Compensation Committee

Awards available under the Stock Incentive Plans include: (i) common stock purchase options; (ii) stock appreciation rights; (iii) restricted stock and restricted stock units; (iv) performance awards; (v) dividend equivalents; and (vi) other stock-based awards As of December 31, 2016, 66,739,874 of our Class A Shares were available for issuance under the 2009 Stock Incentive Plan Our authorization to grant new awards under the 1999 Stock Incentive Plan has expired The Compensation Committee retains discretion, subject to plan limits, to, among other things, modify the terms of outstanding awards and to adjust the price of awards

As of December 31, 2016, there were outstanding options to purchase 7,923,009 Class A Shares and 1,336,000 outstanding restricted stock units under the Stock Incentive Plans These awards generally vest at the rate of 20% per year commencing one year from the date of grant The exercise prices of these options, which have generally been equal to or greater than the fair market value of our Class A Shares at the date of grant, range from less than $1 00 to $80 00 per Class A Share

On December 2, 2012, we declared a dividend of $1 00 per share on our outstanding Class A Shares and Class B Shares The dividend was paid in cash on December 28, 2012 to shareholders of record on December 14, 2012 In light of such dividend, our Board of Directors and Compensation Committee, which administers our Stock Incentive Plans, determined to adjust the exercise price of certain stock options issued under the plans by decreasing the exercise price by $0 77 per share during January 2013

As previously discussed in Compensation Discussion & Analysis, we have adopted the 2013 LTIP and the 2017 LTIP under DISH Network's Stock Incentive Plans

In addition to the 2001 Director Plan and the Stock Incentive Plans, during 2002 we adopted and our shareholders approved our 2002 Class B Chairman Stock Option Plan, under which we have reserved 20 million Class B Shares for issuance The Class B Shares available for issuance under the 2002 Class B Chairman Stock Option Plan are not included in the table below No options have been granted to date under the 2002 Class B Chairman Stock Option Plan

The following table sets forth information regarding outstanding stock options and restricted stock unit awards and the Class A Shares reserved for future issuance under our equity compensation plans as of December 31, 2016:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b) (1)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	9,259,009	$ 36 21	67,576,124
Equity compensation plans not approved by security holders	—	—	—
Total	9,259,009	$ 36 21	67,576,124

(1) The calculation of the weighted-average exercise price of outstanding options, warrants and rights excludes restricted stock units that provide for the issuance of shares of common stock upon vesting because these awards do not require payment of an exercise price in order to obtain the underlying shares upon vesting

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Our Board has adopted a written policy for the review and approval of transactions involving DISH Network and related parties, such as directors, executive officers (and their immediate family members) and EchoStar In order to identify these transactions, we distribute questionnaires to our officers and directors on a quarterly basis Our General Counsel then directs the appropriate review of all potential related-party transactions and generally schedules their presentation at the next regularly-scheduled meetings of the Audit Committee and the Board of Directors The Audit Committee and the Board of Directors must approve these transactions, with all interested parties abstaining from the vote Once each calendar year, the Audit Committee and the Board of Directors undertake a review of all recurring potential related-party transactions Both the Audit Committee and the Board of Directors must approve the continuation of each such transaction, with all interested parties abstaining Transactions involving EchoStar are subject to the approval of a committee of the non-interlocking directors or in certain circumstances non-interlocking management.

Related Party Transactions with EchoStar Corporation

On January 1, 2008, we completed the spin-off of EchoStar (the "Spin-off"), which was previously our subsidiary Following the Spin-off, DISH Network and EchoStar have operated as separate publicly-traded companies and neither entity has any ownership interest in the other However, a substantial majority of the voting power of the shares of both companies is owned beneficially by Charles W Ergen, our Chairman and Chief Executive Officer, and by certain trusts established by Mr Ergen for the benefit of his family

Prior to completion of the Share Exchange (discussed below), EchoStar was our primary supplier of set-top boxes and digital broadcast operations EchoStar is a supplier of the vast majority of our transponder capacity Generally, the amounts we pay EchoStar for products and services are based on pricing equal to EchoStar's cost plus a fixed margin (unless noted differently below), which will vary depending on the nature of the products and services provided

In connection with and following the Spin-off, we and EchoStar have entered into certain agreements pursuant to which we obtain certain products, services and rights from EchoStar, EchoStar obtains certain products, services and rights from us, and we and EchoStar have indemnified each other against certain liabilities arising from our respective businesses We also may enter into additional agreements with EchoStar in the future The following is a summary of the terms of our principal agreements with EchoStar that may have an impact on our financial condition and results of operations

Share Exchange Agreement

On January 31, 2017, we and our indirect wholly-owned subsidiaries DISH Network L L C ("DNLLC") and DISH Operating L L C ("DOLLC"), entered into a Share Exchange Agreement (the "Share Exchange Agreement") with EchoStar, EchoStar Broadcasting Holding Parent L L C , an indirect wholly-owned subsidiary of EchoStar ("EB Holdco"), EchoStar Broadcasting Holding Corporation, a direct, wholly-owned subsidiary of EB Holdco ("EB Splitco"), EchoStar Technologies Holding Corporation, a direct wholly-owned subsidiary of EchoStar ("ET Splitco"), and EchoStar Technologies L L C , a direct wholly-owned subsidiary of EchoStar ("ETLLC") On February 28, 2017, we and EchoStar completed the transactions contemplated by the Share Exchange Agreement (the "Share Exchange")

Pursuant to the Share Exchange Agreement, among other things: (i) EchoStar completed the steps necessary for certain assets and liabilities of the EchoStar technologies and EchoStar broadcasting businesses, consisting primarily of the businesses that design, develop and distribute digital set-top boxes, provide satellite uplinking services and develop and support streaming video technology, as well as certain investments in joint ventures, spectrum licenses, real estate properties and EchoStar's ten percent non-voting interest in Sling TV Holding L L C (the "Transferred Businesses"), to be transferred to EB Splitco and ET Splitco; and (ii) EchoStar transferred to us 100% of the equity of EB Splitco and ET Splitco, and in exchange, we transferred to EchoStar the 6,290,499 shares of preferred tracking stock issued by EchoStar (the "EchoStar Tracking Stock") and 81 128 shares of preferred tracking stock issued by Hughes Satellite Systems Corporation, a subsidiary of EchoStar ("HSSC"), (the "HSSC Tracking Stock," and together with the EchoStar Tracking Stock, collectively, the "Tracking Stock"), that track the residential retail satellite broadband business of Hughes Network Systems, LLC, a wholly-owned subsidiary of HSSC ("HNS") The Share Exchange was structured in a manner to be a tax-free exchange for each of us and EchoStar

In connection with the Share Exchange Agreement, we and EchoStar and certain of their subsidiaries entered into certain agreements covering, among other things, tax matters, employee matters, intellectual property matters and the provision of transitional services In addition, certain of the agreements with EchoStar described below have terminated, and we have entered into certain new agreements with EchoStar described below

Application Development Agreement. During the fourth quarter 2012, we and EchoStar entered into a set-top box application development agreement (the "Application Development Agreement") pursuant to which EchoStar provided us with certain services relating to the development of web-based applications for set-top boxes for a period ending on February 1, 2017 The Application Development Agreement renews automatically for successive one-year periods thereafter, unless terminated earlier by us or EchoStar at any time upon at least 90 days notice The fees for services provided under the Application Development Agreement were calculated at EchoStar's cost of providing the relevant service plus a fixed margin, which depended on the nature of the services provided As a result of the completion of the Share Exchange on February 28, 2017, the Application Development Agreement with EchoStar has terminated We incurred expenses payable to EchoStar of approximately $15 million under the Application Development Agreement during the year ended December 31, 2016

Broadcast Agreement Effective January 1, 2012, we and EchoStar entered into a broadcast agreement (the "2012 Broadcast Agreement") pursuant to which EchoStar provided broadcast services to us, including teleport services such as transmission and downlinking, channel origination services, and channel management services, for the period from January 1, 2012 to December 31, 2016 In November 2016, we and EchoStar amended the 2012 Broadcast Agreement to extend the term thereof for one additional year until December 31, 2017 The fees for services provided under the 2012 Broadcast Agreement were calculated at either: (a) EchoStar's cost of providing the relevant service plus a fixed dollar fee, which was subject to certain adjustments; or (b) EchoStar's cost of providing the relevant service plus a fixed margin, which depended on the nature of the services provided As a result of the completion of the Share Exchange on February 28, 2017, the 2012 Broadcast Agreement with EchoStar has terminated We incurred expenses payable to EchoStar of approximately $229 million under the 2012 Broadcast Agreement during the year ended December 31, 2016

Broadcast Agreement for Certain Sports Related Programming In May 2010, we and EchoStar entered into a broadcast agreement pursuant to which EchoStar provided certain broadcast services to us in connection with our carriage of certain sports-related programming The term of this agreement was for ten years The fees for the broadcast services provided under this agreement depended, among other things, upon the cost to develop and provide such services As a result of the completion of the Share Exchange on February 28, 2017, this broadcast agreement with EchoStar has terminated We incurred expenses payable to EchoStar of approximately $1 million under this broadcast agreement during the year ended December 31, 2016

California Institute of Technology. On October 1, 2013, Caltech Institute of Technology ("Caltech") filed complaints against us and our wholly-owned subsidiaries DISH Network L L C and dishNET Satellite Broadband L L C , as well as Hughes Communications, Inc, and HNS, which are subsidiaries of EchoStar, in the United States District Court for the Central District of California, alleging infringement of United States Patent Nos 7,116,710; 7,421,032; 7,916,781; and 8,284,833, each of which is entitled "Serial Concatenation of Interleaved Convolutional Codes forming Turbo-Like Codes " Caltech alleged that encoding data as specified by the DVB-S2 standard infringed each of the asserted patents Caltech claimed that certain of our Hopper set-top boxes, as well as the Hughes defendants' satellite broadband products and services, infringed the asserted patents by implementing the DVB-S2 standard Pursuant to a settlement agreement between the parties, on May 31, 2016, Caltech dismissed with prejudice all of its claims in these actions There were no payments between us and EchoStar under this agreement during the year ended December 31, 2016

Collocation and Antenna Space Agreements In connection with the completion of the Share Exchange, effective March 1, 2017, we entered into certain agreements pursuant to which we will provide certain collocation and antenna space to EchoStar through March 2022 at the following locations: Cheyenne, Wyoming; Gilbert, Arizona; New Braunfels, Texas; Monee, Illinois; and Englewood, Colorado EchoStar may terminate any of these agreements with 180 days' prior written notice to us The fees for the services provided under these agreements depend, among other things, on the number of racks leased at the location

DISH Remote Access Services Agreement Effective February 23, 2010, we entered into an agreement with EchoStar pursuant to which we received, among other things, certain remote DVR management services The fees for the services provided under this services agreement depended, among other things, upon the cost to develop and operate such services This agreement had an initial term of five years with automatic renewal for successive one year terms This agreement renewed on February 23, 2017 for an additional one-year period until February 23, 2018 As a result of the completion of the Share Exchange on February 28, 2017, this services agreement with EchoStar has terminated We incurred expenses payable to EchoStar of approximately $3 million under the remote access services agreement during the year ended December 31, 2016

DISHOnline.com Services Agreement. Effective January 1, 2010, we entered into a two-year agreement with EchoStar pursuant to which we received certain services associated with an online video portal The fees for the services provided under this services agreement depended, among other things, upon the cost to develop and operate such services We had the option to renew this agreement for successive one year terms In November 2015, we exercised our right to renew this agreement for a one-year period ending on December 31, 2016 In December 2016, we and EchoStar amended this agreement to, among other things, extend the term thereof for one additional year until December 31, 2017 As a result of the completion of the Share Exchange on February 28, 2017, this services agreement with EchoStar has terminated We incurred expenses payable to EchoStar of approximately $6 million under the DISHOnline com services agreement during the year ended December 31, 2016

Employee Matters Agreement In connection with the completion of the Share Exchange, effective March 1, 2017, we and EchoStar entered into an Employee Matters Agreement that addresses the transfer of employees from EchoStar to us, including certain benefit and compensation matters and the allocation of responsibility for employee-related liabilities relating to current and past employees of the Transferred Businesses We assumed employee-related liabilities relating to the Transferred Businesses as part of the Share Exchange, except that EchoStar will be responsible for certain existing employee-related litigation as well as certain pre-Share Exchange compensation and benefits for employees transferring to us in connection with the Share Exchange

Hughes Agreements.

DBSD North America. On March 9, 2012, we completed the acquisition of 100% of the equity of reorganized DBSD North America, Inc ("DBSD North America") During the second quarter 2011, EchoStar acquired Hughes Communications, Inc ("Hughes") Prior to our acquisition of DBSD North America and EchoStar's acquisition of Hughes, DBSD North America and HNS entered into an agreement pursuant to which HNS provides, among other things, hosting, operations and maintenance services for DBSD North America's satellite gateway and associated ground infrastructure This agreement generally may be terminated by us at any time for convenience We incurred expenses payable to HNS of approximately $2 million under this agreement during the year ended December 31, 2016

Hughes Broadband Distribution Agreement Effective October 1, 2012, dishNET Satellite Broadband L L C ("dishNET Satellite Broadband"), our indirect wholly-owned subsidiary, and HNS entered into a Distribution Agreement (the "Distribution Agreement") pursuant to which dishNET Satellite Broadband has the right, but not the obligation, to market, sell and distribute the HNS satellite Internet service (the "Service") dishNET Satellite Broadband pays HNS a monthly per subscriber wholesale service fee for the Service based upon the subscriber's service level, and, beginning January 1, 2014, certain volume subscription thresholds The Distribution Agreement also provides that dishNET Satellite Broadband has the right, but not the obligation, to purchase certain broadband equipment from HNS to support the sale of the Service As part of the Satellite and Tracking Stock Transaction, on February 20, 2014, dishNET Satellite Broadband and HNS amended the Distribution Agreement which, among other things, extended the initial term of the Distribution Agreement through March 1, 2024 Thereafter, the Distribution Agreement automatically renews for successive one year terms unless either party gives written notice of its intent not to renew to the other party at least 180 days before the expiration of the then-current term Upon expiration or termination of the Distribution Agreement, the parties will continue to provide the Service to the then-current dishNET subscribers pursuant to the terms and conditions of the Distribution Agreement We incurred expenses payable to HNS of approximately $91 million under the Distribution Agreement during the year ended December 31, 2016 for services from HNS In addition, we purchased approximately $9 million of broadband customer premise equipment from HNS during the year ended December 31, 2016

Hughes Broadband Sales Agency Agreement. During March 2017, DNLLC and HNS entered into a master service agreement (the "MSA") pursuant to which DNLLC will have the right, but not the obligation, to: (i) market, promote and solicit orders for the Hughes service and related equipment; (ii) install Hughes service equipment; and (iii) purchase and distribute Hughes service equipment Under the MSA, HNS will make certain payments to DNLLC for each Hughes

service sale and installation, and DNLLC will make payments to HNS for the purchase of Hughes service equipment from HNS, which will be reimbursed by HNS after the equipment is installed and activated at the customer's residence The MSA has an initial term of 5 years with automatic renewal for successive one year terms After the first anniversary of the MSA, either party has the ability to terminate the MSA, in whole or in part, for any reason upon at least 90 days' notice to the other party Upon expiration or termination of the MSA, HNS will continue to provide the Hughes service to subscribers and make certain payments to DNLLC pursuant to the terms and conditions of the MSA

TerreStar. On March 9, 2012, we completed the acquisition of substantially all the assets of TerreStar Networks, Inc ("TerreStar") Prior to our acquisition of substantially all the assets of TerreStar and EchoStar's acquisition of Hughes, TerreStar and HNS entered into various agreements pursuant to which HNS provides, among other things, hosting, operations and maintenance services for TerreStar's satellite gateway and associated ground infrastructure These agreements generally may be terminated by us at any time for convenience We incurred expenses payable to HNS of approximately $5 million under these agreements during the year ended December 31, 2016

Intellectual Property Matters Agreement In connection with the Spin-off, we entered into an intellectual property matters agreement with EchoStar The intellectual property matters agreement governs our relationship with EchoStar with respect to patents, trademarks and other intellectual property The term of the intellectual property matters agreement will continue in perpetuity Pursuant to the intellectual property matters agreement we irrevocably assigned to EchoStar all right, title and interest in certain patents, trademarks and other intellectual property necessary for the operation of EchoStar's set-top box business In addition, the agreement permits EchoStar to use, in the operation of its set-top box business, certain other intellectual property currently owned or licensed by us and our subsidiaries Pursuant to the intellectual property matters agreement we may not use the "EchoStar" name as a trademark, except in certain limited circumstances Similarly, the intellectual property matters agreement provides that EchoStar will not make any use of the name or trademark "DISH Network" or any other trademark owned by us, except in certain circumstances As a result of the completion of the Share Exchange Agreement on February 28, 2017, the Intellectual Property Matters Agreement with EchoStar has terminated There were no payments under the intellectual property matters agreement during the year ended December 31, 2016

Intellectual Property and Technology License Agreement In connection with the completion of the Share Exchange, effective March 1, 2017, we and EchoStar entered into an Intellectual Property and Technology License Agreement ("IPTLA"), pursuant to which we and EchoStar license to each other certain intellectual property and technology The IPTLA will continue in perpetuity, unless mutually terminated by the parties Pursuant to the IPTLA, EchoStar granted to us a license to its intellectual property and technology for use by us in connection with our continued operation of the Transferred Businesses acquired pursuant to the Share Exchange Agreement, including a limited license to use the "ECHOSTAR" trademark during a transition period EchoStar retains full ownership of the "ECHOSTAR" trademark In addition, we granted a license back to EchoStar for the continued use of all intellectual property and technology that is used in EchoStar's retained businesses but the ownership of which was transferred to us pursuant to the Share Exchange Agreement

Invidi. In November 2010 and April 2011, EchoStar made investments in Invidi Technologies Corporation ("Invidi") in exchange for shares of Invidi's Series D Preferred Stock In November 2016, we, DIRECTV, LLC, a wholly-owned indirect subsidiary of AT&T Inc , and Cavendish Square Holding B V , an affiliate of WPP plc, entered into a series of agreements to acquire Invidi As a result of the transaction, EchoStar sold its ownership interest in Invidi on the same terms offered to the other shareholders of Invidi The transaction closed in January 2017

Patent Cross-License Agreements. During December 2011, we and EchoStar entered into separate patent cross-license agreements with the same third party whereby: (i) EchoStar and such third-party licensed their respective patents to each other subject to certain conditions; and (ii) we and such third-party licensed our respective patents to each other subject to certain conditions (each, a "Cross-License Agreement") Each Cross License Agreement covers patents acquired by the respective party prior to January 1, 2017 and aggregate payments under both Cross-License Agreements total less than $10 million Each Cross License Agreement also contains an option to extend each Cross-License Agreement to include patents acquired by the respective party prior to January 1, 2022 In December 2016, we and EchoStar independently exercised our respective options to extend each Cross-License Agreement Since the aggregate payments under both Cross-License Agreements were based on the combined annual revenues of us and EchoStar, we and EchoStar agreed to allocate our respective payments to such third party based on our respective percentage of combined total revenue The aggregate additional payments to such third-party was less than $3 million No payments were made under the Cross-License Agreements during the year ended December 31, 2016

Product Support Agreement. In connection with the Spin-off, we entered into a product support agreement pursuant to which we had the right, but not the obligation, to receive product support from EchoStar (including certain engineering and technical support services) for all set-top boxes and related accessories that EchoStar has previously sold and in the future may sell to us The fees for the services provided under the product support agreement were calculated at cost plus a fixed margin, which varied depending on the nature of the services provided The term of the product support agreement was the economic life of such receivers and related accessories, unless terminated earlier As a result of the completion of the Share Exchange on February 28, 2017, the product support agreement with EchoStar has terminated We incurred expenses payable to EchoStar of approximately $61 million under the product support agreement during the year ended December 31, 2016

Professional Services Agreement. Prior to 2010, in connection with the Spin-off, we entered into various agreements with EchoStar including the Transition Services Agreement, Satellite Procurement Agreement and Services Agreement, which all expired on January 1, 2010 and were replaced by a Professional Services Agreement During 2009, we and EchoStar agreed that EchoStar shall continue to have the right, but not the obligation, to receive the following services from us, among others, certain of which were previously provided under the Transition Services Agreement: information technology, travel and event coordination, internal audit, legal, accounting and tax, benefits administration, program acquisition services and other support services Prior to the completion of the Share Exchange Agreement on February 28, 2017, Mr Vivek Khemka, our Executive Vice President and Chief Technology Officer, also provided services pursuant to the Professional Services Agreement to EchoStar as the President of EchoStar Technologies L L C Additionally, we and EchoStar agreed that we shall continue to have the right, but not the obligation, to engage EchoStar to manage the process of procuring new satellite capacity for us (previously provided under the Satellite Procurement Agreement) and receive logistics, procurement and quality assurance services from EchoStar (previously provided under the Services Agreement) and other support services The Professional Services Agreement renewed on January 1, 2017 for an additional one-year period until January 1, 2018 and renews automatically for successive one-year periods thereafter, unless terminated earlier by either party upon at least 60 days notice However, either party may terminate the Professional Services Agreement in part with respect to any particular service it receives for any reason upon at least 30 days notice In connection with the completion of the Share Exchange on February 28, 2017, we and EchoStar amended the Professional Services Agreement to, among other things, provide certain transition services to each other related to the Share Exchange Agreement We earned revenues of less than $1 million from EchoStar under the Professional Services Agreement during the year ended December 31, 2016 We incurred expenses payable to EchoStar of approximately $15 million under the Professional Services Agreement during the year ended December 31, 2016

Real Estate Lease Agreements We have entered into lease agreements pursuant to which we lease certain real estate from EchoStar The rent on a per square foot basis for each of the leases is comparable to per square foot rental rates of similar commercial property in the same geographic area, and EchoStar is responsible for its portion of the taxes, insurance, utilities and maintenance of the premises We incurred expenses payable to EchoStar of approximately $14 million under these real estate lease agreements during the year ended December 31, 2016 The term of each lease is set forth below:

- *90 Inverness Lease Agreement.* The lease for certain space at 90 Inverness Circle East in Englewood, Colorado was terminated effective August 10, 2016

- *Meridian Lease Agreement.* The lease for all of 9601 S Meridian Blvd in Englewood, Colorado is for a period ending on December 31, 2016 In December 2016, we and EchoStar amended this lease to, among other things, extend the term thereof for one additional year until December 31, 2017

- *Santa Fe Lease Agreement.* The lease for all of 5701 S Santa Fe Dr in Littleton, Colorado is for a period ending on December 31, 2016 In December 2016, we and EchoStar amended this lease to, among other things, extend the term thereof for one additional year until December 31, 2017

- *EchoStar Data Networks Sublease Agreement* The sublease for certain space at 211 Perimeter Center in Atlanta, Georgia expired on October 31, 2016

- *Gilbert Lease Agreement.* Effective August 1, 2014, we began leasing certain space from EchoStar at 801 N DISH Dr in Gilbert, Arizona This lease was for a period ending on July 31, 2017 As a result of the completion of the Share Exchange on February 28, 2017, this lease agreement with EchoStar has terminated

- *Cheyenne Lease Agreement.* The lease for certain space at 530 EchoStar Drive in Cheyenne, Wyoming is for a period ending on December 31, 2031 In connection with the completion of the Share Exchange, EchoStar transferred ownership of a portion of this property to us, and, effective March 1, 2017, we and EchoStar amended this lease agreement to (i) terminate the lease of certain space at the portion of the property that was transferred to us and (ii) provide for the continued lease to us of certain space at the portion of the property that EchoStar retained

- *100 Inverness Lease Agreement* In connection with the completion of the Share Exchange, effective March 1, 2017, we lease from EchoStar certain space at 100 Inverness Circle East, Englewood, Colorado for a period ending in December 2020 This agreement may be terminated by either party upon 180 days' prior notice

Additionally, since the Spin-off, we have entered into lease agreements pursuant to which we lease certain real estate to EchoStar The rent on a per square foot basis for each of the leases is comparable to per square foot rental rates of similar commercial property in the same geographic areas, and EchoStar is responsible for its portion of the taxes, insurance, utilities and maintenance of the premises We earned revenues of less than $1 million from EchoStar under these real estate leases during both the year ended December 31, 2016 The term of each lease is set forth below:

- *El Paso Lease Agreement.* During 2012, we began leasing certain space at 1285 Joe Battle Blvd , El Paso, Texas to EchoStar for an initial period ending on August 1, 2015, which also provides EchoStar with renewal options for four consecutive three-year terms During the second quarter 2015, EchoStar exercised its first renewal option for a period ending on August 1, 2018

- *90 Inverness Lease Agreement* In connection with the completion of the Share Exchange, effective March 1, 2017, EchoStar leases from us certain space at 90 Inverness Circle East, Englewood, Colorado for a period ending in December 2022 EchoStar has the option to renew this lease for four three-year periods

- *Cheyenne Lease Agreement* In connection with the completion of the Share Exchange, effective March 1, 2017, EchoStar leases from us certain space at 530 EchoStar Drive, Cheyenne, Wyoming for a period ending in March 2019 EchoStar has the option to renew this lease for thirteen one-year periods

- *Gilbert Lease Agreement* In connection with the completion of the Share Exchange, effective March 1, 2017, EchoStar leases from us certain space at 801 N DISH Dr , Gilbert, Arizona for a period ending in March 2019 EchoStar has the option to renew this lease for thirteen one-year periods

- *American Fork Occupancy License Agreement.* In connection with the completion of the Share Exchange, effective March 1, 2017, we acquired the lease for certain space at 796 East Utah Valley Drive, American Fork, Utah, and we sublease certain space at this location to EchoStar for a period ending in August 2017

Receiver Agreement Effective January 1, 2012, we and EchoStar entered into a receiver agreement (the "2012 Receiver Agreement") pursuant to which we had the right, but not the obligation, to purchase digital set-top boxes, related accessories, and other equipment In November 2016, we and EchoStar amended the 2012 Receiver Agreement to extend the term thereof for one additional year until December 31, 2017 The 2012 Receiver Agreement allowed us to purchase digital set-top boxes, related accessories and other equipment from EchoStar either: (i) at a cost (decreasing as EchoStar reduced costs and increasing as costs increase) plus a dollar mark-up which depended upon the cost of the product subject to a collar on EchoStar's mark-up; or (ii) at cost plus a fixed margin, which depended on the nature of the equipment purchased Under the 2012 Receiver Agreement, EchoStar's margins increased if they were able to reduce the costs of their digital set-top boxes and their margins reduced if these costs increased EchoStar provided us with standard manufacturer warranties for the goods sold under the 2012 Receiver Agreement Additionally, the 2012 Receiver

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Agreement included an indemnification provision, whereby the parties indemnify each other for certain intellectual property matters As a result of the completion of the Share Exchange on February 28, 2017, the 2012 Receiver Agreement with EchoStar has terminated We incurred expenses payable to EchoStar of approximately $702 million under the 2012 Receiver Agreement during the year ended December 31, 2016 Included in this amount are purchases of certain broadband customer premise equipment from EchoStar under the 2012 Receiver Agreement

Remanufactured Receiver and Services Agreement. In connection with the Spin-off, we entered into a remanufactured receiver and services agreement with EchoStar pursuant to which EchoStar had the right, but not the obligation, to purchase remanufactured receivers and accessories from us at cost plus a fixed margin, which varied depending on the nature of the equipment purchased In November 2016, we and EchoStar extended this agreement until December 31, 2017 As a result of the completion of the Share Exchange on February 28, 2017, the remanufactured receiver and services agreement with EchoStar has terminated We earned revenues of less than $1 million as a result of EchoStar's purchases of remanufactured receivers and accessories from us during the year ended December 31, 2016

Rovi License Agreement. On August 19, 2016, we entered into a ten-year patent license agreement (the "Rovi License Agreement") with Rovi Corporation ("Rovi") and, for certain limited purposes, EchoStar EchoStar is a party to the Rovi License Agreement solely with respect to certain provisions relating to the prior patent license agreement between EchoStar and Rovi There were no payments between us and EchoStar under the Rovi License Agreement during the year ended December 31, 2016

Sale of Orange, New Jersey Properties. In October 2016, we and EchoStar sold two parcels of real estate owned separately by us and EchoStar in Orange, New Jersey to a third party pursuant to a purchase and sale agreement Pursuant to the agreement, we and EchoStar separately received our respective payments from the buyer

Satellite Capacity Agreements

Satellite Capacity Leased from EchoStar. Since the Spin-off, we have entered into certain satellite capacity agreements pursuant to which we lease certain capacity on certain satellites owned or leased by EchoStar The fees for the services provided under these satellite capacity agreements depend, among other things, upon the orbital location of the applicable satellite, the number of transponders that are leased on the applicable satellite and the length of the lease We incurred expenses payable to EchoStar of approximately $348 million under satellite capacity agreements during the year ended December 31, 2016 The term of each lease is set forth below:

EchoStar VII, X, XI and XIV. On March 1, 2014, we began leasing all available capacity from EchoStar on the EchoStar VII, X, XI and XIV satellites The term of each satellite capacity agreement generally terminates upon the earlier of: (i) the end-of-life of the satellite; (ii) the date the satellite fails; or (iii) a certain date, which depends upon, among other things, the estimated useful life of the satellite We generally have the option to renew each satellite capacity agreement on a year-to-year basis through the end of the respective satellite's life There can be no assurance that any options to renew such agreements will be exercised

EchoStar IX. We lease certain satellite capacity from EchoStar on EchoStar IX Subject to availability, we generally have the right to continue to lease satellite capacity from EchoStar on EchoStar IX on a month-to-month basis

EchoStar XII. The lease for EchoStar XII generally terminates upon the earlier of: (i) the end-of-life or replacement of the satellite (unless we determine to renew on a year-to-year basis); (ii) the date the satellite fails; (iii) the date the transponders on which service is being provided fails; or (iv) a certain date, which depends upon, among other things, the estimated useful life of the satellite, whether the replacement satellite fails at launch or in orbit prior to being placed into service and the exercise of certain renewal options We generally have the option to renew the lease on a year-to-year basis through the end of the satellite's life There can be no assurance that any options to renew this agreement will be exercised

EchoStar XVI. In December 2009, we entered into a transponder service agreement with EchoStar to lease all of the capacity on EchoStar XVI, a DBS satellite, after its service commencement date EchoStar XVI was launched in November 2012 to replace EchoStar XV at the 61 5 degree orbital location and is currently in service Effective December 21, 2012, we and EchoStar amended the transponder service agreement to, among other things, change the initial term to generally expire upon the earlier of: (i) the end-of-life or replacement of the satellite; (ii) the date the satellite fails; (iii) the date the transponder(s) on which service is being provided under the agreement fails; or (iv) four years following the actual service commencement date In July 2016, we and EchoStar amended the transponder service agreement to, among other things, extend the initial term by one additional year and to reduce the term of the first renewal option by one year Prior to expiration of the initial term, we have the option to renew for an additional five-year period Prior to expiration of the initial term, EchoStar also has the right, upon certain conditions, to renew for an additional five-year period If either we or EchoStar exercise our respective five-year renewal options, then we have the option to renew for an additional five-year period prior to expiration of the then-current term There can be no assurance that any options to renew this agreement will be exercised

Nimiq 5 Agreement During 2009, EchoStar entered into a fifteen-year satellite service agreement with Telesat Canada ("Telesat") to receive service on all 32 DBS transponders on the Nimiq 5 satellite at the 72 7 degree orbital location (the "Telesat Transponder Agreement") During 2009, EchoStar also entered into a satellite service agreement (the "DISH Nimiq 5 Agreement") with us, pursuant to which we currently receive service from EchoStar on all 32 of the DBS transponders covered by the Telesat Transponder Agreement We have also guaranteed certain obligations of EchoStar under the Telesat Transponder Agreement

Under the terms of the DISH Nimiq 5 Agreement, we make certain monthly payments to EchoStar that commenced in September 2009 when the Nimiq 5 satellite was placed into service and continue through the service term Unless earlier terminated under the terms and conditions of the DISH Nimiq 5 Agreement, the service term will expire ten years following the date the Nimiq 5 satellite was placed into service Upon expiration of the initial term, we have the option to renew the DISH Nimiq 5 Agreement on a year-to-year basis through the end-of-life of the Nimiq 5 satellite Upon in-orbit failure or end-of-life of the Nimiq 5 satellite, and in certain other circumstances, we have certain rights to receive service from EchoStar on a replacement satellite There can be no assurance that any options to renew the DISH Nimiq 5 Agreement will be exercised or that we will exercise our option to receive service on a replacement satellite

QuetzSat-1 Lease Agreement. During 2008, EchoStar entered into a ten-year satellite service agreement with SES Latin America S A ("SES"), which provides, among other things, for the provision by SES to EchoStar of service on 32 DBS transponders on the QuetzSat-1 satellite During 2008, EchoStar also entered into a transponder service agreement ("QuetzSat-1 Transponder Agreement") with us pursuant to which we receive service from EchoStar on 24 DBS transponders QuetzSat-1 was launched on September 29, 2011 and was placed into service during the fourth quarter 2011 at the 67 1 degree orbital location while we and EchoStar explored alternative uses for the QuetzSat-1 satellite In the interim, EchoStar provided us with alternate capacity at the 77 degree orbital location During the first quarter 2013, we and EchoStar entered into an agreement pursuant to which we sublease five DBS transponders back to EchoStar In January 2013, QuetzSat-1 was moved to the 77 degree orbital location and we commenced commercial operations at that location in February 2013

Unless earlier terminated under the terms and conditions of the QuetzSat-1 Transponder Agreement, the initial service term will expire in November 2021 Upon expiration of the initial term, we have the option to renew the QuetzSat-1 Transponder Agreement on a year-to-year basis through the end-of-life of the QuetzSat-1 satellite Upon an in-orbit failure or end-of-life of the QuetzSat-1 satellite, and in certain other circumstances, we have certain rights to receive service from

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EchoStar on a replacement satellite There can be no assurance that any options to renew the QuetzSat-1 Transponder Agreement will be exercised or that we will exercise our option to receive service on a replacement satellite

103 Degree Orbital Location/SES-3. In May 2012, EchoStar entered into a spectrum development agreement (the "103 Spectrum Development Agreement") with Ciel Satellite Holdings Inc ("Ciel") to develop certain spectrum rights at the 103 degree orbital location (the "103 Spectrum Rights") In June 2013, we and EchoStar entered into a spectrum development agreement (the "DISH 103 Spectrum Development Agreement") pursuant to which we may use and develop the 103 Spectrum Rights Unless earlier terminated under the terms and conditions of the DISH 103 Spectrum Development Agreement, the term generally will continue for the duration of the 103 Spectrum Rights

In connection with the 103 Spectrum Development Agreement, in May 2012, EchoStar also entered into a ten-year service agreement with Ciel pursuant to which EchoStar leases certain satellite capacity from Ciel on the SES-3 satellite at the 103 degree orbital location (the "103 Service Agreement") In June 2013, we and EchoStar entered into an agreement pursuant to which we lease certain satellite capacity from EchoStar on the SES-3 satellite (the "DISH 103 Service Agreement") Under the terms of the DISH 103 Service Agreement, we make certain monthly payments to EchoStar through the service term Unless earlier terminated under the terms and conditions of the DISH 103 Service Agreement, the initial service term will expire on the earlier of: (i) the date the SES-3 satellite fails; (ii) the date the transponder(s) on which service was being provided under the agreement fails; or (iii) ten years following the actual service commencement date Upon in-orbit failure or end of life of the SES-3 satellite, and in certain other circumstances, we have certain rights to receive service from EchoStar on a replacement satellite There can be no assurance that we will exercise our option to receive service on a replacement satellite

Satellite and Tracking Stock Transaction with EchoStar. On February 20, 2014, we entered into agreements with EchoStar to implement a transaction pursuant to which, among other things: (i) on March 1, 2014, we transferred to EchoStar and HSSC five satellites (EchoStar I, EchoStar VII, EchoStar X, EchoStar XI and EchoStar XIV (collectively, the "Transferred Satellites"), including related in-orbit incentive obligations and cash interest payments of approximately $59 million and approximately $11 million in cash in exchange for the Tracking Stock; and (ii) beginning on March 1, 2014, we lease back all available satellite capacity on the Transferred Satellites (collectively, the "Satellite and Tracking Stock Transaction") The Satellite and Tracking Stock Transaction is further described below:

Transaction Agreement. On February 20, 2014, DOLLC and DNLLC (collectively, the "DISH Investors") and EchoStar XI Holding L L C , all indirect wholly-owned subsidiaries of us, entered into a transaction Agreement (the "Transaction Agreement") with EchoStar, HSSC and Alpha Company LLC, a wholly-owned subsidiary of EchoStar, pursuant to which, on March 1, 2014, we, among other things, transferred to EchoStar and HSSC the Transferred Satellites (including related in-orbit incentive obligations and cash interest payments of approximately $59 million) and approximately $11 million in cash in exchange for the Tracking Stock The Tracking Stock generally tracked the residential retail satellite broadband business of HNS, including without limitation the operations, assets and liabilities attributed to the Hughes residential retail satellite broadband business (collectively, the "Hughes Retail Group") The shares of the Tracking Stock issued to us represented an aggregate 80% economic interest in the Hughes Retail Group Although our investment in the Tracking Stock represented an aggregate 80% economic interest in the Hughes Retail Group, we had no operational control or significant influence over the Hughes Retail Group business, and there was no public market for the Tracking Stock As such, the Tracking Stock was accounted for under the cost method of accounting In connection with the completion of the Share Exchange on February 28, 2017, we transferred the EchoStar Tracking Stock to EchoStar and the HSSC Tracking Stock to HSSC

Satellite Capacity Leased from EchoStar. On February 20, 2014, we entered into satellite capacity agreements with certain subsidiaries of EchoStar pursuant to which, beginning March 1, 2014, we, among other things, lease all available satellite capacity on the Transferred Satellites See "*Satellite Capacity Agreements — Satellite Capacity Leased from EchoStar*," above for further information

Investor Rights Agreement. On February 20, 2014, EchoStar, HSSC and the DISH Investors also entered into an Investor Rights Agreement (the "Investor Rights Agreement") with respect to the Tracking Stock As a result of the completion of the Share Exchange on February 28, 2017, the Investor Rights Agreement with EchoStar has terminated

SlingService Services Agreement Effective February 23, 2010, we entered into an agreement with EchoStar pursuant to which we received certain services related to placeshifting, which is used for, among other things, the DISH Anywhere mobile application The fees for the services provided under this services agreement depended, among other things, upon the cost to develop and operate such services This agreement had an initial term of five years with automatic renewal for successive one year terms This agreement renewed on February 23, 2017 for an additional one-year period until February 23, 2018 As a result of the completion of the Share Exchange on February 28, 2017, this services agreement with EchoStar has terminated We incurred expenses payable to EchoStar of approximately $5 million under the SlingService services agreement during the year ended December 31, 2016

Sling Trademark License Agreement. On December 31, 2014, Sling TV L L C entered into an agreement with Sling Media, Inc , a subsidiary of EchoStar, pursuant to which we had the right for a fixed fee to use certain trademarks, domain names and other intellectual property related to the "Sling" trademark for a period ending on December 31, 2016 In December 2016, Sling TV L L C and Sling Media, Inc amended this agreement to, among other things, extend the term thereof on a month-to-month basis As a result of the completion of the Share Exchange on February 28, 2017, this agreement with EchoStar has terminated We incurred expenses payable to EchoStar of approximately $1 million under this agreement during the year ended December 31, 2016

Sling TV Holding. Effective July 1, 2012, we and EchoStar formed Sling TV Holding L L C ("Sling TV Holding"), which was owned two-thirds by us and one-third by EchoStar and was consolidated into our financial statements beginning July 1, 2012 Sling TV Holding was formed to develop and commercialize certain advanced technologies At that time, we, EchoStar and Sling TV Holding entered into the following agreements with respect to Sling TV Holding: (i) a contribution agreement pursuant to which we and EchoStar contributed certain assets in exchange for our respective ownership interests in Sling TV Holding; (ii) a limited liability company operating agreement (the "Operating Agreement"), which provided for the governance of Sling TV Holding; and (iii) a commercial agreement (the "Commercial Agreement") pursuant to which, among other things, Sling TV Holding had: (a) certain rights and corresponding obligations with respect to its business; and (b) the right, but not the obligation, to receive certain services from us and EchoStar, respectively Since this was a formation of an entity under common control and a step-up in basis was not allowed, each party's contributions were recorded at historical book value for accounting purposes

Effective August 1, 2014, EchoStar and Sling TV Holding entered into an exchange agreement (the "Exchange Agreement") pursuant to which, among other things, Sling TV Holding distributed certain assets to EchoStar and EchoStar reduced its interest in Sling TV Holding to a ten percent non-voting interest In addition, we, EchoStar and Sling TV Holding amended and restated the Operating Agreement, primarily to reflect the changes implemented by the Exchange Agreement Finally, we, EchoStar and Sling TV Holding amended and restated the Commercial Agreement, pursuant to which, among other things, Sling TV Holding: (1) continued to have certain rights and corresponding obligations with respect to its business; (2) continued to have the right, but not the obligation, to receive certain services from us and EchoStar; and (3) had a license from EchoStar to use certain of the assets distributed to EchoStar as part of the Exchange Agreement Sling TV Holding operates, through its subsidiary Sling TV L L C , the Sling TV services On January 31, 2017, we entered into the Share Exchange Agreement with EchoStar pursuant to which, among other things, EchoStar transferred its ten percent non-voting interest in Sling TV Holding to us As a result of the completion of the Share Exchange on February 28, 2017, we own 100% of Sling TV Holding, EchoStar no longer has any interest in Sling TV Holding, and the Commercial Agreement and the Exchange Agreement with EchoStar have terminated We incurred expenses payable to EchoStar of approximately $91 million under the Commercial Agreement during the year ended December 31, 2016

Tax Matters Agreement In connection with the completion of the Share Exchange, we and EchoStar entered into a Tax Matters Agreement, which governs certain rights, responsibilities and obligations with respect to taxes of the Transferred Businesses pursuant to the Share Exchange Generally, EchoStar is responsible for all tax returns and tax liabilities for the Transferred Businesses for periods prior to the Share Exchange and we are responsible for all tax returns and tax liabilities for the Transferred Businesses from and after the Share Exchange Both we and EchoStar have made certain tax-related representations and are subject to various tax-related covenants after the consummation of the Share Exchange Both we and EchoStar have agreed to indemnify each other if there is a breach of any such tax representation or violation of any such tax covenant and that breach or violation results in the Share Exchange not qualifying for tax free treatment for the other party In addition, we have agreed to indemnify EchoStar if the Transferred Businesses are acquired, either directly or indirectly (e g , via an acquisition of DISH Network), by one or more persons and such acquisition results in the Share Exchange not qualifying for tax free treatment The Tax Matters Agreement supplements the Tax Sharing Agreement outlined below, which continues in full force and effect

Tax Sharing Agreement. In connection with the Spin-off, we entered into a tax sharing agreement with EchoStar which governs our respective rights, responsibilities and obligations after the Spin-off with respect to taxes for the periods ending on or before the Spin-off Generally, all pre-Spin-off taxes, including any taxes that are incurred as a result of restructuring activities undertaken to implement the Spin-off, are borne by us, and we will indemnify EchoStar for such taxes However, we are not liable for and will not indemnify EchoStar for any taxes that are incurred as a result of the Spin-off or certain related transactions failing to qualify as tax-free distributions pursuant to any provision of Section 355 or Section 361 of the Internal Revenue Code of 1986, as amended (the "Code") because of: (i) a direct or indirect acquisition of any of EchoStar's stock, stock options or assets; (ii) any action that EchoStar takes or fails to take; or (iii) any action that EchoStar takes that is inconsistent with the information and representations furnished to the Internal Revenue Service ("IRS") in connection with the request for the private letter ruling, or to counsel in connection with any opinion being delivered by counsel with respect to the Spin-off or certain related transactions In such case, EchoStar is solely liable for, and will indemnify us for, any resulting taxes, as well as any losses, claims and expenses The tax sharing agreement will only terminate after the later of the full period of all applicable statutes of limitations, including extensions, or once all rights and obligations are fully effectuated or performed

In light of the tax sharing agreement, among other things, and in connection with our consolidated federal income tax returns for certain tax years prior to and for the year of the Spin-off, during the third quarter 2013, we and EchoStar agreed upon a supplemental allocation of the tax benefits arising from certain tax items resolved in the course of the IRS' examination of these consolidated tax returns As a result, we agreed to pay EchoStar $83 million of the tax benefit we received or will receive Any payment to EchoStar, including accrued interest, will be made at such time as EchoStar would have otherwise been able to realize such tax benefit In addition, during the third quarter 2013, we and EchoStar agreed upon a tax sharing arrangement for filing certain combined state income tax returns and a method of allocating the respective tax liabilities between us and EchoStar for such combined returns, through the taxable period ending on December 31, 2017 No payments were made with respect to the tax sharing agreement during the year ended December 31, 2016

We and EchoStar file combined income tax returns in certain states In 2015 and 2014, EchoStar earned and recognized a tax benefit for certain state income tax credits that EchoStar estimates it would be unable to utilize in the future if it had filed separately from us In addition, EchoStar earned and recognized tax benefits for certain federal income tax credits, a portion of which were allocated to us under IRS rules for affiliated companies We expect to utilize these tax credits to reduce our federal and state income tax payable in the future In accordance with accounting rules that apply to transfers of assets between entities under common control, we recorded a capital contribution of less than $1 million and $3 million in "Additional paid-in capital" on our Consolidated Balance Sheets for the years ended December 31, 2016 and 2015, respectively, representing the amount that we estimate is more likely than not to be realized by us as a result of our utilization of these tax credits earned Any payments made to EchoStar related to the utilization of these credits will be recorded as a reduction to "Additional paid-in capital" on our Consolidated Balance Sheets

TiVo On April 29, 2011, we and EchoStar entered into a settlement agreement with TiVo Inc ("TiVo") The settlement resolved all pending litigation between us and EchoStar, on the one hand, and TiVo, on the other hand, including litigation relating to alleged patent infringement involving certain DISH digital video recorders, or DVRs

Under the settlement agreement, all pending litigation was dismissed with prejudice and all injunctions that permanently restrain, enjoin or compel any action by us or EchoStar were dissolved We and EchoStar are jointly responsible for making payments to TiVo in the aggregate amount of $500 million, including an initial payment of $300 million and the remaining $200 million in six equal annual installments between 2012 and 2017 Pursuant to the terms and conditions of the agreements entered into in connection with the Spin-off of EchoStar from us, we made the initial payment to TiVo in May 2011, except for the contribution from EchoStar totaling approximately $10 million, representing an allocation of liability relating to EchoStar's sales of DVR-enabled receivers to an international customer Future payments will be allocated between us and EchoStar based on historical sales of certain licensed products, with us being responsible for 95% of each annual payment Pursuant to the Share Exchange Agreement, we will be responsible for EchoStar's allocation of the final payment to TiVo

TT&C Agreement. Effective January 1, 2012, we entered into a telemetry, tracking and control ("TT&C") agreement pursuant to which we receive TT&C services from EchoStar for certain satellites for a period ending on December 31, 2016 (the "2012 TT&C Agreement") In November 2016, we and EchoStar amended the 2012 TT&C Agreement to extend the term thereof for one additional year until December 31, 2017 The fees for services provided under the 2012 TT&C Agreement are calculated at either: (i) a fixed fee; or (ii) cost plus a fixed margin, which will vary depending on the nature of the services provided We are able to terminate the 2012 TT&C Agreement for any reason upon 60 days notice We incurred expenses payable to EchoStar of approximately $3 million under the 2012 TT&C Agreement during the year ended December 31, 2016

XiP Encryption Agreement. During the third quarter 2012, we entered into an encryption agreement with EchoStar for our whole-home HD DVR line of set-top boxes (the "XiP Encryption Agreement") pursuant to which EchoStar provided certain security measures on our whole-home HD DVR line of set-top boxes to encrypt the content delivered to the set-top box via a smart card and secure the content between set-top boxes In November 2016, we and EchoStar extended the term of the XiP Encryption Agreement for one additional year until December 31, 2017 The fees for the services provided under the XiP Encryption Agreement were calculated on a monthly basis based on the number of receivers utilizing such security measures each month As a result of the completion of the Share Exchange on February 28, 2017, the XiP Encryption Agreement with EchoStar has terminated No payments were made under the XiP Encryption Agreement during the year ended December 31, 2016

Related Party Transactions with NagraStar L.L.C. ("NagraStar")

Prior to the completion of the Share Exchange on February 28, 2017, NagraStar was a joint venture between EchoStar and Nagra USA, Inc that is our provider of encryption and related security systems intended to assure that only authorized customers have access to our programming As a result of the completion of the Share Exchange on February 28, 2017, we now own EchoStar's joint venture interest in NagraStar During the year ended December 31, 2016, we purchased from NagraStar security access and other fees at an aggregate cost to us of $73 million As of December 31, 2016, amounts payable to NagraStar totaled $17 million

Certain Related Party Transactions with Certain of Our Executive Officers

Khemka Transaction. During 2016, we employed Ms Sruta Vootukuru, the wife of Mr Vivek Khemka, our Executive Vice President and Chief Technology Officer We employed Ms Vootukuru as Vice President, Business Operations in our Sling TV business, and we paid her approximately $186,000 during 2016, and we granted her an option to purchase 15,000 Class A Shares under the 2017 LTIP on January 1, 2017 While the amount paid during 2017 will depend on the time and services that will be provided, we expect to pay Ms Vootukuru approximately $190,000 during 2017

Certain Related Party Transactions with Certain Members of Our Board of Directors

Ergen Family. During 2016, Mrs Ergen served as a Senior Advisor and as a member of our Board of Directors, and we paid her approximately $100,000 During 2016, we employed Mrs Katie Flynn, the daughter of Mr and Mrs Ergen, as Senior Assistant Brand Manager and paid her approximately $49,000 During 2016, we also employed Mr Christopher Ergen, the son of Mr and Mrs Ergen, as a Business Analyst and paid him approximately $25,000 During 2017, we expect to continue to employ Mrs Ergen, Mrs Flynn, Mr Christopher Ergen and certain other Ergen children While the amount paid during 2017 will depend on the time and services that will be provided, we expect to pay Mrs Ergen approximately $100,000, Mrs Flynn approximately $100,000, Mr Christopher Ergen approximately $25,000 and certain other Ergen children approximately $25,000 in the aggregate during 2017

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Appointment of Independent Registered Public Accounting Firm

Appointment of Independent Registered Public Accounting Firm in 2016. KPMG LLP served as our independent registered public accounting firm for the fiscal year ended December 31, 2016, and the Board has proposed that our shareholders ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017 Please see Proposal No 2 below The Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee believes that a change would be in the best interests of DISH Network

Fees Paid to KPMG LLP for 2016 and 2015

The following table presents fees for professional audit services rendered by KPMG LLP for the audit of our annual financial statements for the years ended December 31, 2016 and 2015, and fees billed for other services rendered by KPMG LLP during those periods

	For the Years Ended December 31, 2016	2015
Audit Fees (1)	$ 2,550,000	$ 2,450,000
Audit-Related Fees (2)	518,961	170,000
Total Audit and Audit-Related Fees	3,068,961	2,620,000
Tax Compliance Fees	44,049	37,550
Tax Consultation Fees	122,739	3,478
All Other Fees	—	—
Total Fees	$ 3,235,749	$ 2,661,028

(1) Consists of fees paid by us for the audit of our consolidated financial statements included in our Annual Report on Form 10-K, review of our unaudited financial statements included in our Quarterly Reports on Form 10-Q and fees in connection with the audit of our internal control over financial reporting

(2) Consists of fees for services that are normally provided by the accountant in connection with registration statement filings, issuance of consents and professional consultations with respect to accounting issues

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

The Audit Committee is responsible for appointing, setting compensation, retaining and overseeing the work of our independent registered public accounting firm The Audit Committee has established a process regarding pre-approval of all audit and permissible non-audit services provided by the independent registered public accounting firm

Requests are submitted to the Audit Committee in one of the following ways:

- Request for approval of services at a meeting of the Audit Committee; or
- Request for approval of services by members of the Audit Committee acting by written consent

The request may be made with respect to either specific services or a type of service for predictable or recurring services 100% of the fees paid by us to KPMG LLP for services rendered in 2016 and 2015 were pre-approved by the Audit Committee

REPORT OF THE AUDIT COMMITTEE

The role of the Audit Committee is to assist DISH Network's Board of Directors in its oversight of DISH Network's financial reporting process, as is more fully described in its charter DISH Network's management is responsible for its financial reporting process, including its system of internal controls, and for the preparation and presentation of its consolidated financial statements in accordance with generally accepted accounting principles DISH Network's independent registered public accounting firm is responsible for auditing those financial statements and expressing an opinion as to their conformity with generally accepted accounting principles Our responsibility is to monitor and review these processes It is not our duty or our responsibility to conduct auditing or accounting reviews or procedures We are not and may not be employees of DISH Network, and we may not represent ourselves to be, or to serve as, accountants or auditors by profession or experts in the fields of accounting or auditing Therefore, we have relied, without independent verification, on representations by DISH Network's management that its financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States of America We have also relied on representations of DISH Network's independent registered public accounting firm included in their report on its financial statements Our oversight does not provide us with an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or policies or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations Furthermore, our considerations and discussions with DISH Network's management and independent registered public accounting firm do not assure that DISH Network's financial statements are presented in accordance with generally accepted accounting principles, that the audit of DISH Network's financial statements has been carried out in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), or that DISH Network's independent registered public accounting firm is in fact "independent "

In the performance of our oversight function, we reviewed and discussed with DISH Network's management its audited financial statements for the fiscal year ended December 31, 2016 We also discussed these audited financial statements with DISH Network's independent registered public accounting firm Our discussions with the independent registered public accounting firm included the matters required to be discussed by PCAOB Auditing Standard No 16, "Communications with Audit Committees," as currently in effect We also discussed with them their independence and any relationship that might affect their objectivity or independence In connection with these discussions, we reviewed the written disclosures and the letter from KPMG LLP required by applicable requirements of the PCAOB Finally, we have considered whether the non-audit services provided by the independent registered public accounting firm are compatible with maintaining their independence

Based on the reviews and discussions referred to above, we are not aware of any relationship between the independent registered public accounting firm and DISH Network that affects the objectivity or independence of the independent registered public accounting firm Based on these discussions and our review discussed above, we recommended to DISH Network's Board of Directors that its audited financial statements for fiscal 2016 be included in DISH Network's Annual Report on Form 10-K for the year ended December 31, 2016 for filing with the Securities and Exchange Commission

Respectfully submitted,

The DISH Network Audit Committee

Tom A Ortolf (Chairman)
George R Brokaw
Steven R Goodbarn
Charles M Lillis
Afshin Mohebbi

The report of the Audit Committee and the information contained therein shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in any filing we make under the Securities Act or under the Exchange Act, irrespective of any general statement incorporating by reference this Proxy Statement into any such filing, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that we specifically incorporate this information by reference into a document we file under the Securities Act or the Exchange Act

PROPOSAL NO. 2 — RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We customarily ask our shareholders to ratify the appointment of our independent registered public accounting firm at each annual meeting The Audit Committee and the Board have selected and appointed KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017 and we are asking our shareholders to ratify this appointment at the Annual Meeting Even if the selection is ratified, the Audit Committee in its discretion may select a different independent public registered accounting firm at any time if it determines that such a change would be in the best interests of DISH Network Representatives of KPMG LLP are expected to be present at the Annual Meeting and will have the opportunity to make any statements they may desire They also will be available to respond to appropriate questions of shareholders

Charles W Ergen, our Chairman and Chief Executive Officer, currently possesses approximately 78 5% of the total voting power Please see "Security Ownership of Certain Beneficial Owners and Management" above Mr Ergen has indicated his intention to vote in favor of Proposal No 2 Accordingly, approval of Proposal No 2 is assured notwithstanding a contrary vote by any or all shareholders other than Mr Ergen

The Board of Directors unanimously recommends a vote FOR approval of Proposal No. 2 (Item No. 2 on the enclosed proxy card).

PROPOSAL NO. 3 — NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION

In our proxy statement for the 2011 Annual Meeting of Shareholders, the Board of Directors recommended that a non-binding advisory vote on the compensation of our named executive officers be held every three years by our shareholders Our shareholders at the 2011 Annual Meeting of Shareholders approved, on a non-binding advisory basis, the holding of a non-binding advisory vote on the compensation of our named executive officers every three years

In accordance with Section 14A of the Exchange Act and the related rules of the SEC, we are seeking a non-binding advisory vote from our shareholders to approve the compensation paid to our named executive officers as disclosed in this Proxy Statement Shareholders are being asked to approve the following resolution at the Annual Meeting:

> RESOLVED, that the shareholders of DISH Network Corporation (the "Corporation") hereby approve, on a non-binding advisory basis, the compensation paid to the Corporation's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K in the Corporation's Proxy Statement for its 2017 Annual Meeting of Shareholders (including the Compensation Discussion and Analysis, compensation tables, and related narrative discussion therein)

As described more fully in the "Compensation Discussion and Analysis" section of this Proxy Statement, the compensation program for our executive officers is guided by several key principles, including attraction, retention and motivation of executive officers over the long-term, recognition of individual and company-wide performance, and creation of shareholder value by aligning the interests of management and our shareholders through equity incentives We urge shareholders to read the "Compensation Discussion and Analysis" section, compensation tables and related narrative discussion in this Proxy Statement for a more detailed discussion of our compensation programs and policies, the compensation-related actions taken in fiscal 2016 and the compensation paid to our named executive officers

Charles W Ergen, our Chairman and Chief Executive Officer, currently possesses approximately 78 5% of the total voting power Please see "Security Ownership of Certain Beneficial Owners and Management" above Mr Ergen has indicated his intention to vote in favor of Proposal No 3 Accordingly, approval of Proposal No 3 is assured notwithstanding a contrary vote by any or all shareholders other than Mr Ergen

The Board of Directors unanimously recommends a vote FOR approval of Proposal No. 3 (Item No. 3 on the enclosed proxy card).

PROPOSAL NO. 4 — NON-BINDING ADVISORY VOTE ON THE FREQUENCY OF FUTURE NON-BINDING ADVISORY VOTES ON EXECUTIVE COMPENSATION

Section 14A of the Exchange Act and related SEC rules require us to seek a non-binding, advisory vote of shareholders at least once every six years to determine whether non-binding advisory votes on executive compensation should be held every one, two or three years Accordingly, in connection with this Proposal No 4, shareholders may vote that future non-binding advisory votes on executive compensation be held as follows:

- Every year;
- Every two years; or
- Every three years

Shareholders may also abstain from voting on this Proposal No 4 We urge shareholders to review the information presented in connection with Proposal No 3 in this Proxy Statement, as well as the "Compensation Discussion and Analysis" section, compensation tables and related narrative discussion in this Proxy Statement for a more detailed discussion of our compensation programs and policies and the compensation paid to our named executive officers

Our shareholders voted on a similar proposal in 2011 and approved the holding of a non-binding advisory vote on the compensation of our named executive officers every three years The Board continues to believe that holding a non-binding advisory vote on executive compensation every three years is most appropriate for DISH Network and recommends that shareholders vote to hold such non-binding advisory votes in the future every three years The Board believes that holding a non-binding advisory vote every three years offers the closest alignment with DISH Network's approach to executive compensation and its underlying philosophy that seek to enhance the long-term growth of the company and to attract, retain and motivate our executive officers over the long term The Board believes a three-year cycle for the non-binding advisory vote on executive compensation will provide investors the most meaningful timing alternative by which to evaluate the effectiveness of our executive compensation strategies and their alignment with DISH Network's business and results of operations

Although this vote on the frequency of future advisory votes on executive compensation is advisory and non-binding, the Board and the Compensation Committee value shareholders' opinions and will consider the outcome of the vote when considering the frequency of future non-binding advisory votes on executive compensation

Charles W Ergen, our Chairman and Chief Executive Officer, currently possesses approximately 78 5% of the total voting power Please see "Security Ownership of Certain Beneficial Owners and Management" above Mr Ergen has indicated his intention to vote for the holding of a non-binding advisory vote on executive compensation every three years Accordingly, the approval of the holding of a non-binding advisory vote on executive compensation every three years under Proposal No 4 is assured notwithstanding a contrary vote by any or all shareholders other than Mr Ergen

The Board of Directors unanimously recommends a vote for "EVERY THREE YEARS" under Proposal No. 4 (Item No. 4 on the enclosed proxy card).

WHERE TO GET ADDITIONAL INFORMATION

As a reporting company, we are subject to the informational requirements of the Exchange Act and accordingly file our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other information with the SEC The public may read and copy any materials filed with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549 Please call the SEC at (800) SEC-0330 for further information on the Public Reference Room As an electronic filer, our public filings are maintained on the SEC's website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC The address of that website is http://www sec gov In addition, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act may be accessed free of charge through our website as soon as reasonably practicable after we have electronically filed such material with, or furnished it to, the SEC The address of that website is http://www dish com

COST OF PROXY STATEMENT

We will bear the cost of the solicitation of proxies on behalf of the Board In addition to the use of the mail, proxies may be solicited by us personally, by telephone or by similar means None of our directors, officers or employees will be specifically compensated for those activities We do not expect to pay any compensation for the solicitation of proxies However, we will reimburse brokerage firms, custodians, nominees, fiduciaries and other persons holding our shares in their names, or in the names of nominees, at approved rates for their reasonable expenses in forwarding proxy materials to beneficial owners of securities held of record by them and obtaining their proxies

SHAREHOLDER COMMUNICATIONS

General We provide an informal process for shareholders to send communications to our Board and its members Shareholders who wish to contact the Board or any of its members may do so by writing to DISH Network Corporation, Attn: Board of Directors, 9601 S Meridian Blvd , Englewood, Colorado 80112 At the direction of the Board of Directors, all mail received will be opened and screened for security purposes Correspondence directed to an individual Board member is referred to that member Correspondence not directed to a particular Board member is referred to R Stanton Dodge, Executive Vice President, General Counsel and Secretary

Submission of Shareholder Proposals and Director Nominations for 2018 Annual Meeting. Shareholders who intend to have a proposal or director nomination considered for inclusion in our proxy materials for presentation at our 2018 Annual Meeting of Shareholders must submit the proposal or director nomination to us no later than November 23, 2017 In accordance with our Bylaws, for a proposal or director nomination not included in our proxy materials to be brought before the 2018 Annual Meeting of Shareholders, a shareholder's notice of the proposal or director nomination that the shareholder wishes to present must be delivered to R Stanton Dodge, Executive Vice President, General Counsel and Secretary, at DISH Network Corporation, 9601 S Meridian Blvd , Englewood, Colorado 80112 not less than 90 nor more than 120 days prior to the first anniversary of the 2017 Annual Meeting of Shareholders Accordingly, any notice given pursuant to our Bylaws and outside the process of Rule 14a-8 must be received no earlier than January 1, 2018 and no later than January 31, 2018 We reserve the right to reject, rule out of order or take other appropriate action with respect to any proposal or director nomination that does not comply with these and other applicable requirements

OTHER BUSINESS

Management knows of no other business that will be presented at the Annual Meeting other than that which is set forth in this Proxy Statement However, if any other matter is properly presented at the Annual Meeting, the persons named in the accompanying proxy card will have discretionary authority to vote on such matter

By Order of the Board of Directors

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R STANTON DODGE
Executive Vice President, General Counsel and Secretary

DISH NETWORK CORPORATION
9601 S. MERIDIAN BLVD.
ENGLEWOOD, CO 80112

VOTE BY INTERNET - www.proxyvote.com
Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS
If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903
Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL
Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

DETACH AND RETURN THIS PORTION ONLY

The Board of Directors recommends you vote FOR the following:

For All	Withhold All	For All Except
▢	▢	▢

To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.

1. Election of Directors

Nominees

01 George R. Brokaw	02 James DeFranco	03 Cantey M. Ergen	04 Charles W. Ergen	05 Steven R. Goodbarn
06 Charles M. Lillis	07 Afshin Mohebbi	08 David K. Moskowitz	09 Tom A. Ortolf	10 Carl E. Vogel

The Board of Directors recommends you vote FOR proposals 2 and 3.

	For	Against	Abstain
2. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017.	▢	▢	▢
3. The non-binding advisory vote on executive compensation.	▢	▢	▢

The Board of Directors recommends you vote 3 YEARS on the following proposal:

	1 year	2 years	3 years	Abstain
4. The non-binding advisory vote on the frequency of future non-binding advisory votes on executive compensation.	▢	▢	▢	▢

NOTE: In their discretion, the proxies are authorized to vote on such other business as may properly come before the meeting or any adjournment or postponement thereof.

For address change/comments, mark here. ▢
(see reverse for instructions)

Materials Election - Check this box if you want to receive a complete set of future proxy materials by mail, at no extra cost. If you do not take action you may receive only a Notice to inform you of the Internet availability of proxy materials. ▢

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Annual Report, Notice & Proxy Statement is/are available at www.proxyvote.com .

DISH NETWORK CORPORATION
PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Charles W. Ergen and R. Stanton Dodge, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote as designated below, all Class A Shares and Class B Shares of DISH Network Corporation held of record by the undersigned on March 15, 2017, at the Annual Meeting of Shareholders to be held on May 1, 2017, or any adjournment or postponement thereof.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS MADE THIS PROXY WILL BE VOTED (1) FOR THE ELECTION OF EACH OF THE TEN DIRECTORS SET FORTH ABOVE, (2) FOR THE RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR ENDING DECEMBER 31, 2017, (3) FOR THE NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION, AND (4) FOR THE HOLDING OF FUTURE NON-BINDING ADVISORY VOTES ON EXECUTIVE COMPENSATION EVERY THREE YEARS. THIS PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO PROPOSALS NOT KNOWN OR DETERMINED AT THE TIME OF THE MAILING OF THE NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO THE UNDERSIGNED.

PLEASE SIGN AND RETURN THIS PROXY IN THE ENCLOSED PRE-ADDRESSED ENVELOPE. THE TENDER OF A PROXY WILL NOT AFFECT YOUR RIGHT TO VOTE IN PERSON IF YOU ATTEND THE MEETING OR TO SUBMIT A LATER DATED REVOCATION OR AMENDMENT TO THIS PROXY ON ANY OF THE ISSUES SET FORTH ON THE REVERSE SIDE.

Address change/comments:

(If you noted any Address Changes and/or Comments above, please mark corresponding box on the reverse side.)

Continued and to be signed on reverse side

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EXHIBIT 50

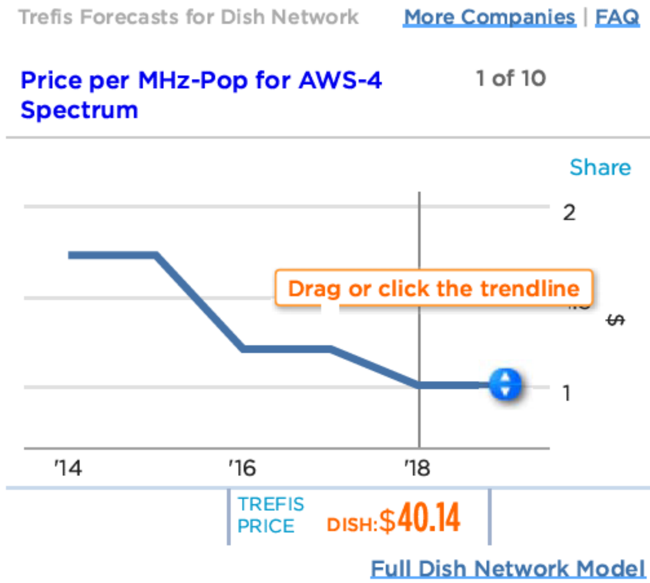
EXHIBIT 50

 | Dec 20, 2017, 02:36pm

Why Dish Network's Pay TV Revenue Pressure Is Likely To Continue

Trefis Team Contributor
Great Speculations Contributor Group

With a market share of about 14.5%, Dish Network is the third largest Pay TV provider in the U.S. behind Comcast and DirectTV. For most of the 2000s, Pay-TV service providers were able to maintain their dominance in U.S. TV households due to advancements such as HD programming and DVR. However, with the advent of over-the-top streaming services, Pay-TV providers are losing subscribers and revenues to companies such as Netflix. While the entire Pay TV domain is suffering, the impact on Dish has been significant, which is evident from the fact that the company has been unable to sustain its subscriber base despite the hefty positive contribution from Sling TV. In this note, we discuss the challenges that Dish Network will likely face in its efforts to meaningfully improve its pay-TV revenues in the coming years.



Challenges For Dish Network's Pay-TV Business

Despite activating 1.6 million gross new Pay-TV subscribers in the first nine months of 2017, Dish's subscriber base declined to 13.2 million on a net basis, indicating that cord-cutting measures continue to gain traction among U.S. households. The company launched its OTT streaming service, Sling TV, in 2015 to stem the losses in its subscriber base. While the company does not disclose standalone numbers for Sling TV currently, we believe that the net Sling TV subscriber adds have assisted the company in reducing its churn rate for its Pay-TV business in 2017. Nevertheless, we believe that the company will continue to lose subscribers in the fourth quarter of 2017, albeit at a slower rate. We project that the company will exit 2017 with around 13.2 million subscribers. In the long run, we expect Dish's subscriber base to grow marginally to 13.5 million due to its OTT services.

Furthermore, we estimate that the company's Pay TV market share will increase from 14.6% in 2017 to around 15.3% over the next seven years, even as the total number of U.S. Pay TV subscribers decline. However, the company continues to face intense competition, as incumbents such as DirectTV (DirectTV Now) have launched OTT streaming services to offset subscriber losses. This competition in the industry, coupled with streaming services from other content providers such

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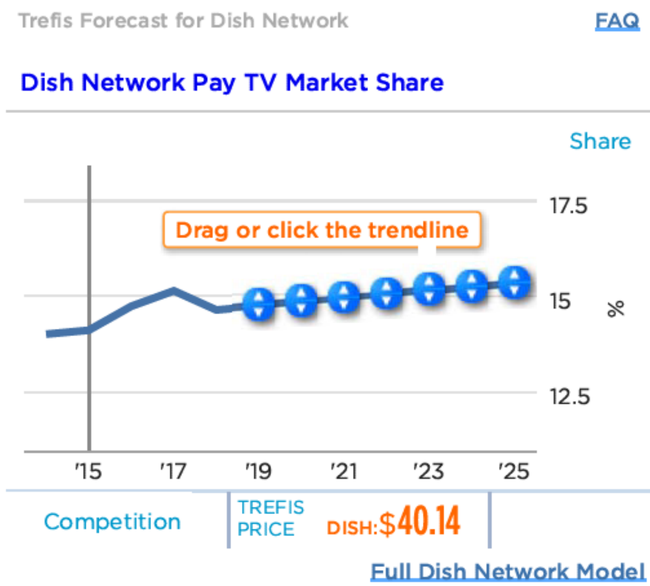
as Netflix, Sony, HBO and CBS, will limit Dish's market share and subscriber growth.



Nevertheless, Dish's management believes that Sling TV is well poised to take advantage of changing video consumption behavior and changes in preference towards streaming. However, a streaming service such as Sling is priced at a much lower price point (Sling TV's skinny bundles range from $20 to $40) than a traditional cable bundle, which cost around $60-65 per month on average. As a result, we believe that the growth in lower-priced Sling TV subscribers will put pressure on the company's average fee per subscriber. This decline in fees, coupled with anemic subscriber growth, will negatively impact Pay-TV revenue growth in the future.

Our price estimate of $50 for Dish Network is slightly above the current market price.

Interactive Institutional Research (Powered by Trefis):

YOU MAY ALSO LIKE

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Global Large Cap | **U.S. Mid & Small Cap** | **European Large & Mid Cap** |**More Trefis Research**

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Led by MIT engineers and Wall Street analysts, Trefis (through its dashboards platform dashboards.trefis.com) helps you understand how a company's products, that you touch, read, or hear about everyday, impact its stock price. Surprisingly, the founders of Trefis discovered ... MORE

EXHIBIT 51

EXHIBIT 51

10-K 1 dish-20171231x10k.htm 10-K

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM TO .

Commission file number: 0-26176

DISH Network Corporation

(Exact name of registrant as specified in its charter)

Nevada	**88-0336997**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
9601 South Meridian Boulevard	
Englewood, Colorado	**80112**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(303) 723-1000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A common stock, $0.01 par value	The Nasdaq Stock Market L.L.C.

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

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As of June 30, 2017, the aggregate market value of Class A common stock held by non-affiliates of the registrant was $13.8 billion based upon the closing price of the Class A common stock as reported on the Nasdaq Global Select Market as of the close of business on the last trading day of the month.

As of February 7, 2018, the registrant's outstanding common stock consisted of 228,040,482 shares of Class A common stock and 238,435,208 shares of Class B common stock, each $0.01 par value.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated into this Form 10-K by reference:

Portions of the registrant's definitive Proxy Statement to be filed in connection with its 2018 Annual Meeting of Shareholders are incorporated by reference in Part III.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Unless otherwise required by the context, in this report, the words “DISH Network,” the “Company,” “we,” “our” and “us” refer to DISH Network Corporation and its subsidiaries, “EchoStar” refers to EchoStar Corporation and its subsidiaries, and “DISH DBS” refers to DISH DBS Corporation, a wholly-owned, indirect subsidiary of DISH Network, and its subsidiaries.

This Annual Report on Form 10-K contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including, in particular, statements about our plans, objectives and strategies, growth opportunities in our industries and businesses, our expectations regarding future results, financial condition, liquidity and capital requirements, our estimates regarding the impact of regulatory developments and legal proceedings, and other trends and projections. Forward-looking statements are not historical facts and may be identified by words such as “future,” “anticipate,” “intend,” “plan,” “goal,” “seek,” “believe,” “estimate,” “expect,” “predict,” “will,” “would,” “could,” “can,” “may,” and similar terms. These forward-looking statements are based on information available to us as of the date of this Annual Report on Form 10-K and represent management’s current views and assumptions. Forward-looking statements are not guarantees of future performance, events or results and involve known and unknown risks, uncertainties and other factors, which may be beyond our control. Accordingly, actual performance, events or results could differ materially from those expressed or implied in the forward-looking statements due to a number of factors, including, but not limited to, the following:

Competition and Economic Risks

- As the pay-TV industry has matured and bundled offers combining video, broadband and/or wireless services have become more prevalent and competitive, we face intense and increasing competition from providers of video, broadband and/or wireless services,

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which may require us to further increase subscriber acquisition and retention spending or accept lower subscriber activations and higher subscriber churn.

- Changing consumer behavior and competition from digital media companies that provide or facilitate the delivery of video content via the Internet may reduce our subscriber activations and may cause our subscribers to purchase fewer services from us or to cancel our services altogether, resulting in less revenue to us.

- Economic weakness and uncertainty may adversely affect our ability to grow or maintain our business.

- Our competitors may be able to leverage their relationships with programmers to reduce their programming costs and/or offer exclusive content that will place them at a competitive advantage to us.

- Our over-the-top ("OTT") Sling TV Internet-based services face certain risks, including, among others, significant competition.

- If government regulations relating to the Internet change, we may need to alter the manner in which we conduct our Sling TV business, and/or incur greater operating expenses to comply with those regulations.

- Changes in how network operators handle and charge for access to data that travels across their networks could adversely impact our business.

- We face increasing competition from other distributors of unique programming services such as foreign language, sports programming, and original content that may limit our ability to maintain subscribers that desire these unique programming services.

Operational and Service Delivery Risks

- If our operational performance and customer satisfaction were to deteriorate, our subscriber activations and our subscriber churn rate may be negatively impacted, which could in turn adversely affect our revenue.

- If our subscriber activations continue to decrease, or if our subscriber churn rate, subscriber acquisition costs or retention costs increase, our financial performance will be adversely affected.

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- Programming expenses are increasing and may adversely affect our future financial condition and results of operations.

- We depend on others to provide the programming that we offer to our subscribers and, if we fail to obtain or lose access to this programming, our subscriber activations and our subscriber churn rate may be negatively impacted.

- We may not be able to obtain necessary retransmission consent agreements at acceptable rates, or at all, from local network stations.

- We may be required to make substantial additional investments to maintain competitive programming offerings.

- Any failure or inadequacy of our information technology infrastructure and communications systems, including without limitation those caused by cyber-attacks or other malicious activities, could disrupt or harm our business.

- We currently depend on EchoStar to provide the vast majority of our satellite transponder capacity and other related services to us. Our business would be adversely affected if EchoStar ceases to provide these services to us and we are unable to obtain suitable replacement services from third parties.

- Technology in the pay-TV industry changes rapidly, and our success may depend in part on our timely introduction and implementation of, and effective investment in, new competitive products and services and more advanced equipment, and our failure to do so could cause our products and services to become obsolete and could negatively impact our business.

- We rely on a single vendor or a limited number of vendors to provide certain key products or services to us such as information technology support, billing systems, and security access devices, and the inability of these key vendors to meet our needs could have a material adverse effect on our business.

- We rely on a few suppliers and in some cases a single supplier for many components of our new set-top boxes, and any reduction or interruption in supplies or significant increase in the price of supplies could have a negative impact on our business.

- Our programming signals are subject to theft, and we are vulnerable to other forms of fraud that could require us to make significant expenditures to remedy.

- We depend on independent third parties to solicit orders for our DISH TV services that represent a meaningful percentage of our total gross new DISH TV subscriber activations.

- We have limited satellite capacity and failures or reduced capacity could adversely affect our DISH TV services.

- Our owned and leased satellites are subject to construction, launch, operational and environmental risks that could limit our ability to utilize these satellites.

- We generally do not carry commercial launch or in-orbit insurance on any of the satellites that we use, other than certain satellites leased from third parties, and could face significant impairment charges if any of our owned satellites fail.

- We may have potential conflicts of interest with EchoStar due to our common ownership and management.

- We rely on key personnel and the loss of their services may negatively affect our business.

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Acquisition and Capital Structure Risks

- We have made substantial investments to acquire certain wireless spectrum licenses and other related assets. In addition, we have made substantial non-controlling investments in the Northstar Entities and the SNR Entities related to AWS-3 wireless spectrum licenses.

- We face certain risks related to our non-controlling investments in the Northstar Entities and the SNR Entities, which may have a material adverse effect on our business, results of operations and financial condition.

- To the extent that we commercialize our wireless spectrum licenses, we will face certain risks entering and competing in the wireless services industry and operating a wireless services business.

- Our wireless spectrum licenses are subject to certain interim and final build-out requirements and the failure to meet such build-out requirements may have a material adverse effect on our business, results of operations and financial condition.

- We rely on highly skilled personnel for our wireless business and, if we are unable to hire and retain key personnel or hire qualified personnel then our wireless business may be adversely affected.

- We may pursue acquisitions and other strategic transactions to complement or expand our business that may not be successful, and we may lose up to the entire value of our investment in these acquisitions and transactions.

- We may need additional capital, which may not be available on acceptable terms or at all, to continue investing in our business and to finance acquisitions and other strategic transactions.

- We have substantial debt outstanding and may incur additional debt.

- The conditional conversion features of our 3 3/8% Convertible Notes due 2026 (the “Convertible Notes due 2026”) and our 2 3/8% Convertible Notes due 2024 (the “Convertible Notes due 2024,” and collectively with the Convertible Notes due 2026, the “Convertible Notes”), if triggered, may adversely affect our financial condition.

- The convertible note hedge and warrant transactions that we entered into in connection with the offering of the Convertible Notes due 2026 may affect the value of the Convertible Notes due 2026 and our Class A common stock.

- We are subject to counterparty risk with respect to the convertible note hedge transactions.

- From time to time a portion of our investment portfolio may be invested in securities that have limited liquidity and may not be immediately accessible to support our financing needs, including investments in public companies that are highly speculative and have experienced and continue to experience volatility.

- It may be difficult for a third party to acquire us, even if doing so may be beneficial to our shareholders, because of our ownership structure.

- We are controlled by one principal stockholder who is also our Chairman.

Legal and Regulatory Risks

- The rulings in the Telemarketing litigation requiring us to pay up to an aggregate amount of $341 million and imposing certain injunctive relief against us, if upheld, would have a material adverse effect on our cash, cash equivalents and marketable investment securities balances and our business operations.

- Our business may be materially affected by the Tax Cuts and Jobs Act of 2017 (the "Tax Reform Act"). Negative or unexpected tax consequences could adversely affect our business, financial condition and results of operations.

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- Our business depends on certain intellectual property rights and on not infringing the intellectual property rights of others.
- We are, and may become, party to various lawsuits which, if adversely decided, could have a significant adverse impact on our business, particularly lawsuits regarding intellectual property.
- Our ability to distribute video content via the Internet, including our Sling TV services, involves regulatory risk.
- Changes in the Cable Act of 1992 ("Cable Act"), and/or the rules of the Federal Communications Commission ("FCC") that implement the Cable Act, may limit our ability to access programming from cable-affiliated programmers at nondiscriminatory rates.
- The injunction against our retransmission of distant networks, which is currently waived, may be reinstated.
- We are subject to significant regulatory oversight, and changes in applicable regulatory requirements, including any adoption or modification of laws or regulations relating to the Internet, could adversely affect our business.
- Our business depends on FCC licenses that can expire or be revoked or modified and applications for FCC licenses that may not be granted.
- We are subject to digital high-definition ("HD") "carry-one, carry-all" requirements that cause capacity constraints.
- Our business, investor confidence in our financial results and stock price may be adversely affected if our internal controls are not effective.
- We may face other risks described from time to time in periodic and current reports we file with the Securities and Exchange Commission ("SEC").

Other factors that could cause or contribute to such differences include, but are not limited to, those discussed under the caption "Risk Factors" in Part I, Item 1A in this Annual Report on Form 10-K, those discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" herein and those discussed in other documents we file with the SEC. All cautionary statements made or referred to herein should be read as being applicable to all forward-looking statements wherever they appear. Investors should consider the risks and uncertainties described or referred to herein and should not place undue reliance on any forward-looking statements. The forward-looking statements speak only as of the date made, and we expressly disclaim any obligation to update these forward-looking statements.

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PART I

Item 1. BUSINESS

OVERVIEW

DISH Network Corporation was organized in 1995 as a corporation under the laws of the State of Nevada. We started offering the DISH® branded pay-TV service in March 1996 and are the nation's fourth largest pay-TV provider. Our common stock is publicly traded on the Nasdaq Global Select Market under the symbol "DISH." Our principal executive offices are located at 9601 South Meridian Boulevard, Englewood, Colorado 80112 and our telephone number is (303) 723-1000.

DISH Network Corporation is a holding company. Its subsidiaries operate two primary business segments.

Pay-TV

We offer pay-TV services under the DISH® brand and the Sling® brand (collectively "Pay-TV" services). The DISH branded pay-TV service consists of, among other things, Federal Communications Commission ("FCC") licenses authorizing us to use direct broadcast satellite ("DBS") and Fixed Satellite Service ("FSS") spectrum, our owned and leased satellites, receiver systems, broadcast operations, customer service facilities, a leased fiber optic network, in-home service and call center operations, and certain other assets utilized in our operations ("DISH TV"). The Sling branded pay-TV services consist of, among other things, live, linear streaming over-the-top ("OTT") Internet-based domestic, international and Latino video programming services ("Sling TV"). As of December 31, 2017, we had 13.242 million Pay-TV subscribers in the United States, including 11.030 million DISH TV subscribers and 2.212 million Sling TV subscribers.

In addition, we have historically offered broadband services under the dishNET™ brand, which includes satellite broadband services that utilize advanced technology and high-powered satellites launched by Hughes Communications, Inc. ("Hughes") and ViaSat, Inc. ("ViaSat") and wireline broadband services. However, as we move our broadband business focus from wholesale to authorized representative arrangements, we are generally no longer marketing dishNET broadband services and our broadband subscribers will decline through customer attrition. Generally, under these authorized representative arrangements, we will receive certain payments for each broadband service activation generated and installation performed, and we will not incur subscriber acquisition costs for these activations. For example, during the first quarter 2017, we transitioned our wholesale arrangement with Hughes to an authorized representative arrangement and entered into a master service agreement (the "MSA") with Hughes Network Systems, LLC ("HNS"), a wholly-owned subsidiary of Hughes. See "*Hughes Broadband Master Services Agreement*" in Note 18 to our Consolidated Financial Statements in

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this Annual Report on Form 10-K on our Related Party Transactions with EchoStar for further information.

As a result of the completion of the Share Exchange with EchoStar, described below, we also design, develop and distribute receiver systems and provide digital broadcast operations, including satellite uplinking/downlinking, transmission and other services to third-party pay-TV providers. See Note 2 and 18 to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

Wireless

Since 2008, we have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets and made over $10 billion in non-controlling investments in certain entities, for a total of over $21 billion. In March 2017, we notified the FCC that we plan to deploy a next-generation 5G-capable network, focused on supporting narrowband Internet of Things ("IoT"). The first phase of our network deployment will be completed by March 2020, with subsequent phases to be completed thereafter. We may also determine that additional wireless spectrum licenses may be required to commercialize our wireless business and to compete with other wireless service providers.

These wireless spectrum licenses are subject to certain interim and final build-out requirements. We will need to make significant additional investments or partner with others to, among other things, commercialize, build-out, and integrate these licenses and related assets, and any additional acquired licenses and related assets; and comply with regulations

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applicable to such licenses. Depending on the nature and scope of such commercialization, build-out, integration efforts, and regulatory compliance, any such investments or partnerships could vary significantly. In addition, as we consider our options for the commercialization of our wireless spectrum, we will incur significant additional expenses and will have to make significant investments related to, among other things, research and development, wireless testing and wireless network infrastructure. See Note 14 "*Commitments and Contingencies – Wireless – DISH Network Spectrum*" in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

Business Strategy – Pay-TV

Our business strategy is to be the best provider of video services in the United States by providing products with the best technology, outstanding customer service, and great value. We promote our Pay-TV services as providing our subscribers with a better "price-to-value" relationship than those available from other subscription television service providers.

- *Products with the Best Technology.* We offer a wide selection of local and national HD programming and are a technology leader in our industry, offering award-winning DVRs (including our Hopper® whole-home HD DVR), multiple tuner receivers, 1080p video on demand, and external hard drives. We offer several Sling TV services, including Sling Orange (our single-stream Sling domestic service), Sling Blue (our multi-stream Sling domestic service), Sling International, Sling Latino, among others, as well as add-on extras, pay-per-view events and a cloud based DVR service.
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Outstanding Customer Service. We strive to provide outstanding customer service by improving the quality of the initial installation of subscriber equipment, improving the reliability of our equipment, better educating our customers about our products and services, and resolving customer problems promptly and effectively when they arise.

- *Great Value.* We have historically been viewed as the low-cost provider in the pay-TV industry in the United States because we seek to offer the lowest everyday prices available to consumers after introductory promotions expire. For example, during the third quarter 2016, we launched our Flex Pack skinny bundle with a core package of programming consisting of more than 50 channels and the choice of one of eight themed add-on channel packs, which include local broadcast networks and kids, national and regional sports and general entertainment programming. Subscribers can also add or remove additional channel packs to best suit their entertainment needs. As another example, our Sling Orange service and our Sling Blue service are two of the lowest priced live-linear online streaming services in the industry.

Products and Services

DISH TV services. We offer a wide selection of video services under the DISH TV brand, with access to hundreds of channels depending on the level of subscription. Our standard programming packages generally include programming provided by national broadcast networks, local broadcast networks and national and regional cable networks. We also offer programming packages that include regional and specialty sports channels, premium movie channels and Latino and international programming. Our Latino and international programming packages allow subscribers to choose from over 270 channels in 28 languages.

In addition, we offer our DISH TV subscribers streaming access through DISH On Demand® to thousands of movies and TV shows via their TV or Internet-connected tablets, smartphones and computers.

Our DISH TV subscribers also have the ability to use dishanywhere.com and our mobile applications for smartphones and tablets to view authorized content, search program listings and remotely control certain features of their DVRs. Dishanywhere.com and our mobile applications provide access to thousands of movies and television shows.

Sling TV services. We market our Sling TV services primarily to consumers who do not subscribe to traditional satellite and cable pay-TV services. Our Sling TV services require an Internet connection and are available on multiple streaming-capable devices including streaming media devices, TVs, tablets, computers, game consoles and smart phones. We offer Sling International, Sling Latino and Sling domestic video programming services. Our domestic Sling TV services have a

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single-stream service branded Sling Orange and a multi-stream service branded Sling Blue, which includes, among other things, the ability to stream on up to three devices simultaneously. We also offer add-on extras, pay-per-view events and a cloud based DVR service.

Technology. Our DISH TV subscribers receive programming via equipment that includes a small satellite dish, digital set-top receivers, and remote controls. Our Hopper and Joey® whole-

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home DVR promotes a suite of integrated features and functionality designed to maximize the convenience and ease of watching TV anytime and anywhere. It also has several innovative features that a consumer can use, at his or her option, to watch and record television programming, through their televisions, Internet-connected tablets, smartphones and computers. During the first quarter 2016, we made our next generation Hopper, the Hopper 3, available to customers nationwide. Among other things, the Hopper 3 features 16 tuners, delivers an enhanced 4K Ultra HD experience, and supports up to seven TVs simultaneously. In December 2016, Sling TV launched a cloud DVR program available for customers who subscribe to Sling Orange and/or Sling Blue using multiple streaming-capable devices. In January 2017, we launched AirTV Player, a new 4K Android TV-based streaming device, and AirTV Pro Install, a service that offers expertise, installation and setup of over-the-air ("OTA") antennas. We also design, develop and distribute a wide range of video delivery products and related technologies to third parties.

Broadband. In addition to our wide selection of pay-TV programming and award-winning technology, we have historically marketed broadband services under the dishNET™ brand. This service utilizes advanced technology and high-powered satellites launched by Hughes and ViaSat to provide broadband coverage nationwide and wireline broadband services as a competitive local exchange carrier to consumers in certain areas. However, as we move our broadband business focus from wholesale to authorized representative arrangements, we are generally no longer marketing dishNET broadband services and our broadband subscribers will decline through customer attrition. Generally, under these authorized representative arrangements, we will receive certain payments for each broadband service activation generated and installation performed, and we will not incur subscriber acquisition costs for these activations. For example, during the first quarter 2017, we transitioned our wholesale arrangement with Hughes to an authorized representative arrangement and entered into the MSA with HNS, a wholly-owned subsidiary of Hughes, pursuant to which we, among other things: (i) have the right, but not the obligation, to market, promote and solicit orders for the Hughes broadband satellite service and related equipment; and (ii) install Hughes service equipment with respect to activations generated by us. For example, HNS will make certain payments to us for each Hughes service activation generated and installation performed by us, and we will not incur subscriber acquisition costs for these subscribers. See Note 18 to our Consolidated Financial Statements in this Annual Report on Form 10-K on our Related Party Transactions with EchoStar for further information.

Business Strategy – Wireless

Wireless

Since 2008, we have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets and made over $10 billion in non-controlling investments in certain entities, for a total of over $21 billion, as described further below. In March 2017, we notified the FCC that we plan to deploy a next-generation 5G-capable network, focused on supporting narrowband Internet of Things ("IoT"). The first phase of our network deployment will be completed by March 2020, with subsequent phases to be completed thereafter. We may also determine that additional wireless spectrum licenses may be required to commercialize our wireless business and to compete with other wireless service providers.

DISH Network Spectrum

We have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets. These wireless spectrum licenses are subject to certain interim and final build-out requirements. We will need to make significant additional investments or partner with others to, among other things, commercialize, build-out, and integrate these licenses and related assets, and any additional acquired licenses and related assets; and comply with regulations applicable to such licenses. Depending on the nature and scope of such commercialization, build-out, integration efforts, and regulatory compliance, any such investments or partnerships could vary significantly. In addition, as we consider our options for the commercialization of our wireless spectrum, we will incur significant additional expenses and will

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have to make significant investments related to, among other things, research and development, wireless testing and wireless network infrastructure. See Note 14 "*Commitments and Contingencies – Wireless – DISH Network Spectrum*" in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses

Through our wholly-owned subsidiaries American AWS-3 Wireless II L.L.C. ("American II") and American AWS-3 Wireless III L.L.C. ("American III"), we have made over $10 billion in certain non-controlling investments in Northstar Spectrum, LLC ("Northstar Spectrum"), the parent company of Northstar Wireless, LLC ("Northstar Wireless," and collectively with Northstar Spectrum, the "Northstar Entities"), and in SNR Wireless HoldCo, LLC ("SNR HoldCo"), the parent company of SNR Wireless LicenseCo, LLC ("SNR Wireless," and collectively with SNR HoldCo, the "SNR Entities"), respectively. On October 27, 2015, the FCC granted certain AWS-3 wireless spectrum licenses (the "AWS-3 Licenses") to Northstar Wireless and to SNR Wireless, respectively, which are recorded in "FCC authorizations" on our Consolidated Balance Sheets. Under the applicable accounting guidance in Accounting Standards Codification 810, *Consolidation* ("ASC 810"), Northstar Spectrum and SNR HoldCo are considered variable interest entities and, based on the characteristics of the structure of these entities and in accordance with the applicable accounting guidance, we consolidate these entities into our financial statements. See Note 2 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

The AWS-3 Licenses are subject to certain interim and final build-out requirements. We may need to make significant additional loans to the Northstar Entities and to the SNR Entities, or they may need to partner with others, so that the Northstar Entities and the SNR Entities may commercialize, build-out and integrate these AWS-3 Licenses, comply with regulations applicable to such AWS-3 Licenses, and make any potential payments related to the re-auction of AWS-3 Licenses retained by the FCC. Depending upon the nature and scope of such commercialization, build-out, integration efforts, regulatory compliance, and potential re-auction payments, any such loans or partnerships could vary significantly. There can be no assurance that we will be able to obtain a profitable return on our non-controlling investments in the Northstar Entities and the SNR Entities.

See Note 14 "*Commitments and Contingencies – Wireless – DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses*" in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

New Business Opportunities

From time to time we evaluate opportunities for strategic investments or acquisitions that may complement our current services and products, enhance our technical capabilities, improve or sustain our competitive position, or otherwise offer growth opportunities.

Content Delivery

Digital Broadcast Operations Centers. Our principal digital broadcast operations facilities are located in Cheyenne, Wyoming and Gilbert, Arizona. We also have multiple regional and micro digital broadcast operations facilities that allow us to maximize the use of the spot beam capabilities of certain satellites. Programming content is delivered to these facilities by fiber or satellite and processed, compressed, encrypted and then uplinked to satellites for delivery to consumers.

Satellites. Our DISH TV programming is primarily delivered to customers using satellites that operate in the "Ku" band portion of the microwave radio spectrum. The Ku-band is divided into two spectrum segments. The portion of the Ku-band that allows the use of higher power satellites (12.2 to 12.7 GHz over the United States) is known as the Broadcast Satellite Service band, which is also referred to as the DBS band. The portion of the Ku-band that utilizes lower power satellites (11.7 to 12.2 GHz over the United States) is known as the FSS band.

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Most of our DISH TV programming is currently delivered using DBS satellites. To accommodate more bandwidth-intensive HD programming and other needs, we continue to explore opportunities to expand our satellite capacity through the acquisition of additional spectrum, the launching of more technologically advanced satellites, and the more efficient use of existing spectrum via, among other things, better compression technologies.

We own or lease capacity on 12 satellites in geostationary orbit approximately 22,300 miles above the equator. For further information concerning these satellites and satellite anomalies, please see the table and discussion under *"Satellites"* below.

Conditional Access System. Our conditional access system secures our programming content using encryption so that only authorized customers can access our programming. We use microchips embedded in credit card-sized access cards, called "smart cards," or security chips in our DBS receiver systems for our DISH TV services to control access to authorized programming content ("Security Access Devices").

Our signal encryption has been compromised in the past and may be compromised in the future even though we continue to respond with significant investment in security measures, such as Security Access Device replacement programs and updates in security software, that are intended to make signal theft more difficult. It has been our prior experience that security measures may only be effective for short periods of time or not at all and that we remain susceptible to additional signal theft. We expect that future replacements of our Security Access Devices may be necessary to keep our system secure. We cannot ensure that we will be successful in reducing or controlling theft of our programming content and we may incur additional costs in the future if our system's security is compromised.

For our Sling TV services, we encrypt programming content and use digital rights management software to, among other things, prevent unauthorized access to our programming content.

Content Delivery Networks. The majority of Sling TV programming content is delivered to our backhaul and uplink facilities via the internet, fiber or satellite for processing and encryption. Our Sling TV programming content is distributed from our backhaul and uplink facilities, or directly from the content provider, to content delivery network providers for delivery to consumers via the internet.

Internet Connection. Our Sling TV services require an Internet connection and are available through multiple streaming-capable devices. Certain of our digital set-top boxes require an internet connection to enable full functionality, including streaming access through DISH On Demand, access to dishanywhere.com and other applications.

Distribution Channels

While we offer receiver systems and programming through direct sales channels, a meaningful percentage of our gross new DISH TV subscriber activations are generated through independent third parties such as small satellite retailers, direct marketing groups, local and regional consumer electronics stores, nationwide retailers, and telecommunications companies. In general, we pay these independent third parties a mix of upfront and monthly incentives to solicit orders for our services and provide customer service. In addition, we offer our Sling TV services through direct sales channels and third-party marketing agreements.

Competition

Our business has historically focused on providing pay-TV services. We face substantial competition from established pay-TV providers and broadband service providers and increasing competition from companies providing/facilitating the delivery of video content via the Internet to computers, televisions, and other streaming and mobile devices, including wireless service providers. In recent years, the traditional pay-TV industry has matured, and industry consolidation and convergence has created competitors with greater scale and multiple product/service offerings. These developments, among others, have contributed to intense and increasing competition, and we expect such competition to continue.

Our Pay-TV services continue to face intense competition from traditional satellite television providers, cable companies and large telecommunication companies such as AT&T Inc. (“AT&T”), Comcast Corp. (“Comcast”), Charter Communications, Inc. (“Charter”), Verizon Communications, Inc. (“Verizon”) and others, some of whom have greater financial, marketing and other resources than we do. Some of these companies also have significant investments in companies that provide programming content. In recent years, mergers and acquisitions, joint ventures and alliances

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among cable television providers, telecommunications companies and others have created, among other things, greater scale and financial leverage for the combined companies and increased the availability of bundled offerings combining video, broadband and/or wireless services. For example, in 2015 AT&T acquired DirecTV, our direct competitor and the largest satellite TV provider in the United States, which has an OTT service, DirecTV Now, that competes directly with our Sling TV services. Furthermore, AT&T’s acquisition of DirecTV, among other things, allows DirecTV access to AT&T’s nationwide platform for wireless mobile video, and the ability to more seamlessly bundle its video services with AT&T’s broadband Internet access and wireless services. In some cases, certain competitors have been able to potentially subsidize the price of video services with the price of other bundled services, particularly broadband services.

We also face increasing competition from content providers and other companies who distribute video directly to consumers over the Internet. These content providers and other companies, as well as traditional satellite television providers, cable companies and large telecommunication companies, are rapidly increasing their Internet-based video offerings. Programming offered over the Internet has become more prevalent and consumers are spending an increasing amount of time accessing video content via the Internet on their mobile devices. In particular, consumers have shown increased interest in viewing certain video programming in any place, at any time and/or on any broadband-connected device they choose. Video content distributed over the Internet includes services with live linear television programming such as DirecTV Now, Sony PlayStation Vue, YouTube TV, Fubo TV and Philo TV single programmer offerings such as HBO GO, CBS All Access, STARZ and SHOWTIME and offerings of large libraries of on-demand content, including in certain cases original content, by companies such as Netflix, Hulu, Apple, Amazon, Alphabet and Verizon.

In addition to the traditional competition we have faced, new technologies have been, and will likely continue to be, developed that further increase the number of companies with whom we compete for video subscribers. For example, we face increasing competition from wireless telecommunications providers who offer mobile video offerings, other telephone companies who are finding ways to deliver video programming services over their wireline facilities or in a bundle with other multichannel video programming distributors ("MVPDs"), including among others, AT&T, and fiber-based networks including Google Fiber.

For further information see *"Item 1A – Risk Factors – Competition and Economic Risks – As the pay-TV industry has matured and bundled offers combining video, broadband and/or wireless services have become more prevalent and competitive, we face intense and increasing competition from providers of video, broadband and/or wireless services, which may require us to further increase subscriber acquisition and retention spending or accept lower subscriber activations and higher subscriber churn."* and *"Changing consumer behavior and competition from digital media companies that provide or facilitate the delivery of video content via the Internet may reduce our gross new subscriber activations and may cause our subscribers to purchase fewer services from us or to cancel our services altogether, resulting in less revenue to us."*

Acquisition of New Subscribers

We incur significant upfront costs to acquire subscribers, including advertising, independent third-party retailer incentives, equipment, installation services and new customer promotions. Certain customer promotions to acquire new subscribers result in less programming revenue to us over the promotional period. While we attempt to recoup these upfront costs over the lives of their subscriptions, there can be no assurance that we will be successful in achieving that objective. With respect to our DISH TV services, we employ business rules such as minimum credit requirements for prospective customers and contractual commitments. We strive to provide outstanding customer service to increase the likelihood of customers keeping their Pay-TV service over longer periods of time. Subscriber acquisition costs for Sling TV subscribers are significantly lower than those for DISH TV subscribers. Our subscriber acquisition costs may vary significantly from period to period.

Advertising. We use print, radio, television and Internet media, on a local and national basis to motivate potential subscribers to contact DISH TV and Sling TV, visit our websites or contact independent third-party retailers.

Retailer Incentives. In general, we pay independent third-party retailers an upfront incentive for each new DISH TV subscriber they bring to DISH TV that results in the activation of qualified programming and generally pay independent third-party retailers small monthly incentives for up to 60 months; provided, among other things: (i) the independent third-party retailer continuously markets, promotes and solicits orders for DISH TV products and services; (ii) the

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independent third-party retailer continuously provides customer service to our DISH TV subscribers; and (iii) the customer continuously subscribes to qualified programming.

Third-Party Marketing Agreements. We have agreements with third parties to market, promote and solicit orders for our Sling TV services generally in connection with the purchase of a streaming-capable device. We pay a fee for each Sling TV subscriber activated under these agreements.

Equipment. We incur significant upfront costs to provide our new DISH TV subscribers with in-home equipment, including advanced HD and DVR receivers, which most of our new DISH TV subscribers lease from us. While we seek to recoup these upfront equipment costs mostly through monthly fees, there can be no assurance that we will be successful in achieving that objective. In addition, upon deactivation of a subscriber we may refurbish and redeploy their equipment which lowers future upfront costs. However, our ability to capitalize on these cost savings may be limited as technological advances and consumer demand for new features may render the returned equipment obsolete.

Installation Services. We incur significant upfront costs to install satellite dishes and receivers in the homes of our new DISH TV subscribers.

New Customer Promotions. We often offer our new DISH TV subscribers certain programming at no additional charge and/or promotional pricing during a commitment period. We often offer our new Sling TV subscribers free trials and/or streaming-capable devices at no additional charge and/or promotional pricing. While such promotional activities have an economic cost and reduce our subscriber-related revenue, they are not included in our definitions of subscriber acquisition costs or the DISH TV SAC metric.

Customer Retention

We incur significant costs to retain our existing DISH TV customers, mostly by upgrading their equipment to HD and DVR receivers and by providing retention credits. As with our subscriber acquisition costs, our retention upgrade spending includes the cost of equipment and installation services. In certain circumstances, we also offer programming at no additional charge and/or promotional pricing for limited periods for existing customers in exchange for a contractual commitment to receive service for a minimum term. A component of our retention efforts includes the re-installation of equipment for customers who move. Our subscriber retention costs may vary significantly from period to period. As our Sling TV services have no contract or commitment period, we have generally not provided Sling TV subscribers with retention credits, promotional pricing, special offers or discounts. Our retention efforts for Sling TV customers generally focuses on customer engagement and increased quality of our Sling TV services.

Customer Service

Customer Service Centers. We use both internally-operated and outsourced customer service centers to handle calls, chat messages and e-mails from prospective and existing customers. We strive to answer customer calls, chat messages and e-mails promptly and to resolve issues effectively on the first call, chat session or e-mail. We also use the Internet and other applications to provide our customers with self-service capabilities.

Installation and Smart Home Service Operations. High-quality installations, upgrades, and Smart Home services and repairs are critical to providing DISH TV subscribers with quality customer service. Such services and repairs are performed by both DISH Network employees and a network of independent contractors and includes, among other things, TV mounting, appliance repair, set-up and installation of wireless networks, surround sound systems and home theaters, priority technical support, replacement equipment, cabling and power surge repairs, and installation and setup of OTA antennas.

Subscriber Management. We presently use, and depend on, software systems for subscriber billing and related functions, including, among others, CSG Systems International, Inc.'s software system used for the DISH TV services and dishNET branded broadband services and Recurly, Inc.'s software system for the Sling TV services.

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Relationship with EchoStar

On January 1, 2008, we completed the distribution of our technology and set-top box business and certain infrastructure assets (the “Spin-off”) into a separate publicly-traded company, EchoStar. DISH Network and EchoStar operate as separate publicly-traded companies and neither entity has any ownership interest in the other. However, a substantial majority of the voting power of the shares of both DISH Network and EchoStar is owned beneficially by Charles W. Ergen, our Chairman, and by certain trusts established by Mr. Ergen for the benefit of his family. EchoStar provides the vast majority of our satellite transponder capacity and is a key supplier of other related services to us. Furthermore, we have an authorized representative arrangement with Hughes, a wholly-owned subsidiary of EchoStar, under the MSA which offers satellite broadband Internet services to customers. See “*Item 1A. Risk Factors”* and Note 18 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

Share Exchange. On February 28, 2017, we and EchoStar and certain of our respective subsidiaries completed the transactions contemplated by the Share Exchange Agreement (the “Share Exchange Agreement”) that was previously entered into on January 31, 2017 (the “Share Exchange”). Pursuant to the Share Exchange Agreement, among other things, EchoStar transferred to us certain assets and liabilities of the EchoStar technologies and EchoStar broadcasting businesses, consisting primarily of the businesses that design, develop and distribute digital set-top boxes, provide satellite uplinking services and develop and support streaming video technology, as well as certain investments in joint ventures, spectrum licenses, real estate properties and EchoStar’s ten percent non-voting interest in Sling TV Holding L.L.C. (the “Transferred Businesses”), and in exchange, we transferred to EchoStar the 6,290,499 shares of preferred tracking stock issued by EchoStar (the “EchoStar Tracking Stock”) and 81.128 shares of preferred tracking stock issued by Hughes Satellite Systems Corporation, a subsidiary of EchoStar (the “HSSC Tracking Stock,” and together with the EchoStar Tracking Stock, collectively, the “Tracking Stock”), that tracked the residential retail satellite broadband business of HNS. In connection with the Share Exchange, we and EchoStar and certain of its subsidiaries entered into certain agreements covering, among other things, tax matters, employee matters, intellectual property matters and the provision of transitional services. As the Share Exchange was a transaction between entities that are under common control, accounting rules require that our Consolidated Financial Statements include the results of the Transferred Businesses for all periods presented, including periods prior to the completion of the Share Exchange. See Note 18 to our Consolidated Financial Statements in this Annual Report on Form 10-K on our Related Party Transactions with EchoStar for further information.

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SATELLITES

Pay-TV Satellites. Most of our DISH TV programming is currently delivered using DBS satellites. We continue to explore opportunities to expand our available satellite capacity through the use of other available spectrum. Increasing our available spectrum is particularly important as more bandwidth intensive HD programming is produced and to address new video and data applications consumers may desire in the future. We currently utilize 12 satellites in geostationary orbit approximately 22,300 miles above the equator as detailed in the table below.

Satellites	Launch Date	Degree Orbital Location	Estimated Useful Life (Years) / Lease Termination Date
Owned:			
EchoStar XV	July 2010	61.5	15
EchoStar XVIII	June 2016	61.5	15
Leased from EchoStar (1):			
EchoStar VII (2)	February 2002	119	June 2018
EchoStar IX	August 2003	121	Month to month
EchoStar X (2)	February 2006	110	February 2021
EchoStar XI (2)	July 2008	110	September 2021
EchoStar XIV (2)	March 2010	119	February 2023
EchoStar XVI (3)	November 2012	61.5	January 2023
Nimiq 5	September 2009	72.7	September 2019
QuetzSat-1	September 2011	77	November 2021
Leased from Other Third Party:			
Anik F3	April 2007	118.7	April 2022
Ciel II	December 2008	129	January 2019

(1) See Note 18 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information on our Related Party Transactions with EchoStar.
(2) We generally have the option to renew each lease on a year-to-year basis through the end of the useful life of the respective satellite.
(3) We have the option to renew this lease for an additional five-year period.

Satellite Anomalies

Operation of our DISH TV services requires that we have adequate satellite transmission capacity for the programming that we offer. While we generally have had in-orbit satellite capacity sufficient to transmit our existing channels and some backup capacity to recover the transmission of certain critical programming, our backup capacity is limited.

In the event of a failure or loss of any of our owned or leased satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other owned or leased satellites and use it as a replacement for the failed or lost satellite. Such a failure could result in a prolonged loss of critical programming or a significant delay in our plans to expand programming as necessary to remain competitive and thus may have a material adverse effect on our business, financial condition and results of operations.

In the past, certain of our owned and leased satellites have experienced anomalies, some of which have had a significant adverse impact on their remaining useful life and/or commercial operation. There can be no assurance that future anomalies will not impact the remaining useful life and/or commercial operation of any of the owned and leased satellites in our fleet. See "Impairment of Long-Lived Assets" in Note 2 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information on evaluation of

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impairment. There can be no assurance that we can recover critical transmission capacity in the event one or more of our owned or leased in-orbit

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satellites were to fail. We generally do not carry commercial launch or in-orbit insurance on any of the satellites that we use, other than certain satellites leased from third parties, and therefore, we will bear the risk associated with any uninsured launch or in-orbit satellite failures. Recent developments with respect to certain of our satellites are discussed below.

Leased Satellites

EchoStar X. In December 2017, EchoStar informed us that EchoStar X experienced anomalies resulting in the loss of some electrical power available from its solar arrays. As a result, EchoStar X is currently operating at 75% of its designed satellite capacity. Pursuant to our satellite lease agreement with EchoStar, we are entitled to a reduction in our monthly recurring lease payments in the event of a partial loss of satellite capacity or complete failure of the satellite. This satellite is currently still in service at the 110 degree orbital location. There can be no assurance that future anomalies will not further impact the commercial operation of EchoStar X. Based on the redundancy designed within our satellite fleet, we generally have in-orbit satellite capacity sufficient to transmit our existing channels and some backup capacity to recover the transmission of certain critical programming.

AWS-4 Satellites. We own two in-orbit AWS-4 satellites (D1 and T1), as detailed in the table below.

Satellites	**Launch Date**	**Degree Orbital Location**	**Estimated Useful Life (Years)**
Owned:			
T1	July 2009	111.1	14.25
D1	April 2008	92.85	N/A

See Note 8 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information on our satellites.

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GOVERNMENT REGULATIONS

Our operations, particularly our Pay-TV operations and our wireless spectrum licenses are subject to significant government regulation and oversight, primarily by the FCC and, to a certain extent, by Congress, other federal agencies and foreign, state and local authorities. Depending

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on the circumstances, noncompliance with legislation or regulations promulgated by these authorities could result in limitations on, or the suspension or revocation of, our licenses or registrations, the termination or loss of contracts or the imposition of contractual damages, civil fines or criminal penalties, any of which could have a material adverse effect on our business, financial condition and results of operations. These governmental authorities could also adopt regulations or take other actions that would adversely affect our business prospects.

Furthermore, the Administration and any government policy changes it may institute, which may be substantial, could increase regulatory uncertainty. The adoption or modification of laws or regulations relating to video programming, satellite services, wireless telecommunications, broadband, the Internet or other areas of our business could limit or otherwise adversely affect the manner in which we currently conduct our business. In addition, the manner in which regulations or legislation in these areas may be interpreted and enforced cannot be precisely determined, which in turn could have an adverse effect on our business, financial condition and results of operations.

Wireless services and our wireless spectrum licenses are subject to regulation by the FCC and, depending on the jurisdiction, other federal, state and local, as well as international, governmental authorities and regulatory agencies, including, among other things, regulations governing the licensing, construction, operation, sale and interconnection arrangements of wireless telecommunications systems. In particular, the FCC imposes significant regulation on licensees of wireless spectrum with respect to how radio spectrum is used by licensees, the nature of the services that licensees may offer and how the services may be offered, and resolution of issues of interference between spectrum bands. The FCC grants wireless licenses for terms of generally 10-12 years that are subject to renewal or revocation. There can be no assurances that our wireless spectrum licenses will be renewed. Failure to comply with FCC build-out requirements in a given license area may result in acceleration of other build-out requirements or in the modification, cancellation, or non-renewal of licenses. For further information related to our licenses and build-out requirements related to our wireless spectrum licenses see "*Item 1A. Risk Factors – Acquisition and Capital Structure Risks – We have made substantial investments to acquire certain wireless spectrum licenses and other related assets. In addition, we have made substantial non-controlling investments in the Northstar Entities and the SNR Entities related to AWS-3 wireless spectrum licenses.*"

The following summary of regulatory developments and legislation in the United States is not intended to describe all present and proposed government regulation and legislation affecting the video programming distribution, satellite services, wireless telecommunications and broadband industries. Government regulations that are currently the subject of judicial or administrative proceedings, legislative hearings or administrative proposals could change these industries to varying degrees. We cannot predict either the outcome of these proceedings or any potential impact they might have on these industries or on our operations.

FCC Regulations Governing our Pay-TV Operations

FCC Jurisdiction over our DBS Operations. The Communications Act of 1934, as amended (the "Communications Act"), gives the FCC broad authority to regulate the operations of satellite companies. Specifically, the Communications Act gives the FCC regulatory jurisdiction over the following areas relating to communications satellite operations:

- the assignment of satellite radio frequencies and orbital locations, the licensing of satellites and earth stations, the granting of related authorizations, and evaluation of the fitness of a company to be a licensee;
- approval for the relocation of satellites to different orbital locations or the replacement of an existing satellite with a new satellite;
- ensuring compliance with the terms and conditions of such assignments, licenses, authorizations and approvals, including required timetables for construction and operation of satellites;
- avoiding interference with other radio frequency emitters; and
- ensuring compliance with other applicable provisions of the Communications Act and FCC rules and regulations.

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To obtain FCC satellite licenses and authorizations, satellite operators must satisfy strict legal, technical and financial qualification requirements. Once issued, these licenses and authorizations are subject to a number of conditions including, among other things, satisfaction of ongoing due diligence obligations, construction milestones, and various reporting requirements. Necessary federal approval of these applications may not be granted, may not be granted in a timely manner, or may be granted subject to conditions that may be cumbersome.

Overview of our DBS Satellites, Authorizations and Contractual Rights for Satellite Capacity. Our satellites are located in orbital positions, or slots, that are designated by their western longitude. An orbital position describes both a physical location and an assignment of spectrum in the applicable frequency band. Each DBS orbital position has 500 MHz of available Ku-band spectrum that is divided into 32 frequency channels. Several of our satellites also include spot-beam technology that enables us to increase the number of markets where we provide local channels, but reduces the number of video channels that could otherwise be offered across the entire United States.

The FCC has licensed us to operate a total of 50 DBS frequency channels at the following orbital locations:

- 21 DBS frequency channels at the 119 degree orbital location, capable of providing service to the continental United States ("CONUS"); and
- 29 DBS frequency channels at the 110 degree orbital location, capable of providing service to CONUS.

In addition, we currently lease or have entered into agreements to lease capacity on satellites using the following spectrum at the following orbital locations:

- 500 MHz of Ku-band FSS spectrum that is divided into 32 frequency channels at the 118.7 degree orbital location, which is a Canadian FSS slot that is capable of providing service to CONUS, Alaska and Hawaii;
- 32 DBS frequency channels at the 129 degree orbital location, which is a Canadian DBS slot that is capable of providing service to most of the United States;
- 32 DBS frequency channels at the 61.5 degree orbital location, capable of providing service to most of the United States;
- 24 DBS frequency channels at the 77 degree orbital location, which is a Mexican DBS slot that is capable of providing service to most of the United States and Mexico; and
- 32 DBS frequency channels at the 72.7 degree orbital location, which is a Canadian DBS slot that is capable of providing service to CONUS.

We also have month-to-month FSS capacity available from EchoStar on a satellite located at the 121 degree orbital location and a lease for FSS capacity available from EchoStar on a satellite located at the 103 degree orbital location.

In June 2015, the FCC granted us authority to provide service to the United States from a Canadian-licensed satellite using Reverse Band Ka frequencies at the 103 degree orbital location.

Duration of our DBS Licenses. Generally speaking, all of our satellite licenses are subject to expiration unless renewed by the FCC. The term of each of our DBS licenses is ten years. Our licenses are currently set to expire at various times. In addition, at various times we have relied on special temporary authorizations for our operations. A special temporary authorization is granted for a period of only 180 days or less, subject again to possible renewal by the FCC. From time to time, we apply for authorizations to use new satellites at our existing orbital locations. Generally, our FCC licenses and special temporary authorizations have been renewed, and our applications for new satellites at our existing orbital locations have been approved, by the FCC on a routine basis, but there can be no assurance that the FCC will continue to do so.

Opposition and Other Risks to our Licenses. Several third parties have opposed in the past, and we expect these or other parties to oppose in the future, some of our FCC satellite authorizations and pending and future requests to the FCC for extensions, modifications, waivers and approvals of our licenses. In addition, we must comply with numerous FCC reporting, filing and other requirements in connection with our satellite authorizations. Consequently, it is possible the FCC could revoke, terminate, condition or decline to extend or renew certain of our authorizations or licenses.

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4.5 Degree Spacing "Tweener" Satellites. The FCC has proposed to allow so-called "tweener" DBS operations – DBS satellites operating at orbital locations 4.5 degrees (half of the usual nine degrees) away from other DBS satellites. The FCC granted authorizations to EchoStar and Spectrum Five for tweener satellites at the 86.5 and 114.5 degree orbital locations, respectively. These authorizations were subsequently cancelled because the FCC determined that the licensees did not meet certain milestone requirements. Tweener operations close to our licensed orbital locations could cause harmful interference to our service and constrain our future operations. The FCC has not completed its rulemaking on the operating and service rules for tweener satellites.

Interference from Other Services Sharing Satellite Spectrum. The FCC has adopted rules that allow non-geostationary orbit ("NGSO") FSS satellites to operate on a co-primary basis in the same frequency band as our DBS and geostationary orbit ("GSO") FSS satellites. The FCC has also authorized the use of multichannel video distribution and data service ("MVDDS") licenses in the DBS band. MVDDS licenses were auctioned in 2004. MVDDS systems are now only beginning to be commercially deployed in a few markets. We have MVDDS licenses in 82 out of 214 geographical license areas. Despite regulatory provisions intended to protect DBS and FSS operations from harmful interference, there can be no assurance that operations by other satellites or terrestrial communication services in the DBS and FSS bands will not interfere with our DBS and FSS operations and adversely affect our business.

OneWeb LLC ("OneWeb") and others have filed requests with the FCC for authority to launch and operate, or provide service from, NGSO satellite systems using a variety of spectrum bands, including the 12.2-12.7 GHz band, which we use for our DBS service, and where we also have certain licenses to provide one-way terrestrial MVDDS service. In June 2017, the FCC approved OneWeb's request for authority to launch and operate, or provide service from, such systems. If these systems are launched and put into operation, there can be no assurance that they will not interfere with our DBS operations and adversely affect our business or that they will not hinder our ability to provide MVDDS service.

Satellite Competition from Additional Slots and Interference. AT&T, through DirecTV, has obtained FCC authority to provide service to the United States from a Canadian DBS orbital slot, and EchoStar has obtained authority to provide service to the United States from both a Mexican and a Canadian DBS orbital slot. Further, we have also received authority to do the same from a Canadian DBS orbital slot at 129 degrees and a Canadian FSS orbital slot at 118.7 degrees. The possibility that the FCC will allow service to the United States from additional foreign slots may permit additional competition against us from other satellite providers. It may also provide a

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means by which to increase our available satellite capacity in the United States. In addition, a number of administrations, such as Great Britain and the Netherlands, have requested authority to add orbital locations serving the United States close to our licensed slots. Such operations could cause harmful interference to our satellites and constrain our future operations.

Rules Relating to Broadcast Services. The FCC imposes different rules for “subscription” and “broadcast” services. We believe that, because our DISH TV services offer a subscription programming service, we are not subject to many of the regulatory obligations imposed upon broadcast licensees. However, we cannot be certain whether the FCC will find in the future that we must comply with regulatory obligations as a broadcast licensee. If the FCC determines that we are a broadcast licensee, it could require us to comply with all regulatory obligations imposed upon broadcast licensees, which in certain respects are subject to more burdensome regulation than subscription television service providers.

Public Interest Requirements. The FCC imposes certain public interest obligations on our DBS licenses. These obligations require us to set aside four percent of our channel capacity exclusively for noncommercial programming for which we must charge programmers below-cost rates and for which we may not impose additional charges on subscribers. The Satellite Television Extension and Localism Act of 2010 (“STELA”) required the FCC to decrease this set-aside to 3.5 percent for satellite carriers who provide retransmission of state public affairs networks in 15 states and are otherwise qualified. The FCC, however, has not yet determined whether we qualify for this decrease in set-aside. The obligation to provide noncommercial programming may displace programming for which we could earn commercial rates and could adversely affect our financial results. We cannot be sure that, if the FCC were to review our methodology for processing public interest carriage requests, computing the channel capacity we must set aside or determining the rates that we charge public interest programmers, it would find them in compliance with the public interest requirements.

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Separate Security, Plug and Play. The STELA Reauthorization Act of 2014 (“STELAR”) ended the “integration ban” that required cable companies to separate security functionality from the other features of their set-top boxes and that required leased cable set-top boxes to include CableCARDs effective December 2015. Set-top boxes used by DBS providers were not subject to this separate security requirement. STELAR required the FCC to establish a working group of technical experts to identify and report on downloadable security design options that are not unduly burdensome and that promote competition with respect to the availability of navigation devices. The working group released a report in August 2015, which declined to offer a consensus recommendation regarding downloadable security design options. However, we cannot predict whether the FCC will take further action regarding downloadable security. Also, the FCC adopted the so-called “plug and play” standard for compatibility between digital television sets and cable systems. That standard was developed through negotiations involving the cable and consumer electronics industries, but not the satellite television industry. The FCC’s adoption of the standard was accompanied by certain rules regarding copy protection measures that were applicable to us. We appealed the FCC’s decision regarding the copy protection measures to the United States Court of Appeals for the D.C. Circuit (“D.C. Circuit”) and on January 15, 2013 the D.C. Circuit vacated the FCC’s decision. The FCC is also considering various proposals to establish two-way digital cable “plug and play” rules. That proceeding also asks about means to incorporate all pay-TV providers into its “plug and play” rules. The cable industry and consumer electronics companies have reached a “tru2way” commercial arrangement to resolve many of the outstanding issues in this docket. We cannot predict whether the FCC will impose rules on our DBS operations that are based on cable system architectures or the private cable/consumer electronics tru2way commercial arrangement. Complying with the separate security and other "plug and play" requirements may not be technically feasible or may require potentially costly modifications to our set-top boxes and operations. We cannot predict the timing or outcome of this FCC proceeding.

In 2016, the FCC adopted a Notice of Proposed Rulemaking regarding possible new regulations that would generally require pay-TV providers, among others, to make their video services operate on third-party devices. Under the FCC's proposal, consumers would have the choice of accessing cable and satellite programming through the pay-TV operator's products and services, or through products and services offered by a third party. These regulations, if adopted, would have the potential to impose new costs on our DISH TV business by, among other things, requiring us to deploy additional hardware or software to enable our DISH TV services to operate with third-party devices. In February 2017, the FCC closed this rule making proceeding and no regulations were adopted. However, we cannot be certain that the FCC will not open a new proceeding in the future to pursue similar regulations.

Retransmission Consent. The Copyright Act generally gives satellite companies a statutory copyright license to retransmit local broadcast channels by satellite back into the market from which they originated, subject to obtaining the retransmission consent of local network stations that do not elect "must carry" status, as required by the Communications Act. If we fail to reach retransmission consent agreements with such broadcasters, we cannot carry their signals. This could have an adverse effect on our strategy to compete with cable and other satellite companies that provide local signals. While we have been able to reach retransmission consent agreements with most of these local network stations, from time to time there are stations with which we have not been able to reach an agreement. We cannot be sure that we will secure these agreements or that we will secure new agreements on acceptable terms, or at all, upon the expiration of our current retransmission consent agreements, some of which are short-term. In recent years, national broadcasters have used their ownership of certain local broadcast stations to require us to carry additional cable programming in exchange for retransmission consent of their local broadcast stations. These requirements may place constraints on available capacity on our satellites for other programming. Furthermore, the rates we are charged for retransmitting local channels have been increasing substantially and may exceed our ability to increase our prices to our customers, which could have a material adverse effect on our business, financial condition and results of operations. In addition, the broadcast stations' demands for higher rates have resulted in more frequent negotiating impasses and programming interruptions. During these programming interruptions, our subscribers in the affected markets lack access to popular programming and may switch to another multichannel distributor that may be able to provide them with such programming.

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In 2015, the FCC commenced a rulemaking proceeding as required by STELAR to review its "totality of circumstances" test for ensuring that television stations and MVPDs negotiate retransmission consent agreements in "good faith." In 2016, the Chairman of the FCC announced that the FCC would not proceed at that time to adopt additional rules governing good faith negotiations for retransmission consent. STELAR prohibits television stations from coordinating or engaging in joint retransmission consent negotiations with any other local television stations, unless the stations are "directly or indirectly under common de jure control," expanding a previous FCC ruling prohibiting joint negotiations only among the top four stations in a market. In addition, STELAR prohibits a local television station from limiting an MVPD's ability to carry other television signals that have been deemed by the FCC to be "significantly viewed" or to carry any other television signal the MVPD is otherwise entitled to carry under the Communications Act, unless such stations are "directly or indirectly under common de jure control" pursuant to FCC regulations. We cannot predict if these restrictions on broadcasters will result in more effective retransmission consent negotiations.

ATSC 3.0. In April 2016, the broadcast industry petitioned the FCC to authorize the use of the "Next Generation TV" broadcast television standard, ATSC 3.0. In November 2017, the FCC authorized television broadcasters to deploy the ATSC 3.0 standard on a voluntary basis. We cannot predict the effect that supporting this new standard could have on equipment costs, carriage obligations or the retransmission consent process.

Media Ownership Rules. Also in 2016, the broadcast industry petitioned the FCC to relax its media ownership rules, which, among other things, limit the number of commonly owned TV stations per market and restrict newspaper/broadcast cross-ownership and radio/TV cross-ownership. In November 2017, the FCC voted to: (i) eliminate the newspaper/broadcast cross-ownership rule; (ii) eliminate the radio/television cross-ownership rule; (iii) relax the local television ownership rules to eliminate certain restrictions and modify others; and (iv) eliminate the attribution rule for television joint-sales agreements. In December 2017, the FCC initiated a rulemaking proceeding seeking comment on changes to the national television multiple-ownership rule, including changes that could relax or eliminate the current limits that prevent entities from owning or controlling television stations that, in the aggregate, reach more than 39 percent of the television households in the country. If the FCC were to relax or eliminate some or all of the national television multiple-ownership rule, it could increase the negotiating leverage that broadcasters hold in retransmission consent negotiations. We cannot predict whether the FCC will further change any of its media ownership rules or the effect that any changes to the media ownership rules could have on our future retransmission consent negotiations.

Digital HD Carry-One, Carry-All Requirement. To provide any full-power local broadcast signal in any market, we are required to retransmit all qualifying broadcast signals in that market ("carry-one, carry-all"), including the carriage of full-power broadcasters' HD signals in markets in which we elect to provide local channels in HD. The carriage of additional HD signals on our DISH TV services could cause us to experience significant capacity constraints and prevent us from carrying additional popular national channels and/or carrying those national channels in HD.

Distant Signals. Pursuant to STELA, we obtained a waiver of a court injunction that previously prevented us from retransmitting certain distant network signals under a statutory copyright license. Because of that waiver, we may provide distant network signals to eligible subscribers. To qualify for that waiver, we are required to provide local service in all 210 local markets in the United States on an ongoing basis. This condition poses a significant strain on our capacity. Moreover, we may lose that waiver if we are found to have failed to provide local service in any of the 210 local markets. If we lose the waiver, the injunction could be reinstated. Furthermore, depending on the severity of the failure, we may also be subject to other sanctions, which may include, among other things, damages.

Cable Act and Program Access. We purchase a large percentage of our programming from cable-affiliated programmers. Pursuant to the Cable Act, cable providers had been prohibited from entering into exclusive contracts with cable-affiliated programmers. The Cable Act directed that this prohibition expire after a certain period of time unless the FCC determined that the prohibition continued to be necessary. On October 5, 2012, the FCC allowed this prohibition to expire. While the FCC has issued a Further Notice of Proposed Rulemaking aimed at serving some of the same objectives as the prohibition, there can be no assurances that such protections will be adopted or be as effective as the prohibition if they are adopted. In the event that this decision is reconsidered by the FCC or reviewed by a court of appeals, we cannot predict the timing or outcome of any subsequent FCC decision.

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As a result of the expiration of this prohibition on exclusivity, we may be limited in our ability to obtain access at all, or on nondiscriminatory terms, to programming from programmers that are affiliated with cable system operators. In addition, any other changes in the Cable Act, and/or the FCC's rules that implement the Cable Act, that currently limit the ability of cable-affiliated programmers to discriminate against competing businesses such as ours, could adversely affect our ability to acquire cable-affiliated programming at all or to acquire programming on nondiscriminatory terms.

Furthermore, the FCC had imposed program access conditions on certain cable companies as a result of mergers, consolidations or affiliations with programmers. The expiration of the exclusivity prohibition in the Cable Act triggered the termination of certain program access conditions that the FCC had imposed on Liberty Media Corporation ("Liberty"). In July 2012, similar program access conditions that had applied to Time Warner Cable Inc. ("Time Warner Cable"), which was acquired by Charter in 2016, expired as previously scheduled. These developments may adversely affect our ability to obtain Liberty's and Charter's programming, or to obtain it on nondiscriminatory terms. In the case of certain types of programming affiliated with Comcast through its control of NBCUniversal Media, LLC ("NBCUniversal"), the prohibition on exclusivity expired in January 2018, and we can no longer rely on these protections. We cannot predict the practical effect of the expiration of these conditions which could have a material adverse effect on our business, results of operations and financial condition or otherwise disrupt our business.

In addition, affiliates of certain cable providers have denied us access to sports programming that they supply to their cable systems terrestrially, rather than by satellite. The FCC has held that new denials of such service are unfair if they have the purpose or effect of significantly hindering us from providing programming to consumers. However, we cannot be sure that we can prevail in a complaint related to such programming and gain access to it. Our continuing failure to access such programming could materially and adversely affect our ability to compete in regions serviced by these cable providers.

MDU Exclusivity. The FCC has found that cable companies should not be permitted to have exclusive relationships with multiple dwelling units (e.g., apartment buildings). In May 2009, the D.C. Circuit upheld the FCC's decision. While the FCC requested comments in November 2007 on whether DBS and Private Cable Operators should be prohibited from having similar relationships with multiple dwelling units, it has yet to make a formal decision. If the cable exclusivity ban were to be extended to DBS providers, our ability to serve these types of buildings and communities would be adversely affected. We cannot predict the timing or outcome of the FCC's consideration of this proposal.

Open Internet (also known as "Net Neutrality"). In 2015, the FCC adopted Open Internet rules, which applied to both fixed and mobile broadband access providers and prohibited them, among other things, from blocking or throttling traffic, from paid prioritization, and from unreasonably interfering with, or disadvantaging, consumers' or content providers' access to the Internet. In addition, because the FCC reclassified broadband access providers as common carriers, these providers were subject to the general common carrier requirements of reasonableness and nondiscrimination. The rules were affirmed by a panel of the D.C. Circuit. A number of broadband access providers and their associations have filed a petition for certiorari with the United States Supreme Court. In December 2017, the FCC reversed course and voted to reclassify broadband access providers as information service providers, instead of common carriers. The FCC also voted to eliminate the majority of the Open Internet rules, leaving only certain ISP transparency requirements in place. The FCC's decision is being challenged by various parties. We cannot predict the outcome or timing of these proceedings or how the FCC will implement and enforce the remaining Open Internet rules.

To the extent that network operators implement usage based pricing, including meaningful bandwidth caps, or otherwise try to monetize access to their networks by data providers, we could incur greater operating expenses and our Sling TV subscriber count could be negatively impacted. Furthermore, to the extent network operators create tiers of Internet access service and either charge us for or prohibit us from being available through these tiers, our Sling TV business could be negatively impacted. We cannot predict with any certainty the impact to our Sling TV business resulting from changes in how network operators handle and charge for access to data that travels across their networks.

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Comcast-NBCUniversal. In January 2011, the FCC and the Department of Justice approved a transaction between Comcast and General Electric Company ("General Electric"), pursuant to which they joined their programming properties, including NBC, Bravo and many others, in a venture, NBCUniversal, controlled by Comcast. In March 2013, Comcast completed the acquisition of substantially all of General Electric's remaining interest in NBCUniversal. The FCC conditioned its approval on, among other things, Comcast complying with the terms of the FCC's order on network neutrality (even if that order is vacated by judicial or legislative action) and Comcast licensing its affiliated content to us, other traditional pay-TV providers and certain providers of video services over the Internet on fair and nondiscriminatory terms and conditions, including, among others, price. These conditions expired in January 2018, and we can no longer rely on these protections. We cannot predict the practical effect of the expiration of these conditions which could have a material adverse effect on our business, results of operations and financial condition or otherwise disrupt our business.

Charter/Time Warner Cable. In May 2016, the FCC and the Department of Justice approved a merger transaction between Charter, Time Warner Cable, and Advance/Newhouse Partnership. The FCC conditioned its approval on, among other things, Charter not imposing data caps or usage-based pricing for its residential broadband service and a requirement that Charter provide settlement-free interconnection. These conditions last for seven years, with Charter having the option after four years to petition to shorten the term to five years. It is uncertain how these conditions may be interpreted or enforced by the FCC; therefore, we cannot predict the practical effect of these conditions. In addition, as these conditions are currently set to expire in 2023, we will not be able to rely on these protections beyond that date.

Definition of MVPD. In December 2014, the FCC issued a Notice of Proposed Rulemaking regarding the definition of an MVPD. Among other things, the FCC is considering whether the definition of an MVPD should apply to Internet-based streaming services, thus making such services subject to the same regulations as an MVPD. The FCC is also considering the appropriate treatment of purely Internet-based linear video programming services that cable operators and DBS providers offer in addition to their traditional video services. We cannot predict the timing or outcome of this rulemaking process.

FCC Regulation of Wireless Spectrum

Since 2008, we have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets and made over $10 billion in non-controlling investments in certain entities, for a total of over $21 billion, as described further below.

DISH Network Spectrum

We have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets.

700 MHz Licenses. In 2008, we paid $712 million to acquire certain 700 MHz E Block ("700 MHz") wireless spectrum licenses, which were granted to us by the FCC in February 2009. These licenses are subject to certain build-out requirements. By March 2020, we must provide signal coverage and offer service to at least 70% of the population in each of our E Block license areas (the "700 MHz Build-Out Requirement"). If the 700 MHz Build-Out Requirement is not met with respect to any particular E Block license area, our authorization may terminate for the geographic portion of that license area in which we are not providing service. These wireless spectrum licenses expire in March 2020 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

AWS-4 Licenses. On March 2, 2012, the FCC approved the transfer of 40 MHz of wireless spectrum licenses held by DBSD North America, Inc. ("DBSD North America") and TerreStar Networks, Inc. ("TerreStar") to us. On March 9, 2012, we completed the acquisition of 100% of the equity of reorganized DBSD North America (the "DBSD Transaction") and substantially all of the assets of TerreStar (the "TerreStar Transaction"), pursuant to which we acquired, among other things, certain satellite assets and wireless spectrum licenses held by DBSD North America and TerreStar. The total consideration to acquire the DBSD North America and TerreStar assets was approximately $2.860 billion.

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On February 15, 2013, the FCC issued an order, which became effective on March 7, 2013, modifying our licenses to expand our terrestrial operating authority with AWS-4 authority ("AWS-4"). These licenses are subject to certain build-out requirements. By March 2020, we are required to provide terrestrial signal coverage and offer terrestrial service to at least 70% of the population in each area covered by an individual license (the "AWS-4 Build-Out Requirement"). If the AWS-4 Build-Out Requirement is not met with respect to any particular individual license, our terrestrial authorization for that license area may terminate. The FCC's December 20, 2013 order also conditionally waived certain FCC rules for our AWS-4 licenses to allow us to repurpose all 20 MHz of our uplink spectrum (2000-2020 MHz) for terrestrial downlink operations. On June 1, 2016, we notified the FCC that we had elected to use our AWS-4 uplink spectrum for terrestrial downlink operations, and effective June 7, 2016, the FCC modified our AWS-4 licenses, resulting in all 40 MHz of our AWS-4 spectrum being designated for terrestrial downlink operations. These wireless spectrum licenses expire in March 2023 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

H Block Licenses. On April 29, 2014, the FCC issued an order granting our application to acquire all 176 wireless spectrum licenses in the H Block auction. We paid approximately $1.672 billion to acquire these H Block licenses, including clearance costs associated with the lower H Block spectrum. The H Block licenses are subject to certain interim and final build-out requirements. By April 2018, we must provide reliable signal coverage and offer service to at least 40% of the population in each area covered by an individual H Block license (the "H Block Interim Build-Out Requirement"). By April 2024, we must provide reliable signal coverage and offer service to at least 75% of the population in each area covered by an individual H Block license (the "H Block Final Build-Out Requirement"). If the H Block Interim Build-Out Requirement is not met, the H Block license term and the H Block Final Build-Out Requirement may be accelerated by two years (from April 2024 to April 2022) for each H Block license area in which we do not meet the requirement. If the H Block Final Build-Out Requirement is not met, our authorization for each H Block license area in which we do not meet the requirement may terminate. These wireless spectrum licenses expire in April 2024 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

600 MHz Licenses. The broadcast incentive auction in the 600 MHz frequency range ("Auction 1000") began on March 29, 2016 and concluded on March 30, 2017. On April 13, 2017, the FCC announced that ParkerB.com Wireless L.L.C. ("ParkerB.com"), a wholly-owned subsidiary of DISH Network, was the winning bidder for 486 wireless spectrum licenses (the "600 MHz Licenses") with aggregate winning bids totaling approximately $6.211 billion. On April 27, 2017, ParkerB.com filed an application with the FCC to acquire the 600 MHz Licenses. On July 1, 2016, we paid $1.5 billion to the FCC as a deposit for Auction 1000. On May 11, 2017, we paid the remaining balance of our winning bids of approximately $4.711 billion. On June 14, 2017, the FCC issued an order granting ParkerB.com's application to acquire the 600 MHz Licenses.

The 600 MHz Licenses are subject to certain interim and final build-out requirements. By June 2023, we must provide reliable signal coverage and offer wireless service to at least 40% of the population in each area covered by an individual 600 MHz License (the "600 MHz Interim Build-Out Requirement"). By June 2029, we must provide reliable signal coverage and offer wireless service to at least 75% of the population in each area covered by an individual 600 MHz License (the "600 MHz Final Build-Out Requirement"). If the 600 MHz Interim Build-Out Requirement is not met, the 600 MHz License term and the 600 MHz Final Build-Out Requirement may be accelerated by two years (from June 2029 to June 2027) for each 600 MHz License area in which we do not meet the requirement. If the 600 MHz Final Build-Out Requirement is not met, our authorization for each 600 MHz License area in which we do not meet the requirement may terminate. In addition, certain broadcasters will have up to 39 months (ending July 13, 2020) to relinquish their 600 MHz spectrum, which may impact the timing for our ability to commence operations using certain 600 MHz Licenses. The FCC has issued the 600 MHz Licenses prior to the clearance of the spectrum, and the build-out deadlines are based on the date that the 600 MHz Licenses were issued to us, not the date that the spectrum is cleared. These wireless spectrum licenses expire in June 2029 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

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MVDDS Licenses. We have MVDDS licenses in 82 out of 214 geographical license areas, including Los Angeles, New York City, Chicago and several other major metropolitan areas. By August 2014, we were required to meet certain FCC build-out requirements related to our MVDDS licenses, and we are subject to certain FCC service rules applicable to these licenses. In January 2015, the FCC granted our application to extend the build-out requirements related to our MVDDS licenses. We now have until 2019 to provide "substantial service" on our MVDDS licenses. Our MVDDS licenses may be terminated, however, if we do not provide substantial service in accordance with the new build-out requirements. These wireless spectrum licenses expire in August 2024 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

In 2016, the MVDDS 5G Coalition, of which we are a member, filed a petition for rulemaking requesting the FCC to consider updating the rules to allow us to provide two-way 5G services using our MVDDS licenses. We cannot predict when or if the FCC will grant the petition and proceed with a rulemaking. If the FCC adopts rules that would allow us to provide two-way 5G services using our MVDDS licenses, the requests of OneWeb and others for authority to use the band for service from NGSO satellite systems may hinder our ability to provide 5G services using our MVDDS licenses.

LMDS Licenses. As a result of the completion of the Share Exchange on February 28, 2017, we acquired from EchoStar certain Local Multipoint Distribution Service ("LMDS") licenses in four markets: Cheyenne, Kansas City, Phoenix, and San Diego. The "substantial service" milestone has been met with respect to each of the licenses. In addition, through the FCC's Spectrum Frontiers proceeding, a portion of each of our LMDS licenses will be reassigned to the Upper Microwave Flexible Use Service band (27.5-28.35 GHz), which will allow for a more flexible use of the licenses, including, among other things, 5G mobile operations. These wireless spectrum licenses expire in September 2018 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses

Through our wholly-owned subsidiaries American II and American III, we have made over $10 billion in certain non-controlling investments in Northstar Spectrum, the parent company of Northstar Wireless, and in SNR HoldCo, the parent company of SNR Wireless, respectively. On October 27, 2015, the FCC granted certain AWS-3 Licenses to Northstar Wireless and to SNR Wireless, respectively, which are recorded in "FCC authorizations" on our Consolidated Balance Sheets. The AWS-3 Licenses are subject to certain interim and final build-out requirements. By October 2021, Northstar Wireless and SNR Wireless must provide reliable signal coverage and offer service to at least 40% of the population in each area covered by an individual AWS-3 License (the "AWS-3 Interim Build-Out Requirement"). By October 2027, Northstar Wireless and SNR Wireless must provide reliable signal coverage and offer service to at least 75% of the population in each area covered by an individual AWS-3 License (the "AWS-3 Final Build-Out Requirement"). If the AWS-3 Interim Build-Out Requirement is not met, the AWS-3 License term and the AWS-3 Final Build-Out Requirement may be accelerated by two years (from October 2027 to October 2025) for each AWS-3 License area in which Northstar Wireless and SNR Wireless do not meet the requirement. If the AWS-3 Final Build-Out Requirement is not met, the authorization for each AWS-3 License area in which Northstar Wireless and SNR Wireless do not meet the requirement may terminate. These wireless spectrum licenses expire in October 2027 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

See "*Item 1A. Risk Factors – Acquisition and Capital Structure Risks – We face certain risks related to our non-controlling investments in the Northstar Entities and the SNR Entities, which may have a material adverse effect on our business, results of operations and financial condition"* in this Annual Report on Form 10-K for further information.

State and Local Regulation

We are also regulated by state and local authorities. While the FCC has preempted many state and local regulations that impair the installation and use of towers and consumer satellite dishes, our business nonetheless may be subject to state and local regulation, including, among others, zoning regulations that affect the ability to install consumer satellite antennas or build out wireless telecommunications networks.

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International Regulation

We are subject to regulation by the International Telecommunication Union ("ITU"). The orbital location and frequencies for certain of our satellites are subject to the frequency registration and coordination process of the ITU. The ITU Radio Regulations define the international rules, regulations, and rights for a satellite and associated earth stations to use specific radio frequencies at a specific orbital location. These rules, which include deadlines for the bringing of satellite networks into use, differ depending on the type of service to be provided and the frequencies to be used by the satellite. On our behalf, various countries have made and may in the future make additional filings for the frequency assignments at particular orbital locations that are used or to be used by our current satellite networks and potential future satellite networks we may build or acquire.

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Our satellite services also must conform to the ITU service plans for Region 2 (which includes the United States). If any of our operations are not consistent with this plan, the ITU will only provide authorization on a non-interference basis pending successful modification of the plan or the agreement of all affected administrations to the non-conforming operations. Certain of our satellites are not presently entitled to any interference protection from other satellites that are in conformance with the plan. Accordingly, unless and until the ITU modifies its service plans to include the technical parameters of our non-conforming operations, our non-conforming satellites, along with those of other non-conforming satellite operators, must not cause harmful electrical interference with other assignments that are in conformance with the ITU service plans.

Registration in the UN Registry of Space Objects

The United States and other jurisdictions in which we license satellites are parties to the United Nations ("UN") Convention on the Registration of Objects Launched into Outer Space. The UN Convention requires a satellite's launching state to register the satellite as a space object with an UN Registry of Space Objects. The act of registration carries liability for the registering country in the event that the satellite causes third-party damage. Administrations may place certain requirements on satellite licensees in order to procure the necessary launch or operational authorizations that accompany registration of the satellite. In some jurisdictions, these authorizations are separate and distinct, with unique requirements, from the authorization to use a set of frequencies to provide satellite services. There is no guarantee that we will be able to procure such authorizations even if we already possess a frequency authorization.

Export Control Regulation

The delivery of satellites and related technical information for purposes of launch by foreign launch service providers is subject to export control and prior approval requirements. We are required to obtain import and export licenses from the United States government to receive and deliver certain components of direct-to-home satellite television systems. In addition, the delivery of satellites and the supply of certain related ground control equipment, technical services and data, and satellite communication/control services to destinations outside the United States are subject to export control and prior approval requirements from the United States government (including prohibitions on the sharing of certain satellite-related goods and services with China).

PATENTS AND OTHER INTELLECTUAL PROPERTY

Many entities, including some of our competitors, have or may in the future obtain patents and other intellectual property rights that cover or affect products or services that we offer or that we may offer in the future. In general, if a court determines that one or more of our products or services infringe intellectual property rights held by others, we may be required to cease developing or marketing those products or services, to obtain licenses from the holders of the intellectual property rights at a material cost, or to redesign those products or services in such a way as to avoid infringing any patent claims. If those intellectual property rights are held by a competitor, we may be unable to obtain the intellectual property rights at any price, which could adversely affect our competitive position.

We may not be aware of all intellectual property rights that our products or services may potentially infringe. In addition, patent applications in the United States are confidential until the Patent and Trademark Office either publishes the application or issues a patent (whichever arises first) and, accordingly, our products may infringe claims contained in pending patent applications of which we are not aware. Further, the process of determining definitively whether a claim of infringement is valid often involves expensive and protracted litigation, even if we are ultimately successful on the merits.

We cannot estimate the extent to which we may be required in the future to obtain intellectual property licenses or the availability and cost of any such licenses. Those costs, and their impact on our results of operations, could be material. Damages in patent infringement cases can be substantial, and in certain circumstances can be trebled. To the extent that we are required to pay unanticipated royalties to third parties, these increased costs of doing business could negatively affect our liquidity and operating results. We are currently defending multiple patent infringement actions. We cannot be certain the courts will conclude these companies do not own the rights they claim, that our products do not infringe on these rights and/or that these rights are not valid. Further, we cannot be certain that we would be able to obtain licenses from these persons on commercially reasonable terms or, if we were unable to obtain such licenses, that we would be able to redesign our products to avoid infringement.

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ENVIRONMENTAL REGULATIONS

We are subject to the requirements of federal, state, local and foreign environmental and occupational safety and health laws and regulations. These include laws regulating air emissions, water discharge and waste management. We attempt to maintain compliance with all such requirements. We do not expect capital or other expenditures for environmental compliance to be material in 2018 or 2019. Environmental requirements are complex, change frequently and have become more stringent over time. Accordingly, we cannot provide assurance that these requirements will not change or become more stringent in the future in a manner that could have a material adverse effect on our business.

SEGMENT REPORTING DATA AND GEOGRAPHIC AREA DATA

For segment reporting data and principal geographic area data for 2017, 2016 and 2015, see Note 15 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K.

EMPLOYEES

We had approximately 17,000 employees at December 31, 2017, most of whom were located in the United States. We generally consider relations with our employees to be good. Approximately 60 employees in two of our field offices have voted to have a union represent them in their employment relations with DISH Network. While we are not currently a party to any collective bargaining agreements, we are presently in the negotiating phase with the union, which could result in a collective bargaining agreement with respect to these two sites.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act and accordingly file our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other information with the SEC. The public may read and copy any materials filed with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information on the operation of the Public Reference Room. As an electronic filer, our public filings are also maintained on the SEC's Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that website is http://www.sec.gov.

WEBSITE ACCESS

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act also may be accessed free of charge through our website as soon as reasonably practicable after we have electronically filed such material with, or furnished it to, the SEC. The address of that website is http://www.dish.com.

We have adopted a written code of ethics that applies to all of our directors, officers and employees, including our principal executive officer and senior financial officers, in accordance with Section 406 of the Sarbanes-Oxley Act of 2002 and the rules of the SEC promulgated thereunder. Our code of ethics is available on our corporate website at http://www.dish.com. In the event that we make changes in, or provide waivers of, the provisions of this code of ethics that the SEC requires us to disclose, we intend to disclose these events on our website.

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EXECUTIVE OFFICERS OF THE REGISTRANT
(furnished in accordance with Item 401(b) of Regulation S-K, pursuant to General Instruction G (3) of Form 10-K)

The following table and information below sets forth the name, age and position with DISH Network of each of our executive officers, the period during which each executive officer has served as such, and each executive officer's business experience during the past five years:

Name	Age	Position
Charles W. Ergen	64	Chairman and Director
W. Erik Carlson	48	President and Chief Executive Officer
Thomas A. Cullen	58	Executive Vice President, Corporate Development
James DeFranco	65	Executive Vice President and Director

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Vivek Khemka	45	Executive Vice President and Chief Technology Officer
Timothy A. Messner	43	Executive Vice President and General Counsel
Jeffrey L. McSchooler	51	Executive Vice President, Engineering and Broadcast
Brian V. Neylon	52	Executive Vice President, Group President, DISH TV
Paul W. Orban	49	Senior Vice President and Chief Accounting Officer
Warren W. Schlichting	56	Executive Vice President, Group President, Sling TV
David A. Scott	44	Executive Vice President and Chief Human Resources Officer
Steven E. Swain	50	Senior Vice President and Chief Financial Officer
John W. Swieringa	40	Executive Vice President, Chief Operating Officer

Charles W. Ergen. Mr. Ergen is our executive Chairman and has been Chairman of the Board of Directors of DISH Network since its formation and, during the past five years, has held executive officer and director positions with DISH Network and its subsidiaries. Mr. Ergen also serves as executive Chairman and Chairman of the Board of Directors of EchoStar. Mr. Ergen co-founded DISH Network with his future spouse, Cantey Ergen, and James DeFranco, in 1980.

W. Erik Carlson. Mr. Carlson has served as DISH Network's President and Chief Executive Officer since December 2017 and oversees all aspects of the company's DISH TV and Sling TV businesses. Mr. Carlson is a DISH Network veteran of more than two decades, and has held numerous roles throughout the company. Most recently, Mr. Carlson served as President and Chief Operating Officer. In this role, Mr. Carlson oversaw the company's day-to-day operations including Human Resources, Operations and Information Technology, Media Sales, Marketing, Programming, Product Management, Acquisition and Retention, and Finance and Accounting organizations. Prior to that, Mr. Carlson managed DISH Network's In-Home Services, Customer Service Centers, Customer Billing, and Information Technology organizations, as well as Manufacturing, which consists of equipment retrieval and refurbishment operations. Mr. Carlson also served as Senior Vice President of Retail Services and Sales where he managed the company's indirect sales operations.

Thomas A. Cullen. Mr. Cullen has served as Executive Vice President, Corporate Development for DISH Network since July 2011. Mr. Cullen previously served as our Executive Vice President, Sales, Marketing and Programming from April 2009 to July 2011 and as our Executive Vice President, Corporate Development from December 2006 to April 2009. Before joining DISH Network, Mr. Cullen held various executive positions in the telecommunications, cable and wireless industries.

James DeFranco. Mr. DeFranco is one of our Executive Vice Presidents and has been one of our vice presidents and a member of the Board of Directors of DISH Network since our formation. During the past five years he has held various executive officer and director positions with our subsidiaries. Mr. DeFranco co-founded DISH Network with Charles W. Ergen and Cantey Ergen, in 1980.

Vivek Khemka. Mr. Khemka has served as Executive Vice President and Chief Technology Officer since December 2015 and is responsible for all development and execution of technology strategy for DISH Network. From August 2016 to February 2017, Mr. Khemka also served as the President of EchoStar Technologies L.L.C. pursuant to a professional services agreement between DISH Network and EchoStar. Mr. Khemka previously served as Senior Vice President of Product Management from March 2013 to December 2015. Mr. Khemka also served as Vice President of Customer Technology, a position he held from December 2011 to March 2013. He joined DISH Network in 2009 and has held

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various roles of increasing responsibility. Before joining DISH Network, Mr. Khemka held various positions at Danaher, Motorola and McKinsey & Co.

Jeffrey L. McSchooler. Mr. McSchooler has served as Executive Vice President, Engineering and Broadcast since March 2017 and is responsible for all engineering and broadcast operations for DISH Network. Mr. McSchooler previously served as Senior Vice President of Engineering and Operations for EchoStar from May 2010 to February 2017. Mr. McSchooler joined DISH Network in 1994 and has held various roles of increasing responsibility at DISH Network and EchoStar. Before joining DISH Network, Mr. McSchooler held various positions at GTE Spacenet Corporation, ElectroSpace Systems Inc. and the United States Air Force.

Timothy A. Messner. Mr. Messner has served as Executive Vice President, General Counsel since November 2017 and is responsible for all legal affairs for DISH Network and its subsidiaries. Since joining DISH Network in August 2004, Mr. Messner has held various positions of increasing responsibility in DISH Network's legal department. Most recently, Mr. Messner served as Senior Vice President and Deputy General Counsel for DISH Network.

Brian V. Neylon. Mr. Neylon has served as Executive Vice President, Group President, DISH TV since December 2017 and oversees all aspects of the DISH TV services. Mr. Neylon served as Executive Vice President, Customer Acquisition and Retention from December 2015 to December 2017 and as our Senior Vice President of Sales from June 2011 to December 2015. Since first joining DISH Network in September 1991, he has held various positions of increasing responsibility within various sales and distribution teams from time to time.

Paul W. Orban. Mr. Orban has served as Senior Vice President and Chief Accounting Officer since December 2015 and is responsible for all aspects of our accounting and tax departments including external financial reporting, technical accounting policy, income tax accounting and compliance and internal controls for DISH Network. Mr. Orban served as our Senior Vice President and Corporate Controller from September 2006 to December 2015 and as our Vice President and Corporate Controller from September 2003 to September 2006. He also served as EchoStar's Senior Vice President and Corporate Controller from 2008 to 2012 pursuant to a management services agreement between DISH Network and EchoStar. Since joining DISH Network in 1996, Mr. Orban has held various positions of increasing responsibility in our accounting department. Prior to DISH Network, Mr. Orban was an auditor with Arthur Andersen LLP.

Warren W. Schlichting. Mr. Schlichting has served as Executive Vice President, Group President, Sling TV since December 2017 and oversees all aspects of the Sling TV services. Mr. Schlichting served as Executive Vice President, Marketing, Programming, and Media Sales for DISH Network from December 2015 to December 2017 and was responsible for the acquisition and renewal of all programming content, marketing for our DISH TV business and the advertising sales division. Mr. Schlichting previously served as our Senior Vice President of Programming and Media Sales from October 2014 to December 2015. Mr. Schlichting joined DISH Network in September 2011 as Senior Vice President of Media Sales. Prior to DISH Network, Mr. Schlichting served as Senior Vice President of New Business Development for Comcast from August 2002 to September 2011, leading advanced advertising efforts on multiple media and ad delivery platforms including broadband, interactive television and video-on-demand.

David A. Scott. Mr. Scott has served as Executive Vice President and Chief Human Resources Officer of DISH Network since February 2018 and is responsible for the recruiting, benefits administration, compensation, and leadership and organizational development for DISH Network and its subsidiaries. Prior to DISH Network, Mr. Scott held various positions at Walmart Inc. from 1997 to 2018, including, among others, Senior Vice President, Talent and Organizational Effectiveness from 2016 to 2018, Senior Vice President, Human Resources from 2014 to 2016, and Vice President, Human Resources from 2011 to 2014.

Steven E. Swain. Mr. Swain has served as Senior Vice President and Chief Financial Officer of DISH Network since October 2014. Mr. Swain served as our Senior Vice President of

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Programming from April 2014 to October 2014, overseeing the acquisition and renewal of all programming content for DISH Network. Mr. Swain joined DISH Network in 2011 as Vice President of Corporate Financial Planning and Analysis. Prior to DISH Network, Mr. Swain spent more than 15 years working in the telecommunications sector, most recently at CenturyLink, formerly Qwest Communications, where he served in multiple leadership roles in finance, including corporate financial planning and analysis, treasury and investor relations, as well as in-network engineering.

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John W. Swieringa. Mr. Swieringa has served as DISH Network's Executive Vice President and Chief Operating Officer since December 2017. Mr. Swieringa previously served as Executive Vice President, Operations since December 2015 and has had responsibility for the in-home services operations, customer service and billing, information technology, manufacturing and distribution for DISH Network. Mr. Swieringa previously served as Senior Vice President and Chief Information Officer from March 2014 to December 2015 and as Vice President of Information Technology Customer Applications from March 2010 to March 2014. Mr. Swieringa joined DISH Network in December 2007 serving in our finance department.

There are no arrangements or understandings between any executive officer and any other person pursuant to which any executive officer was selected as such. Pursuant to the Bylaws of DISH Network, executive officers serve at the discretion of the Board of Directors.

Item 1A. RISK FACTORS

The risks and uncertainties described below are not the only ones facing us. If any of the following events occur, our business, financial condition or results of operations could be materially and adversely affected.

Competition and Economic Risks

As the pay-TV industry has matured and bundled offers combining video, broadband and/or wireless services have become more prevalent and competitive, we face intense and increasing competition from providers of video, broadband and/or wireless services, which may require us to further increase subscriber acquisition and retention spending or accept lower subscriber activations and higher subscriber churn.

Our business has historically focused on providing pay-TV services and we have traditionally competed against satellite television providers and cable companies, some of whom have greater financial, marketing and other resources than we do. In recent years, industries have been converging as providers of video, broadband and wireless services compete to deliver the next generation of service offerings. The pay-TV industry has matured and bundled offers combining video, broadband and/or wireless services have become more prevalent and competitive. In some cases, certain competitors have been able to potentially subsidize the price of video services with the price of broadband and/or wireless services. These developments, among others, have contributed to intense and increasing competition, which we expect to continue.

With respect to our DISH TV services, we and our competitors increasingly must seek to attract a greater proportion of new subscribers from each other's existing subscriber bases rather than from first-time purchasers of pay-TV services. In addition, because other pay-TV providers may be seeking to attract a greater proportion of their new subscribers from our existing subscriber

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base, we may be required to increase retention spending or we may provide greater discounts or credits to acquire and retain subscribers who may spend less on our services. If our Pay-TV average monthly revenue per subscriber ("Pay-TV ARPU") decreases or does not increase commensurate with increases in programming or other costs, our margins may be reduced and the long-term value of a subscriber would then decrease. In addition, our Sling TV subscribers on average purchase lower priced programming services than DISH TV subscribers. Accordingly, an increase in Sling TV subscribers has a negative impact on our Pay-TV ARPU.

This increasingly competitive environment may require us to increase subscriber acquisition and retention spending or accept lower subscriber activations and higher subscriber churn. Further, as a result of this increased competitive environment and the maturation of the pay-TV industry, future growth opportunities of our DISH TV business may be limited and our margins may be reduced, which could have a material adverse effect on our business, results of operations, financial condition and cash flow. Our gross new DISH TV subscriber activations continue to be negatively impacted by stricter customer acquisition policies (including a focus on attaining higher quality subscribers) and increased competitive pressures, including aggressive marketing, more aggressive retention efforts, bundled discount offers combining broadband, video and/or wireless services and other discounted promotional offers.

In addition, MVPDs and other companies such as programmers are offering smaller packages of programming channels directly to customers, at prices lower than our video service package offerings. These offerings could adversely affect demand for our Pay-TV services or cause us to modify our programming packages, which may reduce our margins.

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Moreover, mergers and acquisitions, joint ventures and alliances among cable television providers, telecommunications companies and others may result in, among other things, greater scale and financial leverage and increase the availability of offerings from providers capable of bundling video, broadband and/or wireless services in competition with our services, and may exacerbate the risks described above. For example, in May 2016, Charter completed its acquisition of Time Warner Cable and Bright House Networks (collectively "New Charter"), which created the second largest cable television provider and third largest MPVD in the United States. This transaction created a duopoly, resulting in two broadband providers, New Charter and Comcast, controlling the geographic areas covering the vast majority of the high-speed broadband homes in the country. In addition, a significant proportion of New Charter's high-speed broadband subscribers may lack access to alternative high-speed broadband options. Further, New Charter may be able to, among other things, foreclose or degrade our online video offerings at various points in the broadband pipe; impose data caps on consumers who access our online video offerings; and pressure third-party content owners and programmers to withhold online rights from us and raise our and other MVPDs' third-party programming costs.

As a result of AT&T's 2015 acquisition of DirecTV, our direct competitor and the largest satellite TV provider in the United States now has increased access to capital, access to AT&T's nationwide platform for wireless mobile video, and the ability to more seamlessly bundle its video services with AT&T's broadband Internet access and wireless services. AT&T also has an OTT service, DirecTV Now, that distributes video directly to consumers over the Internet. The combined company may also be able to, among other things, utilize its increased leverage over third-party content owners and programmers to withhold online rights from us and reduce the price it pays for programming at the expense of other MVPDs, including us; thwart our entry into the wireless market, by, among other things, refusing to enter into data roaming agreements with us; underutilize key orbital spectrum resources that could be more efficiently used by us; foreclose or degrade our online video offerings at various points in the broadband pipe; and impose data caps on consumers who access our online video offerings.

In addition, in October 2016, AT&T announced its pending acquisition of Time Warner Inc. ("Time Warner"). In November 2017, the Department of Justice filed a lawsuit to block the merger; the trial is scheduled to begin in March 2018. We cannot predict the timing or outcome of this lawsuit. If the proposed transaction ultimately is completed, the risks discussed above posed by the AT&T and DirecTV merger will be further exacerbated, as the addition of Time Warner's media holdings, which include content, such as HBO, TBS, TNT, CNN, and movies, would, among other things, provide the combined company increased scale and leverage in the converging video, mobile, and broadband industries and may make it more difficult for us to obtain access to Time Warner's programming networks on nondiscriminatory and fair terms, or at all. Furthermore, AT&T's current practice of offering wireless subscribers access to owned video content over the Internet without counting against a subscriber's monthly data caps ("zero rating") may give an unfair advantage to AT&T's own video content, which currently includes, among others, DirecTV services, including DirecTV Now, on mobile devices.

In May 2017, Sinclair Broadcast Group ("Sinclair") announced plans to acquire Tribune Media Company ("Tribune"), subject to approval by the Department of Justice and the FCC. We cannot predict the timing or outcome of government review of the proposed transaction. If the proposed transaction is completed, the combined company ("New Sinclair") would become the nation's largest broadcast conglomerate. New Sinclair may be able to use its scale to increase the leverage that it holds in retransmission consent negotiations which could, among other things, raise our programming costs and/or cause us to modify our programming packages as a result of programming interruptions.

As the pay-TV industry is mature, our strategy has included an increased emphasis on acquiring and retaining higher quality subscribers, even if it means that we will acquire and retain fewer overall subscribers. We evaluate the quality of subscribers based upon a number of factors, including, among others, profitability. Our DISH TV subscriber base has been declining due to, among other things, this strategy and the factors described above. There can be no assurance that our DISH TV subscriber base will not continue to decline. In the event that our DISH TV subscriber base continues to decline, it could have a material adverse long-term effect on our business, results of operations, financial condition and cash flow.

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Changing consumer behavior and competition from digital media companies that provide or facilitate the delivery of video content via the Internet may reduce our subscriber activations and may cause our subscribers to purchase fewer services from us or to cancel our services altogether, resulting in less revenue to us.

Our business has historically focused on providing pay-TV services, including our DISH TV and Sling TV services. We face competition from providers of digital media, including, among others, Netflix, Hulu, Apple, Amazon, Alphabet, Verizon, DirecTV, Sony, YouTube, Fubo and Philo that offer online services distributing movies, television shows and other video programming as well as programmers, such as HBO, CBS, STARZ and SHOWTIME, that began selling content directly to consumers over the Internet. Some of these companies have larger customer bases, stronger brand recognition and greater financial, marketing and other resources than we do. In addition, traditional providers of video entertainment, including broadcasters, cable channels and MVPDs, are increasing their Internet-based video offerings. Some of these services charge nominal or no fees for access to their content, which could adversely affect demand for our Pay-TV services. Moreover, new technologies have been, and will likely continue to be, developed that further increase the number of competitors we face with respect to video services, including competition from piracy-based video offerings.

These products and services are also driving rapid changes in consumer behavior as consumers seek more control over when, where and how they consume content and access communications services. In particular, through technological advancements and with the large increase in the number of consumers with broadband service, a significant amount of video content has become available through online content providers for users to stream and view on their personal computers, televisions, phones, tablets, videogame consoles, and other devices, some without charging a fee to access the content. Similarly, while our customers can use their traditional video subscription to access mobile programming, an increasing number of customers are also using mobile devices as the sole means of viewing video, and an increasing number of non-traditional video providers are developing content and technologies to satisfy that demand. These technological advancements, changes in consumer behavior, and the increasing number of choices available to consumers with regard to the means by which consumers obtain video content may cause DISH TV subscribers to disconnect our services ("cord cutting"), downgrade to smaller, less expensive programming packages ("cord shaving") or elect to purchase through online content providers a certain portion of the services that they would have historically purchased from us, such as pay per view movies, resulting in less revenue to us. There can be no assurance that our DISH TV services will be able to compete with these other providers of digital media. Therefore, these technological advancements and changes in consumer behavior could reduce our gross new DISH TV subscriber activations and could have a material adverse effect on our business, results of operations and financial condition or otherwise disrupt our business.

Our failure to effectively anticipate or adapt to competition or changes in consumer behavior, including with respect to younger consumers, could have a material adverse effect on our business, results of operations and financial condition or otherwise disrupt our business.

Economic weakness and uncertainty may adversely affect our ability to grow or maintain our business.

A substantial majority of our revenue comes from residential customers whose spending patterns may be affected by economic weakness and uncertainty. Our ability to grow or maintain our business may be adversely affected by economic weakness and uncertainty and other factors that may adversely affect the pay-TV industry. In particular, economic weakness and uncertainty could result in the following:

- ***Fewer subscriber activations and increased subscriber churn rate.*** We could face fewer subscriber activations and increased subscriber churn rate due to, among other things: (i) certain economic factors that impact consumers, including, among others, rising interest rates, a potential downturn in the housing market in the United States (including a decline in housing starts) and higher unemployment, which could lead to a lack of consumer confidence and lower discretionary spending; (ii) increased price competition for our products and services; and (iii) the potential loss of independent third-party retailers, who generate a meaningful percentage of our gross new DISH TV subscriber activations, because many of them are small businesses that are more susceptible to the negative effects of economic weakness. In particular, our DISH TV churn rate may increase with respect to subscribers who purchase our lower tier programming packages and who may be more sensitive to economic weakness, including, among others, our pay-in-advance subscribers.

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- ***Lower Pay-TV ARPU****.* Our subscribers may disconnect our services and a growing share of pay-TV customers are cord shaving to downgrade to smaller, less expensive programming packages or electing to purchase through online content providers a certain portion of the services that they would have historically purchased from us, such as pay per view movies. Cord cutting and/or cord shaving by our subscribers could negatively impact our Pay-TV ARPU. In addition, Sling TV subscribers on average purchase lower priced programming services than DISH TV subscribers, and therefore, as Sling TV subscribers increase, it will have a negative impact on Pay-TV ARPU.

- ***Higher subscriber acquisition and retention costs****.* Our profits may be adversely affected by increased subscriber acquisition and retention costs necessary to attract and retain subscribers during a period of economic weakness.

Our competitors may be able to leverage their relationships with programmers to reduce their programming costs and/or offer exclusive content that will place them at a competitive advantage to us.

The cost of programming represents the largest percentage of our overall costs. Certain of our competitors own directly or are affiliated with companies that own programming content that may enable them to obtain lower programming costs or offer exclusive programming that may be attractive to prospective subscribers. Unlike our larger cable and satellite competitors, some of which also provide IPTV services, we have not made significant investments in programming providers. For example, in January 2011, the FCC and the Department of Justice approved a transaction between Comcast and General Electric pursuant to which they joined their programming properties, including NBC, Bravo and many others that are available in the majority of our programming packages, in a venture, NBCUniversal, controlled by Comcast. In March 2013, Comcast completed the acquisition of substantially all of General Electric's remaining interest in NBCUniversal. This transaction may affect us adversely by, among other things, making it more difficult for us to obtain access to NBCUniversal's programming networks on nondiscriminatory and fair terms, or at all. The FCC conditioned its approval on, among other things, Comcast complying with the terms of the FCC's order on network neutrality, even if that order is vacated by judicial or legislative action, and Comcast licensing its affiliated content to us, other traditional pay-TV providers and certain providers of video services over the Internet on fair and nondiscriminatory terms and conditions, including, among others, price. However, in January 2018, the prohibition on exclusivity expired, and we can no longer rely on these protections. Also, in October 2016, AT&T announced its pending acquisition of Time Warner. In November 2017, the Department of Justice filed a lawsuit to block the merger; the trial is scheduled to begin in March 2018. We cannot predict the timing or outcome of this lawsuit. This transaction would join DirecTV, which was acquired by AT&T in 2015, with Time Warner's media holdings, which include content such as HBO, TBS, TNT, CNN, and movies. If approved, this transaction may affect us adversely by, among other things, making it more difficult for us to obtain access to Time Warner programming networks on nondiscriminatory and fair terms, or at all.

Our OTT Sling TV Internet-based services face certain risks, including, among others, significant competition.

Our Sling TV services face a number of risks, including, among others, the following, which may have a material adverse effect on our Sling TV services offerings:

- We face significant competition from programmers such as DirecTV Now, Sony PlayStation Vue, YouTube, Fubo and Philo, which distribute live linear television programming over the Internet, from content providers such as HBO, CBS, STARZ and

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SHOWTIME, which have begun selling content directly to consumers over the Internet, and other companies including, among others, Netflix, Hulu, Apple, Amazon, Alphabet and Verizon, some of which have original content, larger customer bases, stronger brand recognition, and significant financial, marketing and other resources. We also face competition from piracy based video offerings;

- We offer a limited amount of programming content, and there can be no assurances that we will be able to maintain or increase the amount or type of programming content that we may offer to keep pace with, or to differentiate our Sling TV services from, other providers of online video content;
- We rely on streaming-capable devices to deliver our Sling TV services, and if we are not successful in maintaining existing, and creating new, relationships, or if we encounter technological, content licensing or other impediments to our streaming content, our ability to grow our Sling TV services could be adversely impacted;

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- We may incur significant expenses to market our Sling TV services and build brand awareness, which could have a negative impact on the profitability of our Sling TV services;
- We may not be able to timely scale our technology, systems and operational practices related to our Sling TV services to effectively and reliably handle growth in subscribers and features related to our services;
- Our Sling Orange service has limitations that may not be applicable to our competitors, such as not being able to view content on more than one device simultaneously, and with respect to certain programming, not being able to provide a feature to record content for future viewing. If we are unable to remove those limitations and add such features to the Sling Orange service in the future, our ability to compete with other offerings could be adversely impacted; and
- The adoption or modification of laws and regulations relating to the Internet could limit or otherwise adversely affect the manner in which we conduct our Sling TV services and could cause us to incur additional expenses or alter our business model.

If government regulations relating to the Internet change, we may need to alter the manner in which we conduct our Sling TV business, and/or incur greater operating expenses to comply with those regulations.

The adoption or modification of laws or regulations relating to the Internet could limit or otherwise adversely affect the manner in which we currently conduct our Sling TV business. Changes in laws or regulations that adversely affect the growth, popularity or use of the Internet, including Open Internet rules, could decrease the demand for our Sling TV services and increase our cost of providing our Sling TV services. Given the lack of laws in the United States to prevent network operators from discriminating against the legal traffic that crosses their networks, coupled with potentially significant political and economic power of local network operators, we could experience discriminatory or anti-competitive practices that could impede our growth, cause us to incur additional expense or otherwise negatively affect our business.

We cannot predict with any certainty the impact to our Sling TV business that may result from changes in laws or regulations that adversely affect the growth, popularity or use of the Internet, including Open Internet rules.

Changes in how network operators handle and charge for access to data that travels across their networks could adversely impact our business.

We rely upon the ability of consumers to access our Sling TV services through the Internet. If network operators block, restrict or otherwise impair access to our Sling TV services over their networks, our Sling TV business could be negatively affected. To the extent that network operators implement usage based pricing, including meaningful bandwidth caps, or otherwise try to monetize access to their networks by data providers, we could incur greater operating expenses and our Sling TV subscriber count could be negatively impacted. Furthermore, to the extent network operators create tiers of Internet access service and either charge us for or prohibit us from being available through these tiers, our Sling TV business could be negatively impacted.

In addition, many network operators that provide consumers with broadband service also provide these consumers with video programming, and these network operators may have an incentive to use their network infrastructure in a manner adverse to our continued growth and success. For example, as a result of AT&T's acquisition of DirecTV and the completion of the New Charter merger, these risks may be exacerbated to the extent these and other network operators are able to provide preferential treatment to their data. Furthermore, AT&T's current zero rating practice may give an unfair advantage to AT&T's own video services, which currently include, among others, DirecTV services, including DirecTV Now.

We cannot predict with any certainty the impact to our Sling TV business that may result from changes in how network operators handle and charge for access to data that travels across their networks.

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We face increasing competition from other distributors of unique programming services such as foreign language, sports programming, and original content that may limit our ability to maintain subscribers that desire these unique programming services.

We face increasing competition from other distributors of unique programming services such as foreign language, sports programming, and original content including programming distributed over the Internet. There can be no assurance that we will maintain subscribers that desire these unique programming services. For example, the increasing availability of foreign language programming from our competitors, which in certain cases has resulted from our inability to renew programming agreements on an exclusive basis or at all, as well as competition from piracy-based video offerings, could contribute to an increase in our subscriber churn rate. Our agreements with distributors of foreign language programming have varying expiration dates, and some agreements are on a month-to-month basis. There can be no assurance that we will be able to grow or maintain subscribers that desire these unique programming services such as foreign language and sports programming.

Operational and Service Delivery Risks

If our operational performance and customer satisfaction were to deteriorate, our subscriber activations and our subscriber churn rate may be negatively impacted, which could in turn adversely affect our revenue.

If our operational performance and customer satisfaction were to deteriorate, we may experience a decrease in subscriber activations and an increase our subscriber churn rate, which could have a material adverse effect on our business, financial condition and results of operations. To improve our operational performance, we continue to make investments in staffing, training, information systems, and other initiatives, primarily in our call center and in-home service operations. These investments are intended to help combat inefficiencies introduced by the increasing complexity of our business, improve customer satisfaction, reduce subscriber churn, increase productivity, and allow us to scale better over the long run. We cannot, however, be certain that our spending will ultimately be successful in improving our operational performance, and if unsuccessful, we may have to incur higher costs to improve our operational performance. While we believe that such costs will be outweighed by longer-term benefits, there can be no assurance when or if we will realize these benefits at all. If we are unable to combat the deterioration of our operational performance, our future subscriber activations and existing subscriber churn rate may be negatively impacted, which could in turn adversely affect our revenue growth and results of operations.

If our subscriber activations continue to decrease, or if our subscriber churn rate, subscriber acquisition costs or retention costs increase, our financial performance will be adversely affected.

We may incur increased costs to acquire new subscribers and retain existing subscribers. Our gross new DISH TV subscriber activations, net DISH TV subscriber additions, and DISH TV churn rate continue to be negatively impacted by stricter customer acquisition and retention policies for our DISH TV subscribers, including an increased emphasis on acquiring and retaining higher quality subscribers. In addition, our subscriber acquisition costs could increase as a result of increased spending for advertising and, with respect to our DISH TV services, the installation of more DVR receivers, which are generally more expensive than other receivers. Retention costs with respect to our DISH TV services may be driven higher by increased upgrades of existing subscribers' equipment to HD and DVR receivers. Although we expect to continue to incur expenses, such as providing retention credits and other subscriber acquisition and retention expenses, to attract and retain subscribers, there can be no assurance that our efforts will generate new subscribers or result in a lower churn rate. Additionally, certain of our promotions, including, among others, pay-in-advance, continue to allow consumers with relatively lower credit scores to become subscribers. These subscribers typically churn at a higher rate.

Our subscriber acquisition costs and our subscriber retention costs can vary significantly from period to period and can cause material variability to our net income (loss) and free cash flow. Any material increase in subscriber acquisition or retention costs from current levels could have a material adverse effect on our business, financial condition and results of operations.

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Programming expenses are increasing and may adversely affect our future financial condition and results of operations.

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Our programming costs currently represent the largest component of our total expense and we expect these costs to continue to increase on a per subscriber basis. The pay-TV industry has continued to experience an increase in the cost of programming, especially local broadcast channels and sports programming. In addition, certain programming costs are rising at a much faster rate than wages or inflation. These factors may be exacerbated by the increasing trend of consolidation in the media industry, which may further increase our programming expenses. Our ability to compete successfully will depend, among other things, on our ability to continue to obtain desirable programming and deliver it to our subscribers at competitive prices.

When offering new programming, or upon expiration of existing contracts, programming suppliers have historically attempted to increase the rates that they charge us for programming. We expect this practice to continue, which, if successful, would increase our programming costs. In addition, our programming expenses may also increase as we add programming to our video services or distribute existing programming to our customers through additional delivery services, such as Sling TV. As a result, our margins may face further pressure if we are unable to renew our long-term programming contracts on acceptable pricing and other economic terms. Alternatively, to attempt to mitigate the effect of price increases or for other reasons, we may elect not to carry or may be unable to carry certain channels, which could adversely affect our subscriber growth or result in higher churn.

In addition, increases in programming costs cause us to increase the rates that we charge our Pay-TV subscribers, which could in turn cause our existing Pay-TV subscribers to disconnect our service or cause potential new Pay-TV subscribers to choose not to subscribe to our service. Therefore, we may be unable to pass increased programming costs on to our customers, which could have a material adverse effect on our business, financial condition and results of operations.

We depend on others to provide the programming that we offer to our subscribers and, if we fail to obtain or lose access to this programming, our subscriber activations and our subscriber churn rate may be negatively impacted.

We depend on third parties to provide us with programming services. Our programming agreements have remaining terms ranging from less than one to up to several years and contain various renewal, expiration and/or termination provisions. We may not be able to renew these agreements on acceptable terms or at all, and these agreements may be terminated prior to expiration of their original term. In recent years, negotiations over programming carriage contracts generally remain contentious, and certain programmers have, in the past, limited our access to their programming in connection with those negotiations and the scheduled expiration of their programming carriage contracts with us. As national and local programming interruptions and threatened programming interruptions have become more frequent in recent years, our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV churn rate have been negatively impacted as a result of programming interruptions and threatened programming interruptions in connection with the scheduled expiration of programming carriage contracts with content providers. We cannot predict with any certainty the impact to our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV churn rate resulting from programming interruptions or threatened programming interruptions that may occur in the future. As a result, we may at times suffer from periods of lower net Pay-TV subscriber additions or higher net Pay-TV subscriber losses.

We typically have a few programming contracts with major content providers up for renewal each year and if we are unable to renew any of these agreements or the other parties terminate the agreements, there can be no assurance that we would be able to obtain substitute programming, or that such substitute programming would be comparable in quality or cost to our existing programming. In addition, failure to obtain access to certain programming or loss of access to programming, particularly programming provided by major content providers and/or programming popular with our subscribers, could have a material adverse effect on our business, financial condition and results of operations, including, among other things, our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV churn rate.

We may not be able to obtain necessary retransmission consent agreements at acceptable rates, or at all, from local network stations.

The Copyright Act generally gives satellite companies a statutory copyright license to retransmit local broadcast channels by satellite back into the market from which they originated, subject to obtaining the retransmission consent of

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local network stations that do not elect "must carry" status, as required by the Communications Act. If we fail to reach retransmission consent agreements with such broadcasters, we cannot carry their signals. This could have an adverse effect on our strategy to compete with cable and other satellite companies that provide local signals. While we have been able to reach retransmission consent agreements with most of these local network stations, from time to time there are stations with which we have not been able to reach an agreement. We cannot be sure that we will secure these agreements or that we will secure new agreements on acceptable terms, or at all, upon the expiration of our current retransmission consent agreements, some of which are short-term. In recent years, national broadcasters have used their ownership of certain local broadcast stations to require us to carry additional cable programming in exchange for retransmission consent of their local broadcast stations. These requirements may place constraints on available capacity on our satellites for other programming. Furthermore, the rates we are charged for retransmitting local channels have been increasing substantially and may exceed our ability to increase our prices to our customers, which could have a material adverse effect on our business, financial condition and results of operations.

We may be required to make substantial additional investments to maintain competitive programming offerings.

We believe that the availability and extent of programming and other value-added services such as access to video via mobile devices continue to be significant factors in consumers' choice among pay-TV providers. Other pay-TV providers may have more successfully marketed and promoted their programming packages and value-added services and may also be better equipped and have greater resources to increase their programming offerings and value-added services to respond to increasing consumer demand. In addition, even though it remains a small portion of the market, consumer demand for 4K HD televisions and programming will likely increase in the future. We may be required to make substantial additional investments in infrastructure to respond to competitive pressure to deliver enhanced programming, and other value-added services, and there can be no assurance that we will be able to compete effectively with offerings from other pay-TV providers.

Any failure or inadequacy of our information technology infrastructure and communications systems, including without limitation those caused by cyber-attacks or other malicious activities, could disrupt or harm our business.

The capacity, reliability and security of our information technology hardware and software infrastructure (including our billing systems) and communications systems are important to the operation of our current business, which would suffer in the event of system failures or cyber-attacks. Likewise, our ability to expand and update our information technology infrastructure in response to our growth and changing needs is important to the continued implementation of our new service offering initiatives. Our inability to expand or upgrade our technology infrastructure could have adverse consequences, which could include, among other things, the delayed implementation of new service offerings, service or billing interruptions, and the diversion of development resources. We rely on third parties for developing key components of our information technology and communications systems and ongoing service. Some of our key systems and operations, including those supplied by third-party providers, are not fully redundant, and our disaster recovery planning cannot account for all eventualities. Interruption and/or failure of any of these systems could disrupt our operations, interrupt our services and damage our reputation, thus adversely impacting our ability to provide our services, retain our current subscribers and attract new subscribers.

In addition, although we take protective measures and endeavor to modify them as circumstances warrant, our information technology hardware and software infrastructure and communications systems may be vulnerable to a variety of interruptions, including without limitation, natural disasters, terrorist attacks, telecommunications failures, cyber-attacks and other malicious activities such as unauthorized access, misuse, computer viruses or other malicious code, computer denial of service attacks and other events that could disrupt or harm our business. In addition, third-party providers of some of our key systems may also experience interruptions to their information technology hardware and software infrastructure and communications systems that could adversely impact us and over which we may have limited or no control. We may obtain certain confidential, proprietary and personal information about our customers, personnel and vendors, and may provide this information to third parties in connection with our business. If one or more of such interruptions or failures occur to us or our third-party providers, it potentially could jeopardize such information and other information processed and stored in, and transmitted through, our or our third-party providers' information technology hardware and software infrastructure and communications systems, or otherwise cause interruptions or malfunctions in our operations, which could result in lawsuits, government claims, investigations or proceedings, significant losses or reputational damage. Due to the fast-moving pace of technology, it may be difficult to detect,

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contain and remediate every such event. We may be required to expend significant additional resources to modify our protective measures or to investigate and remediate vulnerabilities or other exposures, and we may be subject to financial losses. Furthermore, the amount and scope of insurance we maintain may not cover expenses related to such activities or events.

As a result of the increasing awareness concerning the importance of safeguarding personal information, the potential misuse of such information and legislation that has been adopted or is being considered regarding the protection, privacy and security of personal information, the potential liability associated with information-related risks is increasing, particularly for businesses like ours that handle personal customer data. The occurrence of any such network or information system related events or security breaches could have a material adverse effect on our reputation, business, financial condition and results of operations. Significant incidents could result in a disruption of our operations, customer dissatisfaction, damage to our reputation or a loss of customers and revenues.

We currently depend on EchoStar to provide the vast majority of our satellite transponder capacity and other related services to us. Our business would be adversely affected if EchoStar ceases to provide these services to us and we are unable to obtain suitable replacement services from third parties.

We lease the vast majority of our satellite transponder capacity from EchoStar and EchoStar is a key supplier of other related services to us. Satellite transponder leasing costs may increase beyond our current expectations. Our inability to obtain satellite transponder capacity and other related services from third parties could adversely affect our subscriber activations and subscriber churn rate and cause related revenue to decline.

See Note 18 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information on our Related Party Transactions with EchoStar.

Technology in the pay-TV industry changes rapidly, and our success may depend in part on our timely introduction and implementation of, and effective investment in, new competitive products and services and more advanced equipment, and our failure to do so could cause our products and services to become obsolete and could negatively impact our business.

Technology in the pay-TV industry changes rapidly as new technologies are developed, which could cause our products and services to become obsolete. We and our suppliers may not be able to keep pace with technological developments. Our operating results are dependent to a significant extent upon our ability to continue to introduce new products and services, to upgrade existing products and services on a timely basis, and to reduce costs of our existing products and services. We may not be able to successfully identify new product or service opportunities or develop and market these opportunities in a timely or cost-effective manner. The research and development of new, technologically advanced products is a complex and uncertain process requiring high levels of innovation and investment. The success of new product and service development depends on many factors, including among others, the following:

- difficulties and delays in the development, production, timely completion, testing and marketing of products and services;
- the cost of the products and services;
- proper identification of customer need and customer acceptance of products and services;
- the development of, approval of and compliance with industry standards;
- the amount of resources we must devote to the development of new technologies; and
- the ability to differentiate our products and services and compete with other companies in the same markets.

If the new technologies on which we focus our research and development investments fail to achieve acceptance in the marketplace, our competitive position could be negatively impacted, causing a reduction in our revenues and earnings. For example, our competitors could use proprietary technologies that are perceived by the market as being superior. Further, after we have incurred substantial costs, one or more of the products or services under our development, or under development by one or more of our strategic partners, could become obsolete prior to it being widely adopted.

In addition, our competitive position depends in part on our ability to offer new DISH TV subscribers and upgrade existing subscribers with more advanced equipment, such as receivers with DVR and HD technology and by otherwise making additional infrastructure investments, such as those related to our information technology and call centers. We

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may also be at a competitive disadvantage in developing and introducing complex new products and services for our DISH TV services because of the substantial costs we may incur in making these products or services available across our installed base of subscribers. Furthermore, the continued demand for HD programming continues to require investments in additional satellite capacity. We may not be able to pass on to our subscribers the entire cost of these upgrades and infrastructure investments.

New technologies could also create new competitors for us. For instance, we face increasing consumer demand for the delivery of digital video services via the Internet, including providing our Sling TV services and what we refer to as "DISH Anywhere." We expect to continue to face increased competition from companies who use the Internet to deliver digital video services as the speed and quality of broadband and wireless networks continues to improve.

Technological innovation is important to our success and depends, to a significant degree, on the work of technically skilled employees. If we are unable to attract and retain appropriately technically skilled employees, our competitive position could be materially and adversely affected. In addition, delays in the delivery of components or other unforeseen problems associated with our technology may occur that could materially and adversely affect our ability to generate revenue, offer new products and services and remain competitive.

If our products and services, including without limitation our DISH TV and Sling TV products and services, are not competitive, our business could suffer and our financial performance could be negatively impacted. Our products and services may also experience quality problems, including outages and service slowdowns, from time to time. If the quality of our products and services do not meet our customers' expectations, then our business, and ultimately our reputation, could be negatively impacted.

We rely on a single vendor or a limited number of vendors to provide certain key products or services to us such as information technology support, billing systems, and security access devices, and the inability of these key vendors to meet our needs could have a material adverse effect on our business.

Historically, we have contracted with and rely on a single vendor or a limited number of vendors to provide certain key products or services to us such as information technology support, billing systems, and security access devices. If these vendors are unable to meet our needs because they fail to perform adequately, are no longer in business, are experiencing shortages or discontinue a certain product or service we need, our business, financial condition and results of operations may be adversely affected. While alternative sources for these products and services exist, we may not be able to develop these alternative sources quickly and cost-effectively, which could materially impair our ability to timely deliver our products to our subscribers or operate our business. Furthermore, our vendors may request changes in pricing, payment terms or other contractual obligations between the parties, which could cause us to make substantial additional investments.

We rely on a few suppliers and in some cases a single supplier for many components of our new set-top boxes, and any reduction or interruption in supplies or significant increase in the price of supplies could have a negative impact on our business.

We rely on a few suppliers and in some cases a single supplier, for many components of our new set-top boxes that we provide to subscribers in order to deliver our digital television services. Our ability to meet customer demand depends, in part, on our ability to obtain timely and adequate delivery of quality materials, parts and components from suppliers. In the event of an interruption of supply or a significant price increase from these suppliers, we may not be able to diversify sources of supply in a timely manner, which could have a negative impact on our business. Further, due to increased demand for products, electronic manufacturers may experience shortages for certain components, from time to time. We have experienced in the past and may continue to experience shortages driven by raw material availability, manufacturing capacity, labor shortages, industry allocations, natural disasters, logistical delays and significant changes in the financial or business conditions of its suppliers that negatively impact our operations. Any such delays or constraints could have a material adverse effect on our business, financial condition and results of operations, including, among other things, our subscriber activations.

Our programming signals are subject to theft, and we are vulnerable to other forms of fraud that could require us to make significant expenditures to remedy.

Increases in theft of our signal or our competitors' signals could, in addition to reducing subscriber activations, also cause our subscriber churn rate to increase. For our DISH TV services, in order to combat signal theft and improve the security of our broadcast system, we use microchips embedded in credit card sized access cards, called "smart cards," or security chips in our DBS receiver systems to control access to authorized programming content ("Security Access Devices"). Furthermore, for our Sling TV services, we encrypt programming content and use digital rights management software to, among other things, prevent unauthorized access to our programming content.

Our signal encryption has been compromised in the past and may be compromised in the future even though we continue to respond with significant investment in security measures, such as Security Access Device replacement programs and updates in security software, that are intended to make signal theft more difficult. It has been our prior experience that security measures may only be effective for short periods of time or not at all and that we remain susceptible to additional signal theft. We expect that future replacements of these Security Access Devices may be necessary to keep our system secure. We cannot ensure that we will be successful in reducing or controlling theft of our programming content and we may incur additional costs in the future if our system's security is compromised.

We are also vulnerable to other forms of fraud. While we are addressing certain fraud through a number of actions, including terminating independent third-party retailers that we believe violated our business rules, there can be no assurance that we will not continue to experience fraud, which could impact our subscriber activations and subscriber churn rate. Economic weakness may create greater incentive for signal theft, piracy and other forms of fraud, which could lead to higher subscriber churn rate and reduced revenue.

We depend on independent third parties to solicit orders for our DISH TV services that represent a meaningful percentage of our total gross new DISH TV subscriber activations.

While we offer products and services through direct sales channels, a meaningful percentage of our total gross new DISH TV subscriber activations are generated through independent third parties such as small satellite retailers, direct marketing groups, local and regional consumer electronics stores, nationwide retailers, and telecommunications companies. Most of our independent third-party retailers are not exclusive to us and some of our independent third-party retailers may favor our competitors' products and services over ours based on the relative financial arrangements associated with marketing our products and services and those of our competitors. Furthermore, most of these independent third-party retailers are significantly smaller than we are and may be more susceptible to economic weaknesses that make it more difficult for them to operate profitably. Because our independent third-party retailers receive most of their incentive value at activation and not over an extended period of time, our interests may not always be aligned with our independent third-party retailers. It may be difficult to better align our interests with our independent third-party retailers because of their capital and liquidity constraints. Loss of these relationships could have an adverse effect on our subscriber base and certain of our other key operating metrics because we may not be able to develop comparable alternative distribution channels.

We have limited satellite capacity and failures or reduced capacity could adversely affect our DISH TV services.

Operation of our DISH TV services requires that we have adequate satellite transmission capacity for the programming we offer. While we generally have had in-orbit satellite capacity sufficient to transmit our existing channels and some backup capacity to recover the transmission of certain critical programming, our backup capacity is limited. We lease substantially all of our satellite capacity from third parties, including the vast majority of our satellite transponder capacity from EchoStar, and we do not carry commercial insurance on any of the satellites that we lease from them.

Our ability to earn revenue from our DISH TV services depends on the usefulness of our owned and leased satellites, each of which has a limited useful life. A number of factors affect the useful lives of the satellites, including, among other things, the quality of their construction, the durability of their component parts, the ability to continue to maintain proper orbit and control over the satellite's functions, the efficiency of the launch vehicle used, and the remaining on-board fuel following orbit insertion. Generally, the minimum design life of each of our owned and leased satellites ranges from 12 to 15 years. We can provide no assurance, however, as to the actual useful lives of any of these satellites.

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Our operating results could be adversely affected if the useful life of any of our owned or leased satellites were significantly shorter than the minimum design life.

In the event of a failure or loss of any of our owned or leased satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other owned or leased satellites and use it as a replacement for the failed or lost satellite, any of which could have a material adverse effect on our business, financial condition and results of operations. Such a failure could result in a prolonged loss of critical programming. A relocation would require FCC approval and, among other things, may require a showing to the FCC that the replacement satellite would not cause additional interference compared to the failed or lost satellite. We cannot be certain that we could obtain such FCC approval. If we choose to use a satellite in this manner, this use could adversely affect our ability to satisfy certain operational conditions associated with our authorizations. Failure to satisfy those conditions could result in the loss of such authorizations, which would have an adverse effect on our ability to generate revenues.

Our owned and leased satellites are subject to construction, launch, operational and environmental risks that could limit our ability to utilize these satellites.

Construction and launch risks. Operation of our DISH TV services requires that we have adequate satellite transmission capacity for the programming we offer. To accomplish this goal, from time to time, new satellites need to be built and launched. Satellite construction and launch is subject to significant risks, including construction and launch delays, launch failure and incorrect orbital placement. Certain launch vehicles that may be used by us have either unproven track records or have experienced launch failures in the recent past. The risks of launch delay and failure are usually greater when the launch vehicle does not have a track record of previous successful flights. Launch failures result in significant delays in the deployment of satellites because of the need both to construct replacement satellites, which can take more than three years, and to obtain other launch opportunities. Significant construction or launch delays could materially and adversely affect our ability to generate revenues. If we were unable to obtain launch insurance, or obtain launch insurance at rates we deem commercially reasonable, and a significant launch failure were to occur, it could impact our ability to fund future satellite procurement and launch opportunities.

In addition, the occurrence of future launch failures for other operators may delay the deployment of our satellites and materially and adversely affect our ability to insure the launch of our satellites at commercially reasonable premiums, if at all. See "*We generally do not carry commercial launch or in-orbit insurance on any of the satellites that we use, other than certain satellites leased from third parties, and could face significant impairment charges if any of our owned satellites fail*" below for further information.

Operational risks. Satellites are subject to significant operational risks while in orbit. These risks include malfunctions, commonly referred to as anomalies that have occurred in our satellites and the satellites of other operators as a result of various factors, such as manufacturing defects, problems with the power systems or control systems of the satellites and general failures resulting from operating satellites in the harsh environment of space.

Although we work closely with the satellite manufacturers to determine and eliminate the cause of anomalies in new satellites and provide for redundancies of many critical components in the satellites, we may experience anomalies in the future, whether of the types described above or arising from the failure of other systems or components.

Any single anomaly or series of anomalies could materially and adversely affect our operations and revenues and our relationship with current customers, as well as our ability to attract new customers for our DISH TV services. In particular, future anomalies may result in the loss of individual transponders on a satellite, a group of transponders on that satellite or the entire satellite, depending on the nature of the anomaly. Anomalies may also reduce the expected useful life of a satellite, thereby reducing the channels that could be offered using that satellite, or create additional expenses due to the need to provide replacement or back-up satellites. See the disclosures relating to satellite anomalies set forth under Note 8 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

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Environmental risks. Meteoroid events pose a potential threat to all in-orbit satellites. The probability that meteoroids will damage those satellites increases significantly when the Earth passes through the particulate stream left behind by comets. Occasionally, increased solar activity also poses a potential threat to all in-orbit satellites.

Some decommissioned satellites are in uncontrolled orbits that pass through the geostationary belt at various points, and present hazards to operational satellites, including our satellites. We may be required to perform maneuvers to avoid collisions and these maneuvers may prove unsuccessful or could reduce the useful life of the satellite through the expenditure of fuel to perform these maneuvers. The loss, damage or destruction of any of our satellites as a result of an electrostatic storm, collision with space debris, malfunction or other event could have a material adverse effect on our business, financial condition and results of operations.

We generally do not carry commercial launch or in-orbit insurance on any of the satellites that we use, other than certain satellites leased from third parties, and could face significant impairment charges if any of our owned satellites fail.

Generally, we do not carry commercial launch or in-orbit insurance on any of the satellites we use, other than certain satellites leased from third parties, and generally do not use commercial insurance to mitigate the potential financial impact of launch or in-orbit failures because we believe that the cost of insurance premiums is uneconomical relative to the risk of such failures. We lease substantially all of our satellite capacity from third parties, including the vast majority of our satellite transponder capacity from EchoStar, and we do not carry commercial insurance on any of the satellites we lease from them. While we generally have had in-orbit satellite capacity sufficient to transmit our existing channels and some backup capacity to recover the transmission of certain critical programming, our backup capacity is limited. In the event of a failure or loss of any of our owned or leased satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other owned or leased satellites and use it as a replacement for the failed or lost satellite. If one or more of our owned in-orbit satellites fail, we could be required to record significant impairment charges.

We may have potential conflicts of interest with EchoStar due to our common ownership and management.

Questions relating to conflicts of interest may arise between EchoStar and us in a number of areas relating to our past and ongoing relationships. Areas in which conflicts of interest between EchoStar and us could arise include, but are not limited to, the following:

- *Cross officerships, directorships and stock ownership.* We have certain overlap in directors and executive officers with EchoStar. These individuals may have actual or apparent conflicts of interest with respect to matters involving or affecting each company. Our Board of Directors and executive officers include persons who are members of the Board of Directors of EchoStar, including Charles W. Ergen, who serves as the Chairman of EchoStar and our Chairman. The executive officers and the members of our Board of Directors who are members of the Board of Directors of EchoStar have fiduciary duties to EchoStar's shareholders. For example, there is the potential for a conflict of interest when we or EchoStar look at acquisitions and other business opportunities that may be suitable for both companies. In addition, certain of our directors and officers own EchoStar stock and options to purchase EchoStar stock. Mr. Ergen owns approximately 41.2% of EchoStar's total equity securities (assuming conversion of all Class B Common Stock into Class A Common Stock) and beneficially owns approximately 45.8% of EchoStar's total equity securities (assuming conversion of only the Class B Common Stock held by Mr. Ergen into Class A Common Stock). Under either a beneficial or equity calculation method, Mr. Ergen controls approximately 72.4% of the voting power of EchoStar. Mr. Ergen's ownership of EchoStar excludes 9,777,751 shares of its Class A Common Stock issuable upon conversion of shares of its Class B Common Stock currently held by certain trusts established by Mr. Ergen for the benefit of his family. These trusts own approximately 10.2% of EchoStar's total equity securities (assuming conversion of all Class B Common Stock into Class A Common Stock) and beneficially own approximately 16.9% of EchoStar's total equity securities (assuming conversion of only the Class B Common Stock held by such trusts into Class A Common Stock). Under either a beneficial or equity calculation method, these trusts possess approximately 18.6% of EchoStar's total voting power. These ownership interests could create actual, apparent or potential conflicts of interest when these individuals are faced with decisions that could have different implications for us and EchoStar. Furthermore, Mr. Ergen is employed by both us and EchoStar.

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- *Intercompany agreements with EchoStar.* In connection with and following the Spin-off, we and EchoStar have entered into certain agreements pursuant to which we obtain certain products, services and rights from EchoStar, EchoStar obtains certain products, services and rights from us, and we and EchoStar have indemnified each other against certain liabilities arising from our respective businesses. See Note 18 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information on our Related Party Transactions with EchoStar. The terms of certain of these agreements were established while EchoStar was a wholly-owned subsidiary of us and were not the result of arm's length negotiations. The allocation of assets, liabilities, rights, indemnifications and other obligations between EchoStar and us under the separation and other intercompany agreements we entered into with EchoStar, in connection with the Spin-off, may have been different if agreed to by two unaffiliated parties. Had these agreements been negotiated with unaffiliated third parties, their terms may have been more favorable, or less favorable, to us. In addition, conflicts could arise between us and EchoStar in the interpretation or any extension or renegotiation of these existing agreements.

- *Additional intercompany transactions.* EchoStar and its subsidiaries have and will continue to enter into transactions with us and our subsidiaries. Although the terms of any such transactions will be established based upon negotiations between EchoStar and us and, when appropriate, subject to the approval of a committee of the non-interlocking directors or in certain instances non-interlocking management, there can be no assurance that the terms of any such transactions will be as favorable to us or our subsidiaries or affiliates as may otherwise be obtained between unaffiliated parties.

- *Business opportunities.* We have historically retained, and in the future may acquire, interests in various companies that have subsidiaries or controlled affiliates that own or operate domestic or foreign services that may compete with services offered by EchoStar. We may also compete with EchoStar when we participate in auctions for spectrum or orbital slots for our satellites. In addition, EchoStar may in the future use its satellites to compete directly against us in the subscription television business.

We may not be able to resolve any potential conflicts of interest with EchoStar, and, even if we do so, the resolution may be less favorable to us than if we were dealing with an unaffiliated party.

We do not have agreements with EchoStar that would prevent either company from competing with the other.

We rely on key personnel and the loss of their services may negatively affect our business.

We believe that our future success will depend to a significant extent upon the performance of Charles W. Ergen, our Chairman, and certain other executives. The loss of Mr. Ergen or of certain other key executives could have a material adverse effect on our business, financial condition and results of operations. Although all of our executives have executed agreements limiting their ability to work for or consult with competitors if they leave us, we do not have employment agreements with any of them. Mr. Ergen also serves as the Chairman of EchoStar. To the extent our officers are performing services for EchoStar, this may divert their time and attention away from our business and may therefore adversely affect our business.

Acquisition and Capital Structure Risks

We have made substantial investments to acquire certain wireless spectrum licenses and other related assets. In addition, we have made substantial non-controlling investments in the Northstar Entities and the SNR Entities related to AWS-3 wireless spectrum licenses.

Since 2008, we have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets and made over $10 billion in non-controlling investments in certain entities, for a total of over $21 billion, as described further below.

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DISH Network Spectrum

We have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets.

700 MHz Licenses. In 2008, we paid $712 million to acquire certain 700 MHz E Block ("700 MHz") wireless spectrum licenses, which were granted to us by the FCC in February 2009. These licenses are subject to certain build-out requirements. By March 2020, we must provide signal coverage and offer service to at least 70% of the population in each of our E Block license areas (the "700 MHz Build-Out Requirement"). If the 700 MHz Build-Out Requirement is not met with respect to any particular E Block license area, our authorization may terminate for the geographic portion of that license area in which we are not providing service. These wireless spectrum licenses expire in March 2020 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

AWS-4 Licenses. On March 2, 2012, the FCC approved the transfer of 40 MHz of wireless spectrum licenses held by DBSD North America and TerreStar to us. On March 9, 2012, we completed the DBSD Transaction and the TerreStar Transaction, pursuant to which we acquired, among other things, certain satellite assets and wireless spectrum licenses held by DBSD North America and TerreStar. The total consideration to acquire the DBSD North America and TerreStar assets was approximately $2.860 billion.

On February 15, 2013, the FCC issued an order, which became effective on March 7, 2013, modifying our licenses to expand our terrestrial operating authority with AWS-4 authority ("AWS-4"). These licenses are subject to certain build-out requirements. By March 2020, we are required to provide terrestrial signal coverage and offer terrestrial service to at least 70% of the population in each area covered by an individual license (the "AWS-4 Build-Out Requirement"). If the AWS-4 Build-Out Requirement is not met with respect to any particular individual license, our terrestrial authorization for that license area may terminate. The FCC's December 20, 2013 order also conditionally waived certain FCC rules for our AWS-4 licenses to allow us to repurpose all 20 MHz of our uplink spectrum (2000-2020 MHz) for terrestrial downlink operations. On June 1, 2016, we notified the FCC that we had elected to use our AWS-4 uplink spectrum for terrestrial downlink operations, and effective June 7, 2016, the FCC modified our AWS-4 licenses, resulting in all 40 MHz of our AWS-4 spectrum being designated for terrestrial downlink operations. These wireless spectrum licenses expire in March 2023 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

H Block Licenses. On April 29, 2014, the FCC issued an order granting our application to acquire all 176 wireless spectrum licenses in the H Block auction. We paid approximately $1.672 billion to acquire these H Block licenses, including clearance costs associated with the lower H Block spectrum. The H Block licenses are subject to certain interim and final build-out requirements. By April 2018, we must provide reliable signal coverage and offer service to at least 40% of the population in each area covered by an individual H Block license (the "H Block Interim Build-Out Requirement"). By April 2024, we must provide reliable signal coverage and offer service to at least 75% of the population in each area covered by an individual H Block license (the "H Block Final Build-Out Requirement"). If the H Block Interim Build-Out Requirement is not met, the H Block license term and the H Block Final Build-Out Requirement may be accelerated by two years (from April 2024 to April 2022) for each H Block license area in which we do not meet the requirement. If the H Block Final Build-Out Requirement is not met, our authorization for each H Block license area in which we do not meet the requirement may terminate. These wireless spectrum licenses expire in April 2024 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

600 MHz Licenses. The broadcast incentive auction in the 600 MHz frequency range ("Auction 1000") began on March 29, 2016 and concluded on March 30, 2017. On April 13, 2017, the FCC announced that ParkerB.com Wireless L.L.C. ("ParkerB.com"), a wholly-owned subsidiary of DISH Network, was the winning bidder for 486 wireless spectrum licenses (the "600 MHz Licenses") with aggregate winning bids totaling approximately $6.211 billion. On April 27, 2017, ParkerB.com filed an application with the FCC to acquire the 600 MHz Licenses. On July 1, 2016, we paid $1.5 billion to the FCC as a deposit for Auction 1000. On May 11, 2017, we paid the remaining balance of our winning bids of approximately $4.711 billion. On June 14, 2017, the FCC issued an order granting ParkerB.com's application to acquire the 600 MHz Licenses.

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The 600 MHz Licenses are subject to certain interim and final build-out requirements. By June 2023, we must provide reliable signal coverage and offer wireless service to at least 40% of the population in each area covered by an individual 600 MHz License (the "600 MHz Interim Build-Out Requirement"). By June 2029, we must provide reliable signal coverage and offer wireless service to at least 75% of the population in each area covered by an individual 600 MHz License (the "600 MHz Final Build-Out Requirement"). If the 600 MHz Interim Build-Out Requirement is not met, the 600 MHz License term and the 600 MHz Final Build-Out Requirement may be accelerated by two years (from June 2029 to June 2027) for each 600 MHz License area in which we do not meet the requirement. If the 600 MHz Final Build-Out Requirement is not met, our authorization for each 600 MHz License area in which we do not meet the requirement may terminate. In addition, certain broadcasters will have up to 39 months (ending July 13, 2020) to relinquish their 600 MHz spectrum, which may impact the timing for our ability to commence operations using certain 600 MHz Licenses. The FCC has issued the 600 MHz Licenses prior to the clearance of the spectrum, and the build-out deadlines are based on the date that the 600 MHz Licenses were issued to us, not the date that the spectrum is cleared. These wireless spectrum licenses expire in June 2029 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

MVDDS Licenses. We have MVDDS licenses in 82 out of 214 geographical license areas, including Los Angeles, New York City, Chicago and several other major metropolitan areas. By August 2014, we were required to meet certain FCC build-out requirements related to our MVDDS licenses, and we are subject to certain FCC service rules applicable to these licenses. In January 2015, the FCC granted our application to extend the build-out requirements related to our MVDDS licenses. We now have until 2019 to provide "substantial service" on our MVDDS licenses. Our MVDDS licenses may be terminated, however, if we do not provide substantial service in accordance with the new build-out requirements. These wireless spectrum licenses expire in August 2024 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

In 2016, the MVDDS 5G Coalition, of which we are a member, filed a petition for rulemaking requesting the FCC to consider updating the rules to allow us to provide two-way 5G services using our MVDDS licenses. We cannot predict when or if the FCC will grant the petition and proceed with a rulemaking. If the FCC adopts rules that would allow us to provide two-way 5G services using our MVDDS licenses, the requests of OneWeb and others for authority to use the band for service from NGSO satellite systems may hinder our ability to provide 5G services using our MVDDS licenses.

LMDS Licenses. As a result of the completion of the Share Exchange on February 28, 2017, we acquired from EchoStar certain Local Multipoint Distribution Service ("LMDS") licenses in four markets: Cheyenne, Kansas City, Phoenix, and San Diego. The "substantial service" milestone has been met with respect to each of the licenses. In addition, through the FCC's Spectrum Frontiers proceeding, a portion of each of our LMDS licenses will be reassigned to the Upper Microwave Flexible Use Service band (27.5-28.35 GHz), which will allow for a more flexible use of the licenses, including, among other things, 5G mobile operations. These wireless spectrum licenses expire in September 2018 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

Commercialization of Our Wireless Spectrum Licenses and Related Assets. We have made substantial investments to acquire certain wireless spectrum licenses and related assets. We will need to make significant additional investments or partner with others to, among other things, commercialize, build-out, and integrate these licenses and related assets, and any additional acquired licenses and related assets; and comply with regulations applicable to such licenses. Depending on the nature and scope of such commercialization, build-out, integration efforts, and regulatory compliance, any such investments or partnerships could vary significantly. In addition, as we consider our options for the commercialization of our wireless spectrum, we will incur significant additional expenses and will have to make significant investments related to, among other things, research and development, wireless testing and wireless network infrastructure. In March 2017, we notified the FCC that we plan to deploy a next-generation 5G-capable network, focused on supporting narrowband IoT. The first phase of our network deployment will be completed by March 2020, with subsequent phases to be completed thereafter. We may also determine that additional wireless spectrum licenses may be required to commercialize our wireless business and to compete with other wireless service providers.

We may need to raise significant additional capital in the future to fund the efforts described above, which may not be available on acceptable terms or at all. There can be no assurance that we will be able to develop and implement a

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business model that will realize a return on these wireless spectrum licenses or that we will be able to profitably deploy the assets represented by these wireless spectrum licenses, which may affect the carrying amount of these assets and our future financial condition or results of operations.

DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses

Through our wholly-owned subsidiaries American II and American III, we have made over $10 billion in certain non-controlling investments in Northstar Spectrum, the parent company of Northstar Wireless, and in SNR HoldCo, the parent company of SNR Wireless, respectively. Northstar Wireless and SNR Wireless each filed applications with the FCC to participate in Auction 97 (the "AWS-3 Auction") for the purpose of acquiring certain AWS-3 Licenses. Each of Northstar Wireless and SNR Wireless applied to receive bidding credits of 25% as designated entities under applicable FCC rules. In February 2015, one of our wholly-owned subsidiaries received a refund from the FCC of its $400 million upfront payment made in 2014 related to the AWS-3 Auction.

Northstar Wireless was the winning bidder for AWS-3 Licenses with gross winning bid amounts totaling approximately $7.845 billion, which after taking into account a 25% bidding credit, is approximately $5.884 billion. SNR Wireless was the winning bidder for AWS-3 Licenses with gross winning bid amounts totaling approximately $5.482 billion, which after taking into account a 25% bidding credit, is approximately $4.112 billion. In addition to the net winning bids, SNR Wireless made a bid withdrawal payment of approximately $8 million.

On August 18, 2015, the FCC released a *Memorandum Opinion and Order*, FCC 15-104 (the "Order") in which the FCC determined, among other things, that DISH Network has a controlling interest in, and is an affiliate of, Northstar Wireless and SNR Wireless, and therefore DISH Network's revenues should be attributed to them, which in turn makes Northstar Wireless and SNR Wireless ineligible to receive the 25% bidding credits (approximately $1.961 billion for Northstar Wireless and $1.370 billion for SNR Wireless) (each a "Bidding Credit Amount" and collectively the "Bidding Credit Amounts"). Each of Northstar Wireless and SNR Wireless has filed a notice of appeal and petition for review of the Order with the D. C. Circuit challenging, among other things, the FCC's determination that they are ineligible to receive the Bidding Credit Amounts. Oral arguments were presented to the D. C. Circuit on September 26, 2016. On August 29, 2017, the D.C. Circuit issued its opinion, holding that: (i) the FCC reasonably applied its precedent to determine that DISH Network exercised a disqualifying degree of de facto control over Northstar Wireless and SNR Wireless (rendering them ineligible to claim the Bidding Credit Amounts), but (ii) the FCC did not give Northstar Wireless and SNR Wireless adequate notice that, if their relationships with DISH Network cost them the Bidding Credit Amounts, the FCC would also deny them an opportunity to cure. The case was remanded to the FCC to give Northstar Wireless and SNR Wireless an opportunity to seek to negotiate a cure for the de facto control the FCC found that DISH Network exercises over them. On January 24, 2018, the FCC released an Order on Remand, DA 18-70 (the "Order on Remand"), in which the FCC ordered, among other things, that Northstar Wireless and SNR Wireless each have 90 days to negotiate with DISH Network a cure for the *de facto* control the FCC found that DISH Network exercises over them. The Order on Remand also provides, among other things, a potential 45-day extension for such negotiations, a 45-day period for certain third-parties to file comments about any changes to the agreements proposed by Northstar Wireless and SNR Wireless, and up to 90 days for Northstar Wireless and SNR Wireless to respond to any such third-party comments. On January 26, 2018, SNR Wireless and Northstar Wireless filed a petition for a writ of certiorari, asking the United States Supreme Court to hear an appeal from the August 29, 2017 opinion from the D.C. Circuit. We cannot predict with any degree of certainty the timing or outcome of these proceedings.

On October 1, 2015, DISH Network, American II, American III, Northstar Wireless, SNR Wireless, and certain other entities holding certain interests in Northstar Wireless and SNR Wireless, in light of, and subject to, the litigation arising from the Order, entered into a series of arrangements with respect to the AWS-3 Licenses that included, among other things, a notification from Northstar Wireless and SNR Wireless to the FCC that they would not be paying the gross winning bid amounts on certain AWS-3 Licenses. As a result, the FCC retained those AWS-3 Licenses and Northstar Wireless and SNR Wireless paid the FCC an additional interim payment of approximately $516 million, as further described below.

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Letters Exchanged between Northstar Wireless and the FCC Wireless Bureau. As outlined in letters exchanged between Northstar Wireless and the Wireless Telecommunications Bureau of the FCC (the "FCC Wireless Bureau"), Northstar Wireless paid the gross winning bid amounts for 261 AWS-3 Licenses (the "Northstar Licenses") totaling approximately $5.619 billion through the application of funds already on deposit with the FCC. Northstar Wireless also notified the FCC that it would not be paying the gross winning bid amounts for 84 AWS-3 Licenses totaling approximately $2.226 billion.

As a result of the nonpayment of those gross winning bid amounts, the FCC retained those licenses and Northstar Wireless owed the FCC an additional interim payment of approximately $334 million (the "Northstar Interim Payment"), which is equal to 15% of $2.226 billion. The Northstar Interim Payment was recorded in "FCC auction expense" on our Consolidated Statements of Operations and Comprehensive Income (Loss) for the year ended December 31, 2015. Northstar Wireless immediately satisfied the Northstar Interim Payment through the application of funds already on deposit with the FCC and an additional loan from American II of approximately $69 million. As a result, the FCC will not deem Northstar Wireless to be a "current defaulter" under applicable FCC rules.

In addition, the FCC Wireless Bureau acknowledged that Northstar Wireless' nonpayment of those gross winning bid amounts does not constitute action involving gross misconduct, misrepresentation or bad faith. Therefore, the FCC concluded that such nonpayment will not affect the eligibility of Northstar Wireless, its investors (including DISH Network) or their respective affiliates to participate in future spectrum auctions (including Auction 1000 and any re-auction of the AWS-3 Licenses retained by the FCC). At this time, DISH Network (through itself, a subsidiary or another entity in which it may hold a direct or indirect interest) expects to participate in any re-auction of those AWS-3 Licenses.

If the winning bids from re-auction or other award of the AWS-3 Licenses retained by the FCC are greater than or equal to the winning bids of Northstar Wireless, no additional amounts will be owed to the FCC. However, if those winning bids are less than the winning bids of Northstar Wireless, then Northstar Wireless will be responsible for the difference less any overpayment of the Northstar Interim Payment (which will be recalculated as 15% of the winning bids from re-auction or other award) (the "Northstar Re-Auction Payment"). For example, if the winning bids in a re-auction are $1, the Northstar Re-Auction Payment would be approximately $1.892 billion, which is calculated as the difference between $2.226 billion (the Northstar winning bid amounts) and $1 (the winning bids from re-auction) less the resulting $334 million overpayment of the Northstar Interim Payment. As discussed above, at this time, DISH Network (through itself, a subsidiary or another entity in which it may hold a direct or indirect interest) expects to participate in any re-auction. We cannot predict with any degree of certainty the timing or outcome of any re-auction or the amount of any Northstar Re-Auction Payment.

Amendment to Northstar Wireless Credit Agreement. On October 1, 2015, American II, Northstar Wireless and Northstar Spectrum amended the First Amended and Restated Credit Agreement dated October 13, 2014, by and among American II, as Lender, Northstar Wireless, as Borrower, and Northstar Spectrum, as Guarantor (as amended, the "Northstar Credit Agreement"), to provide, among other things, that: (i) the Northstar Interim Payment and any Northstar Re-Auction Payment will be made by American II directly to the FCC and will be deemed as loans under the Northstar Credit Agreement; (ii) the FCC is a third-party beneficiary with respect to American II's obligation to pay the Northstar Interim Payment and any Northstar Re-Auction Payment; (iii) in the event that the winning bids from re-auction or other award of the AWS-3 Licenses retained by the FCC are less than the winning bids of Northstar Wireless, the purchaser, assignee or transferee of any AWS-3 Licenses from Northstar Wireless is obligated to pay its pro-rata share of the difference (and Northstar Wireless remains jointly and severally liable for such pro-rata share); and (iv) during the period between the due date for the payments guaranteed under the FCC Northstar Guaranty (as discussed below) and the date such

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guaranteed payments are paid, Northstar Wireless' payment obligations to American II under the Northstar Credit Agreement will be subordinated to such guaranteed payments.

DISH Network Guaranty in Favor of the FCC for Certain Northstar Wireless Obligations. On October 1, 2015, DISH Network entered into a guaranty in favor of the FCC (the "FCC Northstar Guaranty") with respect to the Northstar Interim Payment (which was satisfied on October 1, 2015) and any Northstar Re-Auction Payment. The FCC Northstar Guaranty provides, among other things, that during the period between the due date for the payments guaranteed under the FCC Northstar Guaranty and the date such guaranteed payments are paid: (i) Northstar Wireless' payment obligations to American II under the Northstar Credit Agreement will be subordinated to such guaranteed payments; and (ii) DISH Network or American II will withhold exercising certain rights as a creditor of Northstar Wireless.

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Letters Exchanged between SNR Wireless and the FCC Wireless Bureau. As outlined in letters exchanged between SNR Wireless and the FCC Wireless Bureau, SNR Wireless paid the gross winning bid amounts for 244 AWS-3 Licenses (the "SNR Licenses") totaling approximately $4.271 billion through the application of funds already on deposit with the FCC and a portion of an additional loan from American III in an aggregate amount of approximately $344 million (which included an additional bid withdrawal payment of approximately $3 million). SNR Wireless also notified the FCC that it would not be paying the gross winning bid amounts for 113 AWS-3 Licenses totaling approximately $1.211 billion.

As a result of the nonpayment of those gross winning bid amounts, the FCC retained those licenses and SNR Wireless owed the FCC an additional interim payment of approximately $182 million (the "SNR Interim Payment"), which is equal to 15% of $1.211 billion. The SNR Interim Payment was recorded in "FCC auction expense" on our Consolidated Statements of Operations and Comprehensive Income (Loss) for the year ended December 31, 2015. SNR Wireless immediately satisfied the SNR Interim Payment through a portion of an additional loan from American III in an aggregate amount of approximately $344 million. As a result, the FCC will not deem SNR Wireless to be a "current defaulter" under applicable FCC rules.

In addition, the FCC Wireless Bureau acknowledged that SNR Wireless' nonpayment of those gross winning bid amounts does not constitute action involving gross misconduct, misrepresentation or bad faith. Therefore, the FCC concluded that such nonpayment will not affect the eligibility of SNR Wireless, its investors (including DISH Network) or their respective affiliates to participate in future spectrum auctions (including Auction 1000 and any re-auction of the AWS-3 Licenses retained by the FCC). At this time, DISH Network (through itself, a subsidiary or another entity in which it may hold a direct or indirect interest) expects to participate in any re-auction of those AWS-3 Licenses.

If the winning bids from re-auction or other award of the AWS-3 Licenses retained by the FCC are greater than or equal to the winning bids of SNR Wireless, no additional amounts will be owed to the FCC. However, if those winning bids are less than the winning bids of SNR Wireless, then SNR Wireless will be responsible for the difference less any overpayment of the SNR Interim Payment (which will be recalculated as 15% of the winning bids from re-auction or other award) (the "SNR Re-Auction Payment"). For example, if the winning bids in a re-auction are $1, the SNR Re-Auction Payment would be approximately $1.029 billion, which is calculated as the difference between $1.211 billion (the SNR winning bid amounts) and $1 (the winning bids from re-auction) less the resulting $182 million overpayment of the SNR Interim

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Payment. As discussed above, at this time, DISH Network (through itself, a subsidiary or another entity in which it may hold a direct or indirect interest) expects to participate in any re-auction. We cannot predict with any degree of certainty the timing or outcome of any re-auction or the amount of any SNR Re-Auction Payment.

Amendment to SNR Wireless Credit Agreement. On October 1, 2015, American III, SNR Wireless and SNR HoldCo amended the First Amended and Restated Credit Agreement dated October 13, 2014, by and among American III, as Lender, SNR Wireless, as Borrower, and SNR HoldCo, as Guarantor (as amended, the "SNR Credit Agreement"), to provide, among other things, that: (i) the SNR Interim Payment and any SNR Re-Auction Payment will be made by American III directly to the FCC and will be deemed as loans under the SNR Credit Agreement; (ii) the FCC is a third-party beneficiary with respect to American III's obligation to pay the SNR Interim Payment and any SNR Re-Auction Payment; (iii) in the event that the winning bids from re-auction or other award of the AWS-3 Licenses retained by the FCC are less than the winning bids of SNR Wireless, the purchaser, assignee or transferee of any AWS-3 Licenses from SNR Wireless is obligated to pay its pro-rata share of the difference (and SNR Wireless remains jointly and severally liable for such pro-rata share); and (iv) during the period between the due date for the payments guaranteed under the FCC SNR Guaranty (as discussed below) and the date such guaranteed payments are paid, SNR Wireless' payment obligations to American III under the SNR Credit Agreement will be subordinated to such guaranteed payments.

DISH Network Guaranty in Favor of the FCC for Certain SNR Wireless Obligations. On October 1, 2015, DISH Network entered into a guaranty in favor of the FCC (the "FCC SNR Guaranty") with respect to the SNR Interim Payment (which was satisfied on October 1, 2015) and any SNR Re-Auction Payment. The FCC SNR Guaranty provides, among other things, that during the period between the due date for the payments guaranteed under the FCC SNR Guaranty and the date such guaranteed payments are paid: (i) SNR Wireless' payment obligations to American III under the SNR Credit Agreement will be subordinated to such guaranteed payments; and (ii) DISH Network or American III will withhold exercising certain rights as a creditor of SNR Wireless.

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Northstar Wireless is a wholly-owned subsidiary of Northstar Spectrum. Through American II, we own an 85% non-controlling interest in Northstar Spectrum. Northstar Manager, LLC ("Northstar Manager") owns a 15% controlling interest in, and is the sole manager of, Northstar Spectrum. Northstar Spectrum is governed by a limited liability company agreement by and between American II and Northstar Manager (the "Northstar Spectrum LLC Agreement"). Pursuant to the Northstar Spectrum LLC Agreement, American II and Northstar Manager made pro-rata equity contributions in Northstar Spectrum. As of October 1, 2015, the total equity contributions from American II and Northstar Manager to Northstar Spectrum were approximately $750 million and $133 million, respectively. As of October 1, 2015, the total loans from American II to Northstar Wireless under the Northstar Credit Agreement for payments to the FCC related to the Northstar Licenses were approximately $5.070 billion.

SNR Wireless is a wholly-owned subsidiary of SNR HoldCo. Through American III, we own an 85% non-controlling interest in SNR HoldCo. SNR Wireless Management, LLC ("SNR Management") owns a 15% controlling interest in, and is the sole manager of, SNR HoldCo. SNR HoldCo is governed by a limited liability company agreement by and between American III and SNR Management (the "SNR HoldCo LLC Agreement"). Pursuant to the SNR HoldCo LLC Agreement, American III and SNR Management made pro-rata equity

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contributions in SNR HoldCo. As of October 1, 2015, the total equity contributions from American III and SNR Management to SNR HoldCo were approximately $524 million and $93 million, respectively. As of October 1, 2015, the total loans from American III to SNR Wireless under the SNR Credit Agreement for payments to the FCC related to the SNR Licenses were approximately $3.847 billion.

After Northstar Wireless and SNR Wireless satisfied their respective payments to the FCC on October 1, 2015 for the Northstar Licenses and the SNR Licenses, and the Northstar Interim Payment and the SNR Interim Payment (which included an additional bid withdrawal payment), our total non-controlling debt and equity investments in the Northstar Entities and the SNR Entities for payments to the FCC related to the AWS-3 Licenses were approximately $10.191 billion. Under the applicable accounting guidance in ASC 810, Northstar Spectrum and SNR HoldCo are considered variable interest entities and, based on the characteristics of the structure of these entities and in accordance with the applicable accounting guidance, we consolidate these entities into our financial statements. See Note 2 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

On October 27, 2015, the FCC granted the Northstar Licenses to Northstar Wireless and the SNR Licenses to SNR Wireless, respectively, which are recorded in “FCC authorizations” on our Consolidated Balance Sheets. The AWS-3 Licenses are subject to certain interim and final build-out requirements. By October 2021, Northstar Wireless and SNR Wireless must provide reliable signal coverage and offer service to at least 40% of the population in each area covered by an individual AWS-3 License (the “AWS-3 Interim Build-Out Requirement”). By October 2027, Northstar Wireless and SNR Wireless must provide reliable signal coverage and offer service to at least 75% of the population in each area covered by an individual AWS-3 License (the “AWS-3 Final Build-Out Requirement”). If the AWS-3 Interim Build-Out Requirement is not met, the AWS-3 License term and the AWS-3 Final Build-Out Requirement may be accelerated by two years (from October 2027 to October 2025) for each AWS-3 License area in which Northstar Wireless and SNR Wireless do not meet the requirement. If the AWS-3 Final Build-Out Requirement is not met, the authorization for each AWS-3 License area in which Northstar Wireless and SNR Wireless do not meet the requirement may terminate. These wireless spectrum licenses expire in October 2027 unless they are renewed by the FCC. There can be no assurances that the FCC will renew these wireless spectrum licenses.

In addition, on September 23, 2016, the United States District Court for the District of Columbia unsealed a qui tam complaint that was filed by Vermont National Telephone Company (“Vermont National”) against us; our wholly-owned subsidiaries, American AWS-3 Wireless I L.L.C., American II, American III, and DISH Wireless Holding L.L.C.; Charles W. Ergen (our Chairman) and Cantey M. Ergen (a member of our board of directors); Northstar Wireless; Northstar Spectrum; Northstar Manager; SNR Wireless; SNR HoldCo; SNR Management; and certain other parties. See “*Contingencies – Litigation – Vermont National Telephone Company”* in Note 14 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

We may need to make significant additional loans to the Northstar Entities and to the SNR Entities, or they may need to partner with others, so that the Northstar Entities and the SNR Entities may commercialize, build-out and integrate the Northstar Licenses and the SNR Licenses, comply with regulations applicable to the Northstar Licenses and the SNR Licenses, and make any potential payments related to the Northstar Re-Auction Payment and the SNR Re-Auction Payment for the AWS-3 Licenses retained by the FCC. Depending upon the nature and scope of such

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commercialization, build-out, integration efforts, regulatory compliance, and potential Northstar Re-Auction Payment and SNR Re-Auction Payment, any such loans or partnerships could vary significantly. We may need to raise significant additional capital in the future, which may not be available on acceptable terms or at all, to make further investments in the Northstar Entities and the SNR Entities. There can be no assurance that we will be able to obtain a profitable return on our non-controlling investments in the Northstar Entities and the SNR Entities. See "*We face certain risks related to our non-controlling investments in the Northstar Entities and the SNR Entities, which may have a material adverse effect on our business, results of operations and financial condition"* below for further information.

Impairment of Assets

Furthermore, the fair values of wireless spectrum licenses and related assets may vary significantly in the future. In particular, valuation swings could occur if:

- consolidation in the wireless industry allows or requires wireless carriers to sell significant portions of their wireless spectrum holdings, which could in turn reduce the value of our spectrum holdings;
- a sale of spectrum by one or more wireless providers occurs;
- the FCC pursues certain policies designed to increase the number of wireless spectrum licenses available in each of our markets; or
- the FCC conducts additional wireless spectrum auctions.

If the fair value of our wireless spectrum licenses were to decline significantly, the value of these licenses could be subject to impairment charges. We assess potential impairments to our indefinite-lived intangible assets annually or more often if indicators of impairment arise to determine whether there is evidence that indicate an impairment condition may exist.

We capitalize our interest expense associated with the acquisition or construction of certain assets, including, among other things, our wireless spectrum licenses. As the carrying amount of these licenses now exceeds the carrying value of our long-term debt, materially all of our interest expense is being capitalized as of June 14, 2017. This capitalized interest increases the carrying amount of these licenses for purposes of impairment testing, under which we consider whether it is more likely than not that the fair value of these licenses exceeds the carrying amount of these licenses. An increase in the carrying amount of these licenses combined with other changes in circumstances and/or market conditions could result in an increased risk of an impairment of these licenses in the future and an impairment of these assets may have a material adverse effect on our business, results of operations and financial condition.

We face certain risks related to our non-controlling investments in the Northstar Entities and the SNR Entities, which may have a material adverse effect on our business, results of operations and financial condition.

In addition to the risks described in *"Item 1A. Risk Factors – Acquisition and Capital Structure Risks – We have made substantial investments to acquire certain wireless spectrum licenses and other related assets. In addition, we have made substantial non-controlling investments in the Northstar Entities and the SNR Entities related to AWS-3 wireless spectrum licenses"* in this Annual Report on Form 10-K, we face certain other risks related to our non-controlling investments in the Northstar Entities and the SNR Entities, including, among others, the risks described below. Any of the following risks, among others, may have a material adverse effect on our business, results of operations and financial condition.

On October 27, 2015, the FCC granted the Northstar Licenses to Northstar Wireless and the SNR Licenses to SNR Wireless, respectively. We do not own or control the Northstar Licenses or the SNR Licenses nor do we control the Northstar Entities or the SNR Entities. We do not have a right to require Northstar Manager or SNR Management to sell their respective ownership interests in Northstar Spectrum and SNR Holdco to us. Northstar Manager, as the sole manager of Northstar Spectrum, and SNR Management, as the sole manager of SNR Holdco, will have the exclusive right and power to manage, operate and control Northstar Spectrum and SNR Holdco,

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respectively, subject to certain limited protective provisions for the benefit of American II and American III, respectively. Northstar Manager and SNR Management will have the ability, but not the obligation, to require Northstar Spectrum and SNR Holdco, respectively, to purchase Northstar Manager's and SNR Management's ownership interests in those respective entities after the fifth anniversary of the grant date of the Northstar Licenses and the SNR Licenses (and in certain circumstances prior to the

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fifth anniversary of the grant date of the Northstar Licenses and the SNR Licenses). Thus, we cannot be certain that the Northstar Licenses or the SNR Licenses will be developed in a manner fully consistent with our current or future business plans.

Each of Northstar Wireless and SNR Wireless applied to receive bidding credits of 25% as designated entities under applicable FCC rules. The FCC implemented rules and policies governing the designated entity program that are intended to ensure that qualifying designated entities are not controlled by operators or investors that do not meet certain qualification tests. Qualification is also subject to challenge in *qui tam* lawsuits filed by private parties alleging that participants have defrauded the government in which the person bringing the suit may share in any recovery by the government. Furthermore, litigation surrounding designated entity structures, increased regulatory scrutiny or third party or government lawsuits with respect to our non-controlling investments in the Northstar Entities and the SNR Entities could result in fines, and in certain cases, license revocation and/or criminal penalties, which could have a material adverse effect on our business, financial condition or results of operations.

On August 18, 2015, the FCC released the Order in which the FCC determined, among other things, that DISH Network has a controlling interest in, and is an affiliate of, Northstar Wireless and SNR Wireless, and therefore DISH Network's revenues should be attributed to them, which in turn makes Northstar Wireless and SNR Wireless ineligible to receive the Bidding Credit Amounts (approximately $1.961 billion for Northstar Wireless and $1.370 billion for SNR Wireless). Each of Northstar Wireless and SNR Wireless has filed a notice of appeal and petition for review of the Order with the D.C. Circuit, challenging, among other things, the FCC's determination that they are ineligible to receive the Bidding Credit Amounts. Oral arguments were presented to the Court on September 26, 2016. On August 29, 2017, the D.C. Circuit issued its opinion, holding that: (i) the FCC reasonably applied its precedent to determine that DISH Network exercised a disqualifying degree of de facto control over Northstar Wireless and SNR Wireless (rendering them ineligible to claim the Bidding Credit Amounts), but (ii) the FCC did not give Northstar Wireless and SNR Wireless adequate notice that, if their relationships with DISH Network cost them the Bidding Credit Amounts, the FCC would also deny them an opportunity to cure. The case was remanded to the FCC to give Northstar Wireless and SNR Wireless an opportunity to seek to negotiate a cure for the de facto control the FCC found that DISH Network exercises over them. On January 24, 2018, the FCC released an Order on Remand, DA 18-70 (the "Order on Remand"), in which the FCC ordered, among other things, that Northstar Wireless and SNR Wireless each have 90 days to negotiate with DISH Network a cure for the *de facto* control the FCC found that DISH Network exercises over them. The Order on Remand also provides, among other things, a potential 45-day extension for such negotiations, a 45-day period for certain third-parties to file comments about any changes to the agreements proposed by Northstar Wireless and SNR Wireless, and up to 90 days for Northstar Wireless and SNR Wireless to respond to any such third-party comments. On January 26, 2018, SNR Wireless and Northstar Wireless filed a petition for a writ of certiorari, asking the United States Supreme Court to hear an appeal from the August 29, 2017 opinion from the D.C. Circuit. We cannot predict with any degree of certainty the timing or outcome of these proceedings. See "*We have made substantial investments to acquire certain wireless spectrum licenses and other related assets. In addition, we have made substantial non-controlling investments in the Northstar Entities and the SNR Entities related to AWS-3 wireless spectrum licenses*" above for further information.

In addition, on September 23, 2016, the United States District Court for the District of Columbia unsealed a qui tam complaint that was filed by Vermont National against us; our wholly-owned subsidiaries, American AWS-3 Wireless I L.L.C., American II, American III, and DISH Wireless Holding L.L.C.; Charles W. Ergen (our Chairman) and Cantey M. Ergen (a member of our board of directors); Northstar Wireless; Northstar Spectrum; Northstar Manager; SNR Wireless; SNR HoldCo; SNR Management; and certain other parties. See "*Contingencies – Litigation – Vermont National Telephone Company*" in Note 14 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

We may need to make significant additional loans to the Northstar Entities and the SNR Entities, or they may need to partner with others, so that the Northstar Entities and the SNR Entities may commercialize, build-out and integrate the Northstar Licenses and the SNR Licenses, and comply with regulations applicable to the Northstar Licenses and the SNR Licenses, and make any potential payments related to the Northstar Re-Auction Payment and the SNR Re-Auction Payment for the AWS-3 Licenses retained by the FCC. Depending upon the nature and scope of such commercialization, build-out, integration efforts, and regulatory compliance, and potential Northstar Re-Auction Payment and SNR Re-Auction Payment, any such loans or partnerships could vary significantly. We may need to raise

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significant additional capital in the future, which may not be available on acceptable terms or at all, to make further investments in the Northstar Entities and the SNR Entities. There can be no assurance that we will be able to obtain a profitable return on our non-controlling investments in the Northstar Entities and the SNR Entities.

To the extent that we commercialize our wireless spectrum licenses, we will face certain risks entering and competing in the wireless services industry and operating a wireless services business.

We have made substantial investments to acquire certain wireless spectrum licenses and related assets. These wireless spectrum licenses are subject to certain interim and final build-out requirements. We will need to make significant additional investments or partner with others to, among other things, commercialize, build-out, and integrate these licenses and related assets, and any additional acquired licenses and related assets; and comply with regulations applicable to such licenses. Depending on the nature and scope of such commercialization, build-out, integration efforts, and regulatory compliance, any such investments or partnerships could vary significantly. We may also determine that additional wireless spectrum licenses may be required to commercialize our wireless business and to compete with other wireless service providers. See "*We have made substantial investments to acquire certain wireless spectrum licenses and other related assets. In addition, we have made substantial non-controlling investments in the Northstar Entities and the SNR Entities related to AWS-3 wireless spectrum licenses*" above for further information. We may need to raise significant additional capital in the future to fund the efforts described above, which may not be available on acceptable terms or at all. There can be no assurance that we will be able to develop and implement a business

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model that will realize a return on these wireless spectrum licenses or that we will be able to profitably deploy the assets represented by these wireless spectrum licenses, which may affect the carrying amount of these assets and our future financial condition or results of operations.

To the extent we commercialize our wireless spectrum licenses and enter the wireless services industry, a wireless services business presents certain risks. Any of the following risks, among others, may have a material adverse effect on our future business, results of operations and financial condition.

- ***The wireless services industry is competitive.*** We have limited experience in the wireless services industry, which is a competitive industry, with increasing customer demands for data services that require increasing capital resources to maintain a robust network. The wireless services industry has incumbent and established competitors such as Verizon, AT&T, T-Mobile USA Inc. ("T-Mobile") and Sprint Corporation ("Sprint"), with substantial market share. Some of these companies have greater financial, marketing and other resources than us, and have existing cost and operational advantages that we lack. Market saturation is expected to continue to cause the wireless services industry's customer growth rate to moderate in comparison to historical growth rates, leading to increased competition for customers. As the industry matures, competitors increasingly must seek to attract a greater proportion of new subscribers from each other's existing subscriber bases rather than from first-time purchasers of wireless services. Furthermore, the cost of attracting a new customer is generally higher than the cost associated with retaining an existing customer. In addition, we may face increasing competition from wireless telecommunications providers who offer mobile video offerings. Wireless mobile video offerings have become more prevalent in the marketplace as wireless telecommunications providers have expanded the fourth generation of wireless communications. In July 2015, AT&T completed its acquisition of DirecTV, our direct competitor and the largest satellite TV provider in the United States, which has an OTT service, DirecTV Now, that competes directly with our Sling TV services. As a result of this acquisition, DirecTV, among other things, has increased access to capital, access to AT&T's nationwide platform for wireless mobile video, and the ability to more seamlessly bundle its video services with AT&T's broadband Internet access and wireless services. The combined company may be able to, among other things, pressure third-party content owners and programmers to withhold online rights from us; utilize its increased leverage over third-party content owners and programmers to reduce the price it pays for programming at the expense of other MVPDs, including us; thwart our entry into the wireless market, by, among other things, refusing to enter into data roaming agreements with us; foreclose or degrade our online video offerings at various points in the broadband pipe; and impose data caps on consumers who access our online video offerings. In addition, in October 2016, AT&T announced its pending acquisition of Time Warner. In November 2017, the Department of Justice filed a lawsuit to block the merger; the trial is scheduled to begin in March 2018. We cannot predict the timing or outcome of this lawsuit. If the proposed transaction ultimately is completed, the addition of Time

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Warner's media holdings, which include content, such as HBO, TBS, TNT, CNN, and movies, would, among other things, provide the combined company increased scale and leverage in the converging video, mobile, and broadband industries. For example, AT&T's current zero rating practice may give an unfair advantage to AT&T's own video content, which currently includes, among others, DirecTV services on mobile devices.

- ***Our ability to compete effectively would be dependent on a number of factors.*** Our ability to compete effectively would depend on, among other things, our network quality, capacity and coverage; the pricing of our products and services; the quality of customer service; our development of new and enhanced products and services; the reach and quality of our sales and distribution channels; our ability to predict and adapt to future changes in technologies and changes in consumer demands; and capital resources. It would also depend on how successfully we anticipate and respond to various competitive factors affecting the industry, including, among others, new technologies and business models, products and services that may be introduced by competitors, changes in consumer preferences, the demand for and usage of data, video and other voice and non-voice services, demographic trends, economic conditions, and discount pricing and other strategies that may be implemented by competitors. It may be difficult for us to differentiate our products and services from other competitors in the industry, which may limit our ability to attract customers. Our success also may depend on our ability to access and deploy adequate spectrum, deploy new technologies and offer attractive services to customers. For example, we may not be able to obtain and offer certain technologies or features that are subject to competitor patents or other exclusive arrangements.

- ***We would depend on third parties to provide us with infrastructure and products and services.*** We would depend on various key suppliers and vendors to provide us, directly or through other suppliers, with infrastructure, equipment and services, such as switch and network equipment, handsets and other devices and equipment that we would need in order to operate a wireless services business and provide products and services to our customers. For example, handset and other device suppliers often rely on one vendor for the manufacture and supply of critical components, such as chipsets, used in their devices. If these suppliers or vendors fail to provide equipment or services on a timely basis or fail to meet performance expectations, we may be unable to provide products and services as and when expected by our customers. Any difficulties experienced with these suppliers and vendors could result in additional expense and/or delays in introducing our wireless services. Our efforts would involve significant expense and require strategic management decisions on, and timely implementation of, equipment choices, network deployment and management, and service offerings. In addition, these suppliers and vendors may also be subject to litigation with respect to technology on which we would depend, including litigation involving claims of patent infringement.

- ***Wireless services and our wireless spectrum licenses are subject to government regulation.*** Wireless services and our wireless spectrum licenses are subject to regulation by the FCC and other federal, state and local, as well as international, governmental authorities. These governmental authorities could adopt regulations or take other actions that would adversely affect our business prospects, making it more difficult and/or expensive to commercialize our wireless spectrum licenses or acquire additional licenses. The licensing, construction, operation, sale and interconnection arrangements of wireless telecommunications systems are regulated by the FCC and, depending on the jurisdiction, other federal and international, state and local regulatory agencies. In particular, the FCC imposes significant regulation on licensees of wireless spectrum with respect to how radio spectrum is used by licensees, the nature of the services that licensees may offer and how the services may be offered, and resolution of issues of interference between spectrum bands. The FCC grants wireless licenses for terms of generally ten years that are subject to renewal or revocation based on certain factors depending on the license including, among others, public interest considerations, level and quality of services and/or operations provided by the licensee, frequency and duration of any interruptions or outages of services and/or operations provided by the licensee, and the extent to which service is provided to, and/or operation is provided in, rural areas and tribal lands. There can be no assurances that our wireless spectrum licenses will be renewed or that we will be able to obtain additional licenses. Failure to

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comply with FCC requirements in a given license area could result in revocation of the license for that license area. In addition, the FCC uses its transactional "spectrum screen" to identify prospective wireless transactions that may require additional competitive scrutiny. If a proposed transaction would exceed the spectrum screen threshold, the FCC undertakes a more detailed analysis of relevant market conditions in the impacted geographic areas to determine

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whether the transaction would reduce competition without offsetting public benefits. If a proposed spectrum acquisition exceeds the spectrum screen trigger such additional review could extend the duration of the regulatory review process and there can be no assurance that such proposed spectrum acquisition would ultimately be completed in whole or in part. For further information related to our wireless spectrum licenses, including build-out requirements, see other Risk Factors above.

Our wireless spectrum licenses are subject to certain interim and final build-out requirements and the failure to meet such build-out requirements may have a material adverse effect on our business, results of operations and financial condition.

Our wireless spectrum licenses are subject to certain interim and final build-out requirements and there is no guarantee that the FCC will find our build-out sufficient to meet the build-out requirements. Failure to comply with FCC build-out requirements in a given license area could result in revocation of the license for that license area. The revocation of our wireless spectrum licenses may have a material adverse effect on our future business, results of operations and financial condition. For further information related to our wireless spectrum licenses, including build-out requirements, see other Risk Factors above.

We rely on highly skilled personnel for our wireless business and, if we are unable to hire and retain key personnel or hire qualified personnel then our wireless business may be adversely affected.

We believe that our wireless business is dependent on our ability to identify, hire, develop, motivate, and retain a new team of highly skilled personnel with knowledge of the wireless industry. Our wireless business will be adversely affected if we fail to effectively identify, hire, develop, motivate, and retain highly skilled personnel with knowledge of the wireless industry.

We may pursue acquisitions and other strategic transactions to complement or expand our business that may not be successful, and we may lose up to the entire value of our investment in these acquisitions and transactions.

Our future success may depend on opportunities to buy other businesses or technologies that could complement, enhance or expand our current businesses or products or that might otherwise offer us growth opportunities. To pursue this strategy successfully, we must identify attractive acquisition or investment opportunities and successfully complete transactions, some of which may be large and complex. We may not be able to identify or complete attractive acquisition or investment opportunities due to, among other things, the intense competition for these transactions. If we are not able to identify and complete such acquisition or investment opportunities, our future results of operations and financial condition may be adversely affected.

We may be unable to obtain in the anticipated timeframe, or at all, any regulatory approvals required to complete proposed acquisitions and other strategic transactions. Furthermore, the conditions imposed for obtaining any necessary approvals could delay the completion of such transactions for a significant period of time or prevent them from occurring at all. We may not be able to complete such transactions and such transactions, if executed, pose significant risks and could have a negative effect on our operations. Any transactions that we are able to identify and complete may involve a number of risks, including:

- the diversion of our management's attention from our existing businesses to integrate the operations and personnel of the acquired or combined business or joint venture;
- possible adverse effects on our operating results during the integration process;
- a high degree of risk inherent in these transactions, which could become substantial over time, and higher exposure to significant financial losses if the underlying ventures are not successful;
- our possible inability to achieve the intended objectives of the transaction; and
- the risks associated with complying with regulations applicable to the acquired business, which may cause us to incur substantial expenses.

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In addition, we may not be able to successfully or profitably integrate, operate, maintain and manage our newly acquired operations or employees. We may not be able to maintain uniform standards, controls, procedures and policies, and this may lead to operational inefficiencies. In addition, the integration process may strain our financial and managerial controls and reporting systems and procedures.

New acquisitions, joint ventures and other transactions may require the commitment of significant capital that would otherwise be directed to investments in our existing business. To pursue acquisitions and other strategic transactions, we may need to raise additional capital in the future, which may not be available on acceptable terms or at all.

In addition to committing capital to complete the acquisitions, substantial capital may be required to operate the acquired businesses following their acquisition. These acquisitions may result in significant financial losses if the intended objectives of the transactions are not achieved. Some of the businesses acquired by us have experienced significant operating and financial challenges in their recent history, which in some cases resulted in these businesses commencing bankruptcy proceedings prior to our acquisition. We may acquire similar businesses in the future. There is no assurance that we will be able to successfully address the challenges and risks encountered by these businesses following their acquisition. If we are unable to successfully address these challenges and risks, our business, financial condition and/or results of operations may suffer.

We may need additional capital, which may not be available on acceptable terms or at all, to continue investing in our business and to finance acquisitions and other strategic transactions.

We may need to raise significant additional capital in the future, which may not be available on acceptable terms or at all, to among other things, continue investing in our business, construct and launch new satellites, and to pursue acquisitions and other strategic transactions (including significant investments in wireless). Weakness in the equity markets could make it difficult for us to raise equity financing without incurring substantial dilution to our existing shareholders.

Adverse changes in the credit markets, including rising interest rates, could increase our borrowing costs and/or make it more difficult for us to obtain financing for our operations or refinance existing indebtedness. In addition, economic weakness or weak results of operations may limit our ability to generate sufficient internal cash to fund investments, capital expenditures, acquisitions and other strategic transactions, as well as to fund ongoing operations and service our debt. Furthermore, our borrowing costs can be affected by short and long-term debt ratings assigned by independent rating agencies, which are based, in significant part, on our performance as measured by their credit metrics. A decrease in these ratings would likely increase our cost of borrowing and/or make it more difficult for us to obtain financing. A severe disruption in the global financial markets could impact some of the financial institutions with which we do business, and such instability could also affect our access to financing. As a result, these conditions make it difficult for us to accurately forecast and plan future business activities because we may not have access to funding sources necessary for us to pursue organic and strategic business development opportunities.

See *"We have made substantial investments to acquire certain wireless spectrum licenses and other related assets. In addition, we have made substantial non-controlling investments in the Northstar Entities and the SNR Entities related to AWS-3 wireless spectrum licenses"* above for further information.

We have substantial debt outstanding and may incur additional debt.

As of December 31, 2017, our total long-term debt and capital lease obligations, including the debt of our subsidiaries, was $16.203 billion. Our debt levels could have significant consequences, including:

- making it more difficult to satisfy our obligations;
- a dilutive effect on our outstanding equity capital or future earnings;
- increasing our vulnerability to general adverse economic conditions, including changes in interest rates;
- requiring us to devote a substantial portion of our cash to make interest and principal payments on our debt, thereby reducing the amount of cash available for other purposes. As a result, we would have limited financial and operating flexibility in responding to changing economic and competitive conditions;
- limiting our ability to raise additional debt because it may be more difficult for us to obtain debt financing on attractive terms; and
- placing us at a disadvantage compared to our competitors that are less leveraged.

In addition, we may incur substantial additional debt in the future. The terms of the indentures relating to our senior notes permit us to incur additional debt. If new debt is added to our current debt levels, the risks we now face could intensify.

The conditional conversion features of our 3 3/8% Convertible Notes due 2026 (the "Convertible Notes due 2026") and our 2 3/8% Convertible Notes due 2024 (the "Convertible Notes due 2024," and collectively with the Convertible Notes due 2026, the "Convertible Notes"), if triggered, may adversely affect our financial condition.

In the event the conditional conversion features of the Convertible Notes are triggered, holders of the Convertible Notes will be entitled to convert the Convertible Notes at any time during specified periods at their option. If one or more holders elect to convert their Convertible Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our Class A common stock, we would be required to make cash payments to satisfy all or a portion of our conversion obligation based on the conversion rate, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their Convertible Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Convertible Notes as a current rather than long-term liability, which could result in a material reduction of our net working capital.

The convertible note hedge and warrant transactions that we entered into in connection with the offering of the Convertible Notes due 2026 may affect the value of the Convertible Notes due 2026 and our Class A common stock.

In connection with the offering of the Convertible Notes due 2026, we entered into convertible note hedge transactions with certain option counterparties (each an "option counterparty"). The convertible note hedge transactions are expected generally to reduce the potential dilution upon conversion of the Convertible Notes due 2026 and/or offset any cash payments we are required to make in excess of the principal amount of converted Convertible Notes due 2026, as the case may be. We also entered into warrant transactions with each option counterparty. The warrant transactions could separately have a dilutive effect on our Class A common stock to the extent that the market price per share of our Class A common stock exceeds the strike price of the warrants, unless we elect to settle the warrants in cash. In connection with establishing its initial hedge of the convertible note hedge and warrant transactions, each option counterparty or an affiliate thereof may have entered into various derivative transactions with respect to our Class A common stock concurrently with or shortly after the pricing of the Convertible Notes due 2026. This activity could increase (or reduce the size of any decrease in) the market price of our Class A common stock or the Convertible Notes due 2026 at that time. In addition, each option counterparty or an affiliate thereof may modify its hedge position by entering into or unwinding various derivatives with respect to our Class A common stock and/or purchasing or selling our Class A common stock or other securities of ours in secondary market transactions prior to the maturity of the Convertible Notes due 2026 (and is likely to do so during any observation period related to a conversion of the Convertible Notes due 2026). This activity could also cause or avoid an increase or a decrease in the market price of our Class A common stock or the Convertible Notes due 2026. In addition, if any such convertible note hedge and warrant transactions fail to become effective, each option counterparty may unwind its hedge position with respect to our Class A common stock, which could adversely affect the value of our Class A common stock and the value of the Convertible Notes due 2026.

We are subject to counterparty risk with respect to the convertible note hedge transactions.

Each option counterparty to the convertible note hedge transactions is a financial institution, and we will be subject to the risk that it might default under the convertible note hedge transaction. Our exposure to the credit risk of an option counterparty will not be secured by any collateral. Global economic conditions have from time to time resulted in the actual or perceived failure or financial difficulties of many financial institutions, including the bankruptcy filing by Lehman Brothers Holdings Inc. and its various affiliates. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under our transactions with the option counterparty. Our exposure will depend on many factors but, generally, the increase in our exposure will be correlated to the increase in the market price and in the volatility of our Class A common stock. In addition, upon a default by an option counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our Class A common stock. We can provide no assurances as to the financial stability or viability of any option counterparty.

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From time to time a portion of our investment portfolio may be invested in securities that have limited liquidity and may not be immediately accessible to support our financing needs, including investments in public companies that are highly speculative and have experienced and continue to experience volatility.

From time to time a portion of our investment portfolio may be invested in strategic investments, and as a result, a portion of our portfolio may have restricted liquidity. If the credit ratings of these securities deteriorate or there is a lack of liquidity in the marketplace, we may be required to record impairment charges. Moreover, the uncertainty of domestic and global financial markets can greatly affect the volatility and value of our marketable investment securities. In addition, a portion of our investment portfolio may include strategic and financial investments in debt and equity securities of public companies that are highly speculative and experience volatility. Typically, these investments are concentrated in a small number of companies. The fair value of these investments can be significantly impacted by the risk of adverse changes in securities markets generally, as well as risks related to the performance of the companies whose securities we have invested in, risks associated with specific industries, and other factors. These investments are subject to significant fluctuations in fair value due to the volatility of the securities markets and of the underlying businesses. The concentration of these investments as a percentage of our overall investment portfolio fluctuates from time to time based on, among other things, the size of our investment portfolio and our ability to liquidate these investments. In addition, because our portfolio may be concentrated in a limited number of companies, we may experience a significant loss if any of these companies, among other things, defaults on its obligations, performs poorly, does not generate adequate cash flow to fund its operations, is unable to obtain necessary financing on acceptable terms, or at all, or files for bankruptcy, or if the sectors in which these companies operate experience a market downturn. To the extent we require access to funds, we may need to sell these securities under unfavorable market conditions, record impairment charges and fall short of our financing needs.

It may be difficult for a third party to acquire us, even if doing so may be beneficial to our shareholders, because of our ownership structure.

Certain provisions of our articles of incorporation and bylaws may discourage, delay or prevent a change in control of our company that a shareholder may consider favorable. These provisions include the following:

- a capital structure with multiple classes of common stock: a Class A that entitles the holders to one vote per share, a Class B that entitles the holders to ten votes per share, a Class C that entitles the holders to one vote per share, except upon a change in control of our company in which case the holders of Class C are entitled to ten votes per share;
- a provision that authorizes the issuance of "blank check" preferred stock, which could be issued by our Board of Directors to increase the number of outstanding shares and thwart a takeover attempt;
- a provision limiting who may call special meetings of shareholders; and
- a provision establishing advance notice requirements for nominations of candidates for election to our Board of Directors or for proposing matters that can be acted upon by shareholders at shareholder meetings.

As discussed below, Charles W. Ergen, our Chairman, controls approximately 78.5% of the total voting power of our company. Such control by Mr. Ergen may make it impractical for any third party to effect a change in control of our company. In addition, pursuant to our articles of incorporation we have a significant amount of authorized and unissued stock which would allow our Board of Directors to issue shares to persons friendly to current management, thereby protecting the continuity of its management, or which could be used to dilute the stock ownership of persons seeking to obtain control of us.

We are controlled by one principal stockholder who is also our Chairman.

Charles W. Ergen, our Chairman, owns approximately 44.6% of our total equity securities (assuming conversion of all Class B Common Stock into Class A Common Stock) and beneficially owns approximately 48.0% of our total equity securities (assuming conversion of only the Class B Common Stock held by Mr. Ergen into Class A Common Stock). Under either a beneficial or equity calculation method, Mr. Ergen controls approximately 78.5% of the total voting

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power. Mr. Ergen's beneficial ownership of shares of Class A Common Stock excludes 33,790,620 shares of Class A Common Stock issuable upon conversion of shares of Class B Common Stock currently held by certain trusts established by Mr. Ergen for the benefit of his family. These trusts own approximately 7.3% of our total equity securities (assuming conversion of all Class B Common Stock into Class A Common Stock) and beneficially own approximately 12.9% of our total equity securities (assuming conversion of only the Class B Common Stock held by such trusts into Class A Common Stock). Under either a beneficial or equity calculation method, these trusts possess approximately 12.9% of the total voting power. Through his voting power, Mr. Ergen has the ability to elect a majority of our directors and to control all other matters requiring the approval of our stockholders. As a result, DISH Network is a "controlled company" as defined in the Nasdaq listing rules and is, therefore, not subject to Nasdaq requirements that would otherwise require us to have: (i) a majority of independent directors; (ii) a nominating committee composed solely of independent directors; (iii) compensation of our executive officers determined by a majority of the independent directors or a compensation committee composed solely of independent directors; and (iv) director nominees selected, or recommended for the Board's selection, either by a majority of the independent directors or a nominating committee composed solely of independent directors. Mr. Ergen is also the principal stockholder and Chairman of EchoStar.

Legal and Regulatory Risks

The rulings in the Telemarketing litigation requiring us to pay up to an aggregate amount of $341 million and imposing certain injunctive relief against us, if upheld, would have a material adverse effect on our cash, cash equivalents and marketable investment securities balances and our business operations.

On March 25, 2009, our wholly-owned subsidiary DISH Network L.L.C. was sued in a civil action by the United States Attorney General and several states in the United States District Court for the Central District of Illinois (the "FTC Action"), alleging violations of the Telephone Consumer Protection Act ("TCPA") and the Telemarketing Sales Rule ("TSR"), as well as analogous state statutes and state consumer protection laws. The plaintiffs alleged that we, directly and through certain independent third-party retailers and their affiliates, committed certain telemarketing violations. On December 23, 2013, the plaintiffs filed a motion for summary judgment, which indicated for the first time that the state plaintiffs were seeking civil penalties and damages of approximately $270 million and that the federal plaintiff was seeking an unspecified amount of civil penalties (which could substantially exceed the civil penalties and damages being sought by the state plaintiffs). The plaintiffs were also seeking injunctive relief that if granted would, among other things, enjoin DISH Network L.L.C., whether acting directly

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or indirectly through authorized telemarketers or independent third-party retailers, from placing any outbound telemarketing calls to market or promote its goods or services for five years, and enjoin DISH Network L.L.C. from accepting activations or sales from certain existing independent third-party retailers and from certain new independent third-party retailers, except under certain circumstances. We also filed a motion for summary judgment, seeking dismissal of all claims. On December 12, 2014, the Court issued its opinion with respect to the parties' summary judgment motions. The Court found that DISH Network L.L.C. was entitled to partial summary judgment with respect to one claim in the action. In addition, the Court found that the plaintiffs were entitled to partial summary judgment with respect to ten claims in the action, which included, among other things, findings by the Court establishing DISH Network L.L.C.'s liability for a substantial amount of the alleged outbound telemarketing calls by DISH Network L.L.C. and certain of its independent third-party retailers that were the subject of the plaintiffs' motion. The Court did not issue any injunctive relief and did not make any determination on civil penalties or damages, ruling instead that the scope of any injunctive relief and the amount of any civil penalties or damages were questions for trial.

In pre-trial disclosures, the federal plaintiff indicated that it intended to seek up to $900 million in alleged civil penalties, and the state plaintiffs indicated that they intended to seek as much as $23.5 billion in alleged civil penalties and damages. The plaintiffs also modified their request for injunctive relief. Their requested injunction, if granted, would have enjoined DISH Network L.L.C. from placing outbound telemarketing calls unless and until: (i) DISH Network L.L.C. hired a third-party consulting organization to perform a review of its call center operations; (ii) such third-party consulting organization submitted a telemarketing compliance plan to the Court and the federal plaintiff; (iii) the Court held a hearing on the adequacy of the plan; (iv) if the Court approved the plan, DISH Network L.L.C. implemented the plan and verified to the Court that it had implemented the plan; and (v) the Court issued an order permitting DISH Network L.L.C. to resume placing outbound telemarketing calls. The plaintiffs' modified request for injunctive relief, if granted, would have also enjoined DISH Network L.L.C. from accepting customer orders solicited by certain

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independent third-party retailers unless and until a similar third-party review and Court approval process was followed with respect to the telemarketing activities of its independent third-party retailer base to ensure compliance with the TSR.

The first phase of the bench trial took place January 19, 2016 through February 11, 2016. In closing briefs, the federal plaintiff indicated that it still was seeking $900 million in alleged civil penalties; the California state plaintiff indicated that it was seeking $100 million in alleged civil penalties and damages for its state law claims (in addition to any amounts sought on its federal law claims); the Ohio state plaintiff indicated that it was seeking approximately $10 million in alleged civil penalties and damages for its state law claims (in addition to any amounts sought on its federal law claims); and the Illinois and North Carolina state plaintiffs did not state the specific alleged civil penalties and damages that they were seeking; but the state plaintiffs took the general position that any damages award less than $1.0 billion (presumably for both federal and state law claims) would not raise constitutional concerns. Under the Eighth Amendment of the United States Constitution, excessive fines may not be imposed.

On October 3, 2016, the plaintiffs further modified their request for injunctive relief and were seeking, among other things, to enjoin DISH Network L.L.C., whether acting directly or indirectly through authorized telemarketers or independent third-party retailers, from placing any outbound telemarketing calls to market or promote its goods or services for five years, and enjoin DISH Network L.L.C. from accepting activations or sales from some or all existing independent third-party retailers. The second phase of the bench trial, which commenced on October 25, 2016 and concluded on November 2, 2016, covered the plaintiffs' requested injunctive relief, as well as certain evidence related to the state plaintiffs' claims.

On June 5, 2017, the Court issued Findings of Fact and Conclusions of Law and entered Judgment ordering DISH Network L.L.C. to pay an aggregate amount of $280 million to the federal and state plaintiffs. The Court also issued a Permanent Injunction (the "Injunction") against DISH Network L.L.C. that imposes certain ongoing compliance requirements on DISH Network L.L.C., which include, among other things: (i) the retention of a telemarketing-compliance expert to prepare a plan to ensure that DISH Network L.L.C. and certain independent third-party retailers will continue to comply with telemarketing laws and the Injunction; (ii) certain telemarketing records retention and production requirements; and (iii) certain compliance reporting and monitoring requirements. In addition to the compliance requirements under the Injunction, within ninety (90) days after the effective date of the Injunction, DISH Network L.L.C. is required to demonstrate that it and certain independent third-party retailers are in compliance with the Safe Harbor Provisions of the TSR and TCPA and have made no prerecorded telemarketing calls during the five (5) years prior to the effective date of the Injunction (collectively, the "Demonstration Requirements"). If DISH Network L.L.C. fails to prove that it meets the Demonstration Requirements, it will be barred from conducting any outbound telemarketing for two (2) years. If DISH Network L.L.C. fails to prove that a particular independent third-party retailer meets the Demonstration Requirements, DISH Network L.L.C. will be barred from accepting orders from that independent third-party retailer for two (2) years. On July 3, 2017, DISH Network L.L.C. filed two motions with the Court: (1) to alter or amend the Judgment or in the alternative to amend the Findings of Fact and Conclusions of Law; and (2) to clarify, alter and amend the Injunction. On August 10, 2017, the Court: (a) denied the motion to alter or amend the Judgment or in the alternative to amend the Findings of Fact and Conclusions of Law; and (b) allowed, in part, the motion to clarify, alter and amend the Injunction, and entered an Amended Permanent Injunction (the "Amended Injunction"). Among other things, the Amended Injunction provided DISH Network L.L.C a thirty (30) day extension to meet the Demonstration Requirements, expanded the exclusion of certain independent third-party retailers from the Demonstration Requirements, and clarified that, with regard to independent third-party retailers, the Amended Injunction only applied to their telemarketing of DISH TV goods and services. On October 10, 2017, DISH Network L.L.C. filed a notice of appeal to the United States Court of Appeals for the Seventh Circuit. On February 2, 2018, the plaintiffs filed a notice claiming that DISH Network L.L.C. failed to prove that it met the Demonstration Requirements, as required by the Injunction, and asking the Court to impose a two-year ban on telemarketing by us, and a two-year ban on accepting orders from our primary retailers. The Court has indicated that it will set a hearing on the matter in June 2018.

During the year ended December 31, 2017, we recorded $255 million of "Litigation expense" related to the FTC Action on our Consolidated Statements of Operations and Comprehensive Income (Loss). We recorded $25 million of "Litigation expense" related to the FTC Action during prior periods. Our total accrual at December 31, 2017 related to the FTC Action was $280 million and is included in "Other accrued expenses" on our Consolidated Balance Sheets.

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Any eventual payments made with respect to the FTC Action may not be deductible for tax purposes, which had a negative impact on our effective tax rate for the year ended December 31, 2017. The tax deductibility of any eventual payments made with respect to the FTC Action may change, based upon, among other things, further developments in the FTC Action, including final adjudication of the FTC Action.

We may also from time to time be subject to private civil litigation alleging telemarketing violations. For example, a portion of the alleged telemarketing violations by an independent third-party retailer at issue in the FTC Action are also the subject of a certified class action filed against DISH Network L.L.C. in the United States District Court for the Middle District of North Carolina (the "Krakauer Action"). Following a five-day trial, on January 19, 2017, a jury in that case found that the independent third-party retailer was acting as DISH Network L.L.C.'s agent when it made the 51,119 calls at issue in that case, and that class members are eligible to recover $400 in damages for each call made in violation of the TCPA. On March 7, 2017, DISH Network L.L.C. filed motions with the Court for judgment as a matter of law and, in the alternative, for a new trial, which the Court denied on May 16, 2017. On May 22, 2017, the Court ruled that the violations were willful and knowing, and trebled the damages award to $1,200 for each call made in violation of TCPA. On January 25, 2018, the Court indicated that it will be entering judgment in favor of approximately 11,000 of the 18,000 potential class members whose identities, the Court found, are not subject to reasonable dispute. During the year ended December 31, 2017, we recorded $41 million of "Litigation expense" related to the Krakauer Action on our Consolidated Statements of Operations and Comprehensive Income (Loss). We recorded $20 million of "Litigation expense" related to the Krakauer Action during the fourth quarter 2016. Our total accrual related to the Krakauer Action at December 31, 2017 was $61 million and is included in "Other accrued expenses" on our Consolidated Balance Sheets.

The rulings in the Telemarketing litigation requiring us to pay up to an aggregate amount of $341 million and imposing certain injunctive relief against us, if upheld, would have a material adverse effect on our cash, cash equivalents and marketable investment securities balances and our business operations.

Our business may be materially affected by the Tax Reform Act. Negative or unexpected tax consequences could adversely affect our business, financial condition and results of operations

On December 22, 2017, the Tax Reform Act was enacted making significant changes to the Internal Revenue Code. Such changes include, but are not limited to, a reduction in the corporate tax rate and certain limitations on corporate deductions (e.g., a limitation on the interest expense deduction available to companies). These changes could have an adverse effect on our business, financial condition and results of operations. However, we are still assessing the full impact of the Tax Reform Act and cannot predict the manner in which regulations or legislation in these areas may be interpreted and enforced or the impact that such interpretations and enforcement could have on our business, financial condition and results of operations.

Our business depends on certain intellectual property rights and on not infringing the intellectual property rights of others.

We rely on our patents, copyrights, trademarks and trade secrets, as well as licenses and other agreements with our vendors and other parties, to use our technologies, conduct our operations and sell our products and services. Legal challenges to our intellectual property rights and claims of intellectual property infringement by third parties could require that we enter into royalty or licensing agreements on unfavorable terms, incur substantial monetary liability or be enjoined preliminarily or permanently from further use of the intellectual property in question or from the continuation of our business as currently conducted, which could require us to change our business practices or limit our ability to compete effectively or could have an adverse effect on our results of operations. Even if we believe any such challenges or claims are without merit, they can be time-consuming and costly to defend and divert management's attention and resources away from our business. Moreover, because of the rapid pace of technological change, we rely on technologies developed or TableOfContentslicensed by third parties, and if we are unable to obtain or continue to obtain licenses from these third parties on reasonable terms, our business, financial condition and results of operations could be adversely affected.

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In addition, we work with third parties such as vendors, contractors and suppliers for the development and manufacture of components that are integrated into our products and services, and our products and services may contain technologies provided to us by these third parties or other third parties. We may have little or no ability to determine in advance whether any such technology infringes the intellectual property rights of others. Our vendors, contractors and suppliers may not be required to indemnify us if a claim of infringement is asserted against us, or they may be required to indemnify us only up to a maximum amount, above which we would be responsible for any further costs or damages. Legal challenges to these intellectual property rights may impair our ability to use the products, services and technologies that we need in order to operate our business and may materially and adversely affect our business, financial condition and results of operations. Furthermore, our digital content offerings depend in part on effective digital rights management technology to control access to digital content. If the digital rights management technology that we use is compromised or otherwise malfunctions, content providers may be unwilling to provide access to their content. Changes in the copyright laws or how such laws may be interpreted could impact our ability to deliver content and provide certain features and functionality, particularly over the Internet.

We are, and may become, party to various lawsuits which, if adversely decided, could have a significant adverse impact on our business, particularly lawsuits regarding intellectual property.

We are, and may become, subject to various legal proceedings and claims which arise in the ordinary course of business, including among other things, disputes with programmers regarding fees. Many entities, including some of our competitors, have or may in the future obtain patents and other intellectual property rights that may cover or affect products or services related to those that we offer. In general, if a court determines that one or more of our products or services infringes on intellectual property held by others, we may be required to cease developing or marketing those products or services, to obtain licenses from the holders of the intellectual property at a material cost, or to redesign those products or services in such a way as to avoid infringing the intellectual property. If those intellectual property rights are held by a competitor, we may be unable to obtain the intellectual property at any price, which could adversely affect our competitive position. See "*Item 1. Business – Patents and Other Intellectual Property"* of this Annual Report on Form 10-K for further information.

We may not be aware of all intellectual property rights that our services or the products used in connection with our services may potentially infringe. In addition, patent applications in the United States are confidential until the Patent and Trademark Office either publishes the application or issues a patent (whichever arises first). Therefore, it is difficult to evaluate the extent to which our services or the products used in connection with our services may infringe claims contained in pending patent applications. Further, it is sometimes not possible to determine definitively whether a claim of infringement is valid.

Our ability to distribute video content via the Internet, including our Sling TV services, involves regulatory risk.

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Certain of our programming agreements allow us to, among other things, deliver certain authenticated content via the Internet and/or deliver certain content through our Sling TV services, and we are increasingly distributing video content to our subscribers via the Internet and through our Sling TV services. The ability to continue this strategy may depend in part on the FCC's success in implementing rules prohibiting fixed and mobile broadband access providers, among other things, from blocking or throttling traffic, from paid privatization, and from unreasonably interfering with, or disadvantaging, consumers' or content providers' access to the Internet.

See *"Item 1. Business – Government Regulations – FCC Regulations Governing our Pay-TV Operations – Open Internet*" of this Annual Report on Form 10-K for further information.

Changes in the Cable Act, and/or the rules of the FCC that implement the Cable Act, may limit our ability to access programming from cable-affiliated programmers at nondiscriminatory rates.

We purchase a large percentage of our programming from cable-affiliated programmers. Pursuant to the Cable Act, cable providers had been prohibited from entering into exclusive contracts with cable-affiliated programmers. The Cable Act directed that this prohibition expire after a certain period of time unless the FCC determined that the prohibition continued to be necessary. In October 2012, the FCC allowed this prohibition to expire. While the FCC has issued a Further Notice of Proposed Rulemaking aimed at serving some of the same objectives as the prohibition, there can be no

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assurances that such protections will be adopted or be as effective as the prohibition if they are adopted. In the event that this decision is reconsidered by the FCC or reviewed by a court of appeals, we cannot predict the timing or outcome of any subsequent FCC decision.

As a result of the expiration of this prohibition on exclusivity, we may be limited in our ability to obtain access at all, or on nondiscriminatory terms, to programming from programmers that are affiliated with cable system operators. In addition, any other changes in the Cable Act, and/or the FCC's rules that implement the Cable Act, that currently limit the ability of cable-affiliated programmers to discriminate against competing businesses such as ours, could adversely affect our ability to acquire cable-affiliated programming at all or to acquire programming on nondiscriminatory terms.

Furthermore, the FCC had imposed program access conditions on certain cable companies as a result of mergers, consolidations or affiliations with programmers. The expiration of the exclusivity prohibition in the Cable Act triggered the termination of certain program access conditions that the FCC had imposed on Liberty. In July 2012, similar program access conditions that had applied to Time Warner Cable, which was acquired by Charter in 2016, expired as previously scheduled. These developments may adversely affect our ability to obtain Liberty's and Charter's programming, or to obtain it on nondiscriminatory terms. In the case of certain types of programming affiliated with Comcast through its control of NBCUniversal, the prohibition on exclusivity expired in January 2018, and we can no longer rely on these protections.

In addition, affiliates of certain cable providers have denied us access to sports programming that they distribute to their cable systems terrestrially, rather than by satellite. The FCC has held that new denials of such service are unfair if they have the purpose or effect of significantly hindering us from providing programming to consumers. However, we cannot be certain that we can prevail in a complaint related to such programming and gain access to it. Our continuing failure to access such programming could materially and adversely affect our ability to compete in regions serviced by these cable providers.

The injunction against our retransmission of distant networks, which is currently waived, may be reinstated.

Pursuant to STELA, we obtained a waiver of a court injunction that previously prevented us from retransmitting certain distant network signals under a statutory copyright license. Because of that waiver, we may provide distant network signals to eligible subscribers. To qualify for that waiver, we are required to provide local service in all 210 local markets in the United States on an ongoing basis. This condition poses a significant strain on our capacity. Moreover, we may lose that waiver if we are found to have failed to provide local service in any of the 210 local markets. If we lose the waiver, the injunction could be reinstated. Furthermore, depending on the severity of the failure, we may also be subject to other sanctions, which may include, among other things, damages.

We are subject to significant regulatory oversight, and changes in applicable regulatory requirements, including any adoption or modification of laws or regulations relating to the Internet, could adversely affect our business.

Our operations, particularly our DBS operations and our wireless spectrum licenses, are subject to significant government regulation and oversight, primarily by the FCC and, to a certain extent, by Congress, other federal agencies and foreign, state and local authorities. Depending upon the circumstances, noncompliance with legislation or regulations promulgated by these authorities could result in the limitations on, or suspension or revocation of, our licenses or registrations, the termination or loss of contracts or the imposition of contractual damages, civil fines or criminal penalties, any of which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, the change in the Administration and any government policy changes it may institute, which may be substantial, could increase regulatory uncertainty. The adoption or modification of laws or regulations relating to video programming, satellite services, wireless telecommunications, broadband, the Internet or other areas of our business could limit or otherwise adversely affect the manner in which we currently conduct our business, including our Sling TV services. In addition, the manner in which regulations or legislation in these areas may be interpreted and enforced cannot be precisely determined, which in turn could have an adverse effect on our business, financial condition and results of operations. See regulatory disclosures under the caption "*Item 1. Business – Government Regulations*" of this Annual Report on Form 10-K for additional information.

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Our business depends on FCC licenses that can expire or be revoked or modified and applications for FCC licenses that may not be granted.

If the FCC were to cancel, revoke, suspend, restrict, significantly condition, or fail to renew any of our licenses or authorizations, or fail to grant our applications for FCC licenses that we may file from time to time, it could have a material adverse effect on our business, financial condition and results of operations. Specifically, loss of a frequency authorization would reduce the amount of spectrum available to us, potentially reducing the amount of services available to our DISH TV subscribers. The materiality of such a loss of authorizations would vary based upon, among other things, the location of the frequency used or the availability of replacement spectrum. In addition, Congress often considers and enacts legislation that affects us and FCC proceedings to implement the Communications Act and enforce its regulations are ongoing. We cannot predict the outcomes of these legislative or regulatory proceedings or their effect on our business.

We are subject to digital HD "carry-one, carry-all" requirements that cause capacity constraints.

To provide any full-power local broadcast signal in any market, we are required to retransmit all qualifying broadcast signals in that market ("carry-one, carry-all"), including the carriage of full-power broadcasters' HD signals in markets in which we elect to provide local channels in HD. The carriage of additional HD signals on our DISH TV services could cause us to experience significant capacity constraints and prevent us from carrying additional popular national channels and/or carrying those national channels in HD.

Our business, investor confidence in our financial results and stock price may be adversely affected if our internal controls are not effective.

We periodically evaluate and test our internal control over financial reporting to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act. Our management has concluded that our internal control over financial reporting was effective as of December 31, 2017. If in the future we are unable to report that our internal control over financial reporting is effective (or if our auditors do not agree with our assessment of the effectiveness of, or are unable to express an opinion on, our internal control over financial reporting), investors, customers and business partners could lose confidence in the accuracy of our financial reports, which could in turn have a material adverse effect on our business, investor confidence in our financial results may weaken, and our stock price may suffer.

We may face other risks described from time to time in periodic and current reports we file with the SEC.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

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Item 2. PROPERTIES

The following table sets forth certain information concerning our principal properties related to our business segments.

Description/Use/Location	Segment(s) Using Property	Owned	Leased From EchoStar (1)	Leased From Other Third Party
Corporate headquarters, Englewood, Colorado	Pay-TV / Wireless		X	
Customer call center and general offices, Roseland, New Jersey	Pay-TV			X
Customer call center, Bluefield, West Virginia	Pay-TV	X		
Customer call center, Christiansburg, Virginia	Pay-TV	X		

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Customer call center, College Point, New York	Pay-TV			X
Customer call center, Harlingen, Texas	Pay-TV	X		
Customer call center, Hilliard, Ohio	Pay-TV			X
Customer call center, Littleton, Colorado	Pay-TV		X	
Customer call center, Phoenix, Arizona	Pay-TV			X
Customer call center, Thornton, Colorado	Pay-TV	X		
Customer call center, Tulsa, Oklahoma	Pay-TV			X
Customer call center, warehouse, service, and remanufacturing center, El Paso, Texas	Pay-TV	X		
Data Center, Cheyenne, Wyoming	Pay-TV		X	
Digital broadcast operations center, Cheyenne, Wyoming (2)	Pay-TV	X		
Digital broadcast operations center, Gilbert, Arizona (2)	Pay-TV	X		
Engineering offices and service center, Englewood, Colorado (2)	Pay-TV / Wireless	X		
Engineering office, American Fork, Utah (2)	Pay-TV			X
Engineering office, Bangalore, India (2)	Pay-TV			X
Engineering office, Foster City, California (2)	Pay-TV			X
Engineering office, Kharkov, Ukraine (2)	Pay-TV			X
Engineering office, Superior, Colorado (2)	Pay-TV			X
IT development center, Denver, Colorado	Pay-TV			X
Micro digital broadcast operations center, Mustang Ridge, Texas (2)	Pay-TV	X		
Regional digital broadcast operations center, Monee, Illinois (2)	Pay-TV	X		
Regional digital broadcast operations center, New Braunfels, Texas (2)	Pay-TV	X		
Regional digital broadcast operations center, Quicksburg, Virginia (2)	Pay-TV	X		
Regional digital broadcast operations center, Spokane, Washington (2)	Pay-TV	X		
Service and remanufacturing center, Spartanburg, South Carolina	Pay-TV			X
Warehouse and distribution center, Denver, Colorado	Pay-TV			X
Warehouse and distribution center, Sacramento, California	Pay-TV	X		
Warehouse and distribution center, Atlanta, Georgia	Pay-TV			X
Warehouse, Denver, Colorado	Pay-TV	X		

(1) See Note 18 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information on our Related Party Transactions with EchoStar.
(2) These properties were transferred to us in connection with the completion of the Share Exchange.

In addition to the principal properties listed above, we operate numerous facilities for, among other things, our in-home service operations strategically located in regions throughout the United States. Furthermore, we own or lease capacity on 12 satellites, which are a major component of our DISH TV services. See further information under "*Item 1. Business – Satellites*" in this Annual Report on Form 10-K.

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Item 3. LEGAL PROCEEDINGS

See Note 14 "*Commitments and Contingencies – Litigation*" in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for information regarding certain legal proceedings in which we are involved.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters

Market Information. Our Class A common stock is quoted on the Nasdaq Global Select Market under the symbol "DISH." The high and low closing sale prices of our Class A common stock during 2017 and 2016 on the Nasdaq Global Select Market (as reported by Nasdaq) are set forth below.

2017	**High**	**Low**
First Quarter	$ 64.00	$ 58.02
Second Quarter	66.19	58.04
Third Quarter	66.00	52.15
Fourth Quarter	54.32	46.49

2016	**High**	**Low**
First Quarter	$ 57.35	$ 39.71
Second Quarter	56.06	43.40
Third Quarter	55.04	48.84
Fourth Quarter	59.93	53.97

As of February 7, 2018, there were approximately 6,697 holders of record of our Class A common stock, not including stockholders who beneficially own Class A common stock held in nominee or street name. As of February 7, 2018, 204,644,588 of the 238,435,208 outstanding shares of our Class B common stock were beneficially held by Charles W. Ergen, our Chairman, and the remaining 33,790,620 were held in trusts established by Mr. Ergen for the benefit of his family. There is currently no trading market for our Class B common stock.

Dividends. While we currently do not intend to declare dividends on our common stock, we may elect to do so from time to time. Payment of any future dividends will depend upon our earnings and capital requirements, restrictions in our debt facilities, and other factors the Board of Directors considers appropriate. We currently intend to retain our earnings, if any, to support future growth and expansion, although we may repurchase shares of our common stock from time to time. See further information under "*Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources*" in this Annual Report on Form 10-K.

Securities Authorized for Issuance Under Equity Compensation Plans. See "*Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*" in this Annual Report on Form 10-K.

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Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information regarding purchases of our Class A common stock made by us for the period from October 1, 2017 through December 31, 2017.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under the Programs (1)
	(In thousands, except share data)			
October 1, 2017 - October 31, 2017	—	$ —	—	$ 1,000,000
November 1, 2017 - November 30, 2017	—	$ —	—	$ 1,000,000
December 1, 2017 - December 31, 2017	—	$ —	—	$ 1,000,000
Total	—	$ —	—	$ 1,000,000

(1) Our Board of Directors previously authorized stock repurchases of up to $1.0 billion of our outstanding Class A common stock through and including December 31, 2017. On November 2, 2017, our Board of Directors extended this authorization such that we are currently authorized to repurchase up to $1.0 billion of our outstanding Class A common stock through and including December 31, 2018. Purchases under our repurchase program may be made through open market purchases, privately negotiated transactions, or Rule 10b5-1 trading plans, subject to market conditions and other factors. We may elect not to purchase the maximum amount of shares allowable under this program and we may also enter into additional share repurchase programs authorized by our Board of Directors.

Item 6. SELECTED FINANCIAL DATA

The selected consolidated financial data as of and for each of the five years ended December 31, 2017 have been derived from our consolidated financial statements. On February 28, 2017, we and EchoStar and certain of our respective subsidiaries completed the Share Exchange. As the Share Exchange was a transaction between entities that are under common control accounting rules require that our Consolidated Financial Statements include the results of the Transferred Businesses for all periods presented, including periods prior to the completion of the Share Exchange. We initially recorded the Transferred Businesses at EchoStar's historical cost basis. The difference between the historical cost basis of the Transferred Businesses and the net carrying value of the Tracking Stock is recorded in "Additional paid-in capital" on our Consolidated Balance Sheets. The results of the Transferred Businesses were prepared from separate records maintained by EchoStar for the periods prior to March 1, 2017, and may not necessarily be indicative of the conditions that would have existed, or the results of operations, if the Transferred Businesses had been operated on a combined basis with our subsidiaries. The selected consolidated financial data includes the results of the Transferred Businesses as described above for all periods presented, including periods prior to the completion of the Share Exchange. See Note 2 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

Certain prior year amounts have been reclassified to conform to the current year presentation. See further information under "*Item 7. Management's Discussion and Analysis of*

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Financial Condition and Results of Operations — Explanation of Key Metrics and Other Items" in this Annual Report on Form 10-K.

This data should be read in conjunction with our consolidated financial statements and related notes thereto for the three years ended December 31, 2017, and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" included elsewhere in this Annual Report on Form 10-K.

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Balance Sheet Data	As of December 31, 2017	2016	2015	2014	2013
			(In thousands)		
Cash, cash equivalents and current marketable investment securities	$ 1,980,673	$ 5,360,119	$ 1,611,894	$ 9,236,888	$ 9,739,581
Total assets	29,773,766	27,914,292	22,665,292	21,756,516	20,201,397
Long-term debt and capital lease obligations (including current portion)	16,202,965	16,483,639	13,763,018	14,430,009	13,600,662
Total stockholders' equity (deficit)	6,937,906	4,611,323	2,694,161	1,925,243	1,067,432

Statements of Operations Data	For the Years Ended December 31, 2017	2016	2015	2014	2013
		(In thousands, except per share amounts)			
Total revenue	$14,391,375	$15,212,302	$15,225,493	$14,819,289	$14,031,200
Total costs and expenses	12,823,610	12,893,041	13,797,121	12,915,803	12,644,043
Operating income (loss)	$ 1,567,765	$ 2,319,261	$ 1,428,372	$ 1,903,486	$ 1,387,157
Income (loss) from continuing operations	$ 2,165,407	$ 1,550,785	$ 842,026	$ 995,511	$ 874,467
Net income (loss) attributable to DISH Network	$ 2,098,689	$ 1,497,939	$ 802,374	$ 996,648	$ 828,332
Basic net income (loss) per share from continuing operations attributable to DISH Network	$ 4.50	$ 3.22	$ 1.73	$ 2.17	$ 1.92
Basic net income (loss) per share from discontinued operations	—	—	—	—	(0.10)
Basic net income (loss) per share attributable to DISH Network	$ 4.50	$ 3.22	$ 1.73	$ 2.17	$ 1.82
Diluted net income (loss) per share from continuing operations attributable to DISH Network	$ 4.07	$ 3.15	$ 1.73	$ 2.15	$ 1.90
Diluted net income (loss) per share from discontinued operations	—	—	—	—	(0.10)
Diluted net income (loss) per share attributable to DISH Network	$ 4.07	$ 3.15	$ 1.73	$ 2.15	$ 1.80

Statement of Cash Flows Data	For the Years Ended December 31, 2017	2016	2015	2014	2013
Net cash flows from:			(In thousands)		
Operating activities from continuing operations	$ 2,779,507	$ 2,854,247	$ 2,459,123	$2,420,575	$ 2,301,285
Investing activities from continuing operations	$(6,521,265)	$(1,737,657)	$(8,062,084)	$ (935,012)	$(2,980,413)
Financing activities from continuing operations	$ (103,237)	$ 3,153,930	$ (448,200)	$ 919,382	$ 1,804,922

For the Years Ended December 31,

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Other Data (Unaudited)	2017	2016	2015	2014	2013
Pay-TV subscribers, as of period end (in millions)	13.242	13.671 *	13.897	13.978	14.057
DISH TV subscribers, as of period end (in millions) **	11.030	12.170	13.274	13.881	14.003
Sling TV subscribers, as of period end (in millions) **	2.212	1.501	0.623	0.097	0.054
Pay-TV subscriber additions (losses), net (in millions)	(0.284)	(0.392)	(0.081)	(0.079)	0.001
DISH TV subscriber additions (losses), net (in millions)**	(0.995)	(1.270)	(0.607)	(0.122)	(0.041)
Sling TV subscriber additions (losses), net (in millions)**	0.711	0.878	0.526	0.043	0.042
Pay-TV ARPU	$ 86.43	$ 88.66	$ 86.79	$ 83.77	$ 80.37
DISH TV subscriber additions, gross (in millions)**	1.477	1.736	2.247	2.558	2.624
DISH TV churn rate**	1.78 %	1.97 %	1.75 %	1.60 %	1.58 %
DISH TV SAC**	$ 751	$ 832	$ 822	$ 824	$ 839

* Our ending Pay-TV subscriber count increased by approximately 166,000 subscribers during the third quarter 2016 as a result of the change in our calculation for our commercial accounts.

** While we continue to focus on the financial performance of our Pay-TV segment as a whole, beginning in the fourth quarter 2017, we are electing to separately disclose Sling TV and DISH TV subscribers. We report Sling TV subscribers acquired net of disconnects. In addition, we are now reporting gross new subscriber additions, SAC, and the churn rate for our DISH TV subscribers on a stand-alone basis. All prior period subscriber information and key metrics have been conformed to the current period presentation.

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Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following management's discussion and analysis of our financial condition and results of operations together with the audited consolidated financial statements and notes to our financial statements included elsewhere in this Annual Report on Form 10-K. This management's discussion and analysis is intended to help provide an understanding of our financial condition, changes in financial condition and results of our operations and contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed under the caption "Item 1A. Risk Factors" and elsewhere in this Annual Report on Form 10-K. Furthermore, such forward-looking statements speak only as of the date of this Annual Report on Form 10-K and we expressly disclaim any obligation to update any forward-looking statements.

Overview

Our business strategy is to be the best provider of video services in the United States by providing products with the best technology, outstanding customer service, and great value. We promote our Pay-TV services as providing our subscribers with a better "price-to-value" relationship than those available from other subscription television service providers. In connection with the growth in OTT industry, we promote our Sling TV services primarily to consumers who do not subscribe to traditional satellite and cable pay-TV services.

As the pay-TV industry is mature, our DISH TV strategy has included an increased emphasis on acquiring and retaining higher quality subscribers, even if it means that we will acquire and

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retain fewer overall subscribers. We evaluate the quality of subscribers based upon a number of factors, including, among others, profitability. Our DISH TV subscriber base has been declining due to, among other things, this strategy. There can be no assurance that our DISH TV subscriber base will not continue to decline and that the pace of such decline will not accelerate.

Our current revenue and profit is primarily derived from providing Pay-TV services to our subscribers. We also generate revenue from broadband services, equipment rental fees and other hardware related fees, including fees for DVRs, fees for broadband equipment, equipment upgrade fees and additional outlet fees from subscribers with receivers with multiple tuners; advertising services; fees earned from our in-home service operations and sales of digital receivers and related components to third-party pay-TV providers. Our subscriber-related revenue has been declining due to, among other things, the continuing decline in our DISH TV subscriber base. We expect this trend to continue. Our most significant expenses are subscriber-related expenses, which are primarily related to programming, subscriber acquisition costs and depreciation and amortization.

Financial Highlights

2017 Consolidated Results of Operations and Key Operating Metrics

- Revenue of $14.391 billion
- Net income attributable to DISH Network of $2.099 billion and basic and diluted earnings per share of common stock of $4.50 and $4.07, respectively
- Loss of approximately 284,000 net Pay-TV subscribers
- Loss of approximately 995,000 net DISH TV subscribers
- Addition of approximately 711,000 net Sling TV subscribers
- Pay-TV ARPU of $86.43
- Gross new DISH TV subscriber activations of approximately 1.477 million
- DISH TV churn rate of 1.78%
- DISH TV SAC of $751

Consolidated Financial Condition as of December 31, 2017

- Cash, cash equivalents and current marketable investment securities of $1.981 billion
- Total assets of $29.774 billion

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- Total long-term debt and capital lease obligations of $16.203 billion

Business Segments

We currently operate two primary business segments: (1) Pay-TV and (2) Wireless.

Pay-TV

We are the nation’s fourth largest pay-TV provider and offer Pay-TV services under the DISH brand, and the Sling brand. We had 13.242 million Pay-TV subscribers in the United States as of December 31, 2017, including 11.030 million DISH TV subscribers and 2.212 million Sling TV subscribers.

Competition has intensified in recent years as the pay-TV industry has matured. To differentiate our DISH TV services from our competitors, we introduced the Hopper whole-home DVR during 2012 and have continued to add functionality and simplicity for a more intuitive user experience. Our Hopper and Joey® whole-home DVR promotes a suite of integrated features and functionality designed to maximize the convenience and ease of watching TV anytime and anywhere. It also has several innovative features that a consumer can use, at his or her option, to watch and record television programming, through their televisions, Internet-connected tablets, smartphones and computers. During the first quarter 2016, we made our next generation Hopper, the Hopper 3, available to customers nationwide. Among other things, the Hopper 3 features 16 tuners, delivers an enhanced 4K Ultra HD experience, and supports up to seven TVs simultaneously. There can be no assurance that these integrated features and functionality will positively affect our results of operations or our gross new DISH TV subscriber activations.

We market our Sling TV services primarily to consumers who do not subscribe to traditional satellite and cable pay-TV services. Our Sling TV services require an Internet connection and are available on multiple streaming-capable devices including streaming media devices, TVs, tablets, computers, game consoles and smart phones. We offer Sling International, Sling Latino and Sling domestic video programming services. Our domestic Sling TV services have a single-stream service branded Sling Orange and a multi-stream service branded Sling Blue, which includes, among other things, the ability to stream on up to three devices simultaneously.

In addition, we have historically offered broadband services under the dishNET™ brand, which includes satellite broadband services that utilize advanced technology and high-powered satellites launched by Hughes and ViaSat and wireline broadband services. However, as we move our broadband business focus from wholesale to authorized representative arrangements, we are generally no longer marketing dishNET broadband services, and our broadband subscribers will decline through customer attrition. Generally, under these authorized representative arrangements, we will receive certain payments for each broadband service activation generated and installation performed, and we will not incur subscriber acquisition costs for these activations. For example, during the first quarter 2017, we transitioned our wholesale arrangement with Hughes to an authorized representative arrangement and entered into a MSA with HNS, a wholly-owned subsidiary of Hughes. See "*Hughes Broadband Master Services Agreement"* in Note 18 to our Consolidated Financial Statements in this Annual Report on Form 10-K on our Related Party Transactions with EchoStar for further information.

As a result of the completion of the Share Exchange with EchoStar, described below, we also design, develop and distribute receiver systems and provide digital broadcast operations, including satellite uplinking/downlinking, transmission and other services to third-party pay-TV providers.

Share Exchange Agreement

On February 28, 2017, we and EchoStar and certain of our respective subsidiaries completed the Share Exchange pursuant to which EchoStar transferred to us the Transferred Businesses and in exchange, we transferred to EchoStar the Tracking Stock, that tracked the residential retail satellite broadband business of HNS. In connection with the Share Exchange, we and EchoStar and certain of its subsidiaries entered into certain agreements covering, among other things, tax matters, employee matters, intellectual property matters and the provision of transitional services. See Note 18 to our Consolidated Financial Statements in this Annual Report on Form 10-K on our Related Party Transactions with EchoStar for further information.

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As the Share Exchange was a transaction between entities that are under common control accounting rules require that our Consolidated Financial Statements include the results of the Transferred Businesses for all periods presented, including periods prior to the completion of the Share Exchange. We initially recorded the Transferred Businesses at EchoStar's historical cost basis. The difference between the historical cost basis of the Transferred Businesses and the net carrying value of the Tracking Stock is recorded in "Additional paid-in capital" on our Consolidated Balance Sheets. The results of the Transferred Businesses were prepared from separate records maintained by EchoStar for the periods prior to March 1, 2017, and may not necessarily be indicative of the conditions that would have existed, or the results of operations, if the Transferred Businesses had been operated on a combined basis with our subsidiaries. Our consolidated financial statements include the results of the Transferred Businesses as described above for all periods presented, including periods prior to the completion of the Share Exchange. See Note 2 to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

Wireless

Since 2008, we have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets and made over $10 billion in non-controlling investments in certain entities, for a total of over $21 billion, as described further below.

DISH Network Spectrum

We have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets. These wireless spectrum licenses are subject to certain interim and final build-out requirements. We will need to make significant additional investments or partner with others to, among other things, commercialize, build-out, and integrate these licenses and related assets, and any additional acquired licenses and related assets; and comply with regulations applicable to such licenses. Depending on the nature and scope of such commercialization, build-out, integration efforts, and regulatory compliance, any such investments or partnerships could vary significantly. In addition, as we consider our options for the commercialization of our wireless spectrum, we will incur significant additional expenses and will have to make significant investments related to, among other things, research and development, wireless testing and wireless network infrastructure. In March 2017, we notified the FCC that we plan to deploy a next-generation 5G-capable network, focused on supporting narrowband IoT. The first phase of our network deployment will be completed by March 2020, with subsequent phases to be completed thereafter. We may also determine that additional wireless spectrum licenses may be required to commercialize our wireless business and to compete with other wireless service providers.

See Note 14 "*Commitments and Contingencies – Wireless – DISH Network Spectrum*" in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

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DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses

Through our wholly-owned subsidiaries American II and American III, we have made over $10 billion in certain non-controlling investments in Northstar Spectrum, the parent company of Northstar Wireless, and in SNR HoldCo, the parent company of SNR Wireless, respectively. On October 27, 2015, the FCC granted certain AWS-3 Licenses to Northstar Wireless and to SNR Wireless, respectively, which are recorded in "FCC authorizations" on our Consolidated Balance Sheets. Under the applicable accounting guidance in ASC 810, Northstar Spectrum and SNR HoldCo are considered variable interest entities and, based on the characteristics of the structure of these entities and in accordance with the applicable accounting guidance, we consolidate these entities into our financial statements. See Note 2 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information. The AWS-3 Licenses are subject to certain interim and final build-out requirements. We may need to make significant additional loans to the Northstar Entities and to the SNR Entities, or they may need to partner with others, so that the Northstar Entities and the SNR Entities may commercialize, build-out and integrate these AWS-3 Licenses, comply with regulations applicable to such AWS-3 Licenses, and make any potential payments related to the Northstar Re-Auction Payment and the SNR Re-Auction Payment for the AWS-3 Licenses retained by the FCC. Depending upon the nature and scope of such commercialization, build-out, integration efforts, regulatory compliance, and potential Northstar Re-Auction Payment and SNR Re-Auction Payment, any such loans or partnerships could vary significantly. See Note 14 "*Commitments and Contingencies – Wireless – DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses*" in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

We may need to raise significant additional capital in the future to fund the efforts described above, which may not be available on acceptable terms or at all. There can be no assurance that we, the Northstar Entities and/or the SNR Entities will be able to develop and implement business models that will realize a return on these wireless spectrum licenses or that we, the Northstar Entities and/or the SNR Entities will be able to profitably deploy the assets represented by these wireless spectrum licenses, which may affect the carrying amount of these assets and our future financial condition or results of operations. See Note 14 "*Commitments and Contingencies – Wireless*" in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

Trends in our Pay-TV Segment

Competition

Competition has intensified in recent years as the pay-TV industry has matured. With respect to our DISH TV services, we and our competitors increasingly must seek to attract a greater proportion of new subscribers from each other's existing subscriber bases rather than from first-time purchasers of pay-TV services. We incur significant costs to retain our existing DISH TV subscribers, mostly as a result of upgrading their equipment to HD and DVR receivers and by providing retention credits. Our DISH TV subscriber retention costs may vary significantly from period to period.

Many of our competitors have been especially aggressive by offering discounted programming and services for both new and existing subscribers, including bundled offers combining broadband, video and/or wireless services and other promotional offers. Certain competitors have been able to subsidize the price of video services with the price of broadband and/or wireless services. In addition, our gross new DISH TV subscriber activations and net DISH TV subscriber additions continue to be negatively impacted by stricter customer acquisition and retention policies for our DISH TV subscribers, including an increased emphasis on acquiring and retaining higher quality subscribers.

Our Pay-TV services also face increased competition from programmers and other companies who distribute video directly to consumers over the Internet. Our Sling TV services face increased competition from content providers and other companies, as well as traditional satellite television providers, cable companies and large telecommunication companies, that are increasing their Internet-based video offerings. Competition from video content distributed over the Internet includes services with live linear television programming, single programmer offerings and offerings of large libraries of on-demand content, including in many cases original content. Furthermore, our DISH TV services face increased competition as programming offered over the Internet has become more prevalent and consumers are spending an increasing amount of time accessing video content via the Internet on their mobile devices. Significant changes in

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consumer behavior with regard to the means by which consumers obtain video entertainment and information in response to digital media competition could have a material adverse effect on our business, results of operations and financial condition or otherwise disrupt our business. In particular, consumers have shown increased interest in viewing certain video programming in any place, at any time and/or on any broadband-connected device they choose. Online content providers may cause our subscribers to disconnect our DISH TV services ("cord cutting"), downgrade to smaller, less expensive programming packages ("cord shaving") or elect to purchase through these online content providers a certain portion of the services that they would have historically purchased from us, such as pay per view movies, resulting in less revenue to us.

We implement new marketing promotions from time to time that are intended to increase our Pay-TV subscriber activations. For our DISH TV services, we have launched various marketing promotions offering certain DISH TV programming packages without a price increase for a commitment period. We also launched our Flex Pack skinny bundle with a core package of programming consisting of more than 50 channels and the choice of one of nine themed add-on channel packs, which include, among others, local broadcast networks and kids and general entertainment programming. Subscribers can also add or remove additional channel packs to best suit their entertainment needs. During 2017, we launched "Tuned In To You" and the accompanying "Spokeslistener" campaign. While we plan to implement these and other new marketing efforts for our DISH TV services, there can be no assurance that we will ultimately be successful in increasing our gross new DISH TV subscriber activations. Additionally, in response to our efforts, we may face increased competitive pressures, including aggressive marketing and retention efforts, bundled discount offers combining broadband, video and/or wireless services and other discounted promotional offers. For our Sling TV services, we offer a personalized TV experience with a customized channel line-up and two of the lowest priced live-linear online streaming services in the industry, our Sling Orange service and our Sling Blue service. During 2017, we launched our "A la carte TV" campaign. While we plan to implement these and other new marketing efforts for our Sling TV services, there can be no assurance that we will ultimately be successful in increasing our net Sling TV subscriber activations.

Our DISH TV subscriber base has been declining due to, among other things, the factors described above. There can be no assurance that our DISH TV subscriber base will not continue to decline and that the pace of such decline will not accelerate. As our DISH TV subscriber base continues to decline, it could have a material adverse long-term effect on our business, results of operations, financial condition and cash flow.

Programming

Our ability to compete successfully will depend, among other things, on our ability to continue to obtain desirable programming and deliver it to our subscribers at competitive prices. Programming costs represent a large percentage of our "Subscriber-related expenses" and the largest component of our total expense. We expect these costs to continue to increase, and certain programming costs are rising at a much faster rate than wages or inflation, especially for local broadcast channels. The rates we are charged for retransmitting local broadcast channels have been increasing substantially and may exceed our ability to increase our prices to our customers. In addition, programming costs continue to increase due to contractual price increases and the renewal of long-term programming contracts on less favorable pricing terms. Going forward, our margins may face pressure if we are unable to renew our long-term programming contracts on acceptable pricing and other economic terms or if we are unable to pass these increased programming costs on to our customers.

Increases in programming costs have caused us to increase the rates that we charge to our subscribers, which could in turn cause our existing Pay-TV subscribers to disconnect our service or cause potential new Pay-TV subscribers to choose not to subscribe to our service. Additionally, even if our subscribers do not disconnect our services, they may purchase through new and existing online content providers a certain portion of the services that they would have historically purchased from us, such as pay-per-view movies, resulting in less revenue to us.

Furthermore, our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV churn rate may be negatively impacted if we are unable to renew our long-term programming carriage contracts before they expire. In the past, our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV churn rate have been negatively impacted as a result of programming interruptions and threatened programming interruptions in connection with the scheduled expiration of programming carriage contracts with content providers. We cannot predict

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with any certainty the impact to our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV churn rate resulting from programming interruptions or threatened programming interruptions that may occur in the future. As a result, we may at times suffer from periods of lower net Pay-TV subscriber additions or higher net Pay-TV subscriber losses.

Operations and Customer Service

While competitive factors have impacted the entire pay-TV industry, our relative performance has also been driven by issues specific to us. In the past, our subscriber growth has been adversely affected by signal theft and other forms of fraud and by our operational inefficiencies. For our DISH TV services, in order to combat signal theft and improve the security of our broadcast system, we use microchips embedded in credit card sized access cards, called “smart cards,” or security chips in our DBS receiver systems to control access to authorized programming content (“Security Access Devices”). We expect that future replacements of these devices may be necessary to keep our system secure. To combat other forms of fraud, among other things, we monitor our independent third-party distributors’ and independent third-party retailers’ adherence to our business rules. Furthermore, for our Sling TV services, we encrypt programming content and use digital rights management software to, among other things, prevent unauthorized access to our programming content.

While we have made improvements in responding to and dealing with customer service issues, we continue to focus on the prevention of these issues, which is critical to our business, financial condition and results of operations. To improve our operational performance, we continue to make investments in staffing, training, information systems, and other initiatives, primarily in our call center and in-home service operations. These investments are intended to help combat inefficiencies introduced by the increasing complexity of our business, improve customer satisfaction, reduce churn, increase productivity, and allow us to scale better over the long run. We cannot be certain, however, that our spending will ultimately be successful in improving our operational performance.

Changes in our Technology

We have been deploying DBS receivers for our DISH TV services that utilize 8PSK modulation technology with MPEG-4 compression technology for several years. These technologies, when fully deployed, will allow improved broadcast efficiency, and therefore allow increased programming capacity. Many of our customers today, however, do not have DBS receivers that use MPEG-4 compression technology. In addition, given that all of our HD content is broadcast in MPEG-4, any growth in HD penetration will naturally accelerate our transition to these newer technologies and may increase our retention costs. All new DBS receivers have MPEG-4 compression with 8PSK modulation technology.

In addition, from time to time, we change equipment for certain subscribers to make more efficient use of transponder capacity in support of HD and other initiatives. We believe that the benefit from the increase in available transponder capacity outweighs the short-term cost of these equipment changes.

EXPLANATION OF KEY METRICS AND OTHER ITEMS

While we continue to focus on the financial performance of our Pay-TV segment as a whole, beginning in the fourth quarter 2017, we are electing to separately disclose Sling TV and DISH TV subscribers. We report Sling TV subscribers acquired net of disconnects. In addition, we are now reporting gross new subscriber additions, SAC, and the churn rate for our DISH TV subscribers on a stand-alone basis. All prior period subscriber information and key metrics have been conformed to the current period presentation. The following table details our recast metrics by quarter for the year ended December 31, 2017.

	For the Three Months Ended				For the Year Ended
Quarterly Recast Metrics - 2017	**March 31**	**June 30**	**September 30**	**December 31**	**December 31**
Sling TV subscriber additions (losses), net (in millions)	0.195	0.120	0.236	0.160	0.711
DISH TV subscriber additions (losses), net (in millions)*	(0.338)	(0.316)	(0.220)	(0.121)	(0.995)
DISH TV subscriber additions, gross (in millions)	0.352	0.324	0.402	0.399	1.477
DISH TV churn rate	1.92 %	1.83 %	1.82 %	1.56 %	1.78 %
DISH TV SAC	$ 764	$ 806	$ 750	$ 693	$ 751

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* During the third quarter 2017, as a result of Hurricane Maria, we removed approximately 145,000 subscribers representing all of our subscribers in Puerto Rico and the U.S. Virgin Islands, from our ending Pay-TV subscriber count. The effect of the removal of these 145,000 subscribers as of September 30, 2017 was excluded from the calculation of our net DISH TV subscriber additions/losses and DISH TV churn rate for the year ended December 31, 2017. See "Results of Operations – Pay-TV subscribers" for further information.

Subscriber-related revenue. "Subscriber-related revenue" consists principally of revenue from basic, premium movie, local, HD programming, pay-per-view, Latino and international subscriptions; broadband services; equipment rental fees and other hardware related fees, including fees for DVRs, fees for broadband equipment, equipment upgrade fees and additional outlet fees; advertising services; fees earned from our in-home service operations and other subscriber revenue. Certain of the amounts included in "Subscriber-related revenue" are not recurring on a monthly basis.

Equipment sales and other revenue. "Equipment sales and other revenue" principally includes the non-subsidized sales of DBS accessories to independent third-party retailers and other independent third-party distributors of our equipment, sales of digital receivers and related components to third-party pay-TV providers and revenue from services and other agreements with EchoStar.

Subscriber-related expenses. "Subscriber-related expenses" principally include programming expenses, which represent a substantial majority of these expenses. "Subscriber-related expenses" also include costs for Pay-TV and broadband services incurred in connection with our in-home service and call center operations, billing costs, refurbishment and repair costs related to DBS receiver systems and broadband equipment, subscriber retention, other variable subscriber expenses and monthly wholesale fees paid to broadband providers.

Satellite and transmission expenses. "Satellite and transmission expenses" includes the cost of leasing satellite and transponder capacity from EchoStar and the cost of telemetry, tracking and control and other professional services provided to us by EchoStar. "Satellite and transmission expenses" also includes the cost of digital broadcast operations, executory costs associated with capital leases and costs associated with transponder leases and other related services. In addition, "Satellite and transmission expenses" includes costs associated with our Sling TV services including, among other things, streaming delivery technology and infrastructure.

Cost of sales - equipment and other. "Cost of sales - equipment and other" primarily includes the cost of non-subsidized sales of DBS accessories to independent third-party retailers and other independent third-party distributors of our equipment, costs associated with sales of digital receivers and related components to third-party pay-TV providers and costs related to services and other agreements with EchoStar.

Subscriber acquisition costs. While we primarily lease DBS receiver systems and broadband modem equipment, we also subsidize certain costs to attract new subscribers. Our "Subscriber acquisition costs" include the cost of subsidized sales of DBS receiver systems to independent third-party retailers and other independent third-party distributors of our equipment, the cost of subsidized sales of DBS receiver systems directly by us to subscribers, including net costs related to our promotional incentives, costs related to our direct sales efforts and costs related to installation and acquisition advertising. Our "Subscriber acquisition costs" also includes costs associated with acquiring Sling TV subscribers including, among other things, costs related to acquisition advertising, our direct sales efforts and commissions.

DISH TV SAC. Subscriber acquisition cost measures are commonly used by those evaluating traditional companies in the pay-TV industry. We are not aware of any uniform standards for calculating the "average subscriber acquisition costs per new DISH TV subscriber activation," or DISH TV SAC, and we believe presentations of pay-TV SAC may not be calculated consistently by different companies in the same or similar businesses. Our DISH TV SAC is calculated as "Subscriber acquisition costs," excluding "Subscriber acquisition costs" associated with our broadband services and Sling TV services, plus the value of equipment capitalized under our lease program for new DISH TV subscribers, divided by gross new DISH TV subscriber activations. We include all the costs of acquiring DISH TV subscribers (e.g., subsidized and capitalized equipment) as we believe it is a more comprehensive measure of how much we are spending to acquire subscribers. We also include all new DISH TV subscribers in our calculation, including DISH TV subscribers added with little or no subscriber acquisition costs.

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General and administrative expenses. "General and administrative expenses" consists primarily of employee-related costs associated with administrative services such as legal, information systems, and accounting and finance. It also includes outside professional fees (e.g., legal, information systems and accounting services) and other items associated with facilities and administration.

Litigation expense. "Litigation expense" primarily consists of certain significant legal settlements, judgments and/or accruals.

Interest expense, net of amounts capitalized. "Interest expense, net of amounts capitalized" primarily includes interest expense (net of capitalized interest), prepayment premiums, amortization of debt discounts and debt issuance costs associated with our long-term debt, and interest expense associated with our capital lease obligations. See Note 2 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information regarding our capitalized interest policy.

Other, net. The main components of "Other, net" are gains and losses realized on the sale and/or conversion of marketable and non-marketable investment securities and derivative financial instruments, impairment of marketable and non-marketable investment securities, unrealized gains and losses from changes in fair value of marketable investment securities accounted for as trading securities and derivative financial instruments, and equity in earnings and losses of our affiliates.

Earnings before interest, taxes, depreciation and amortization ("EBITDA"). EBITDA is defined as "Net income (loss) attributable to DISH Network" plus "Interest expense, net of amounts capitalized" net of "Interest income," "Income tax (provision) benefit, net" and "Depreciation and amortization." This "non-GAAP measure" is reconciled to "Net income (loss) attributable to DISH Network" in our discussion of "Results of Operations" below.

DISH TV subscribers. We include customers obtained through direct sales, independent third-party retailers and other independent third-party distribution relationships in our DISH TV subscriber count. We also provide DISH TV services to hotels, motels and other commercial accounts. For certain of these commercial accounts, we divide our total revenue for these commercial accounts by an amount approximately equal to the retail price of our Flex Pack programming package, and include the resulting number, which is substantially smaller than the actual number of commercial units served, in our DISH TV subscriber count.

Sling TV subscribers. We include customers obtained through direct sales and third-party marketing agreements in our Sling TV subscriber count. Sling TV subscribers are recorded net of disconnects. Sling TV customers receiving service for no charge, under certain new subscriber promotions, are excluded from our Sling TV subscriber count. For customers who subscribe to multiple Sling TV packages, including, among others, Sling TV Blue, Sling TV Orange and Sling Latino, each customer is only counted as one Sling TV subscriber.

Pay-TV subscribers. Our Pay-TV subscriber count includes all DISH TV and Sling TV subscribers discussed above. For customers who subscribe to both our DISH TV services and our Sling TV services, each subscription is counted as a separate Pay-TV subscriber.

Pay-TV average monthly revenue per subscriber ("Pay-TV ARPU"). We are not aware of any uniform standards for calculating ARPU and believe presentations of ARPU may not be calculated consistently by other companies in the same or similar businesses. We calculate Pay-TV average monthly revenue per Pay-TV subscriber, or Pay-TV ARPU, by dividing average monthly "Subscriber-related revenue," excluding revenue from broadband services, for the period by our average number of Pay-TV subscribers for the period. The average number of

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Pay-TV subscribers is calculated for the period by adding the average number of Pay-TV subscribers for each month and dividing by the number of months in the period. The average number of Pay-TV subscribers for each month are calculated by adding the beginning and ending Pay-TV subscribers for the month and dividing by two. Sling TV subscribers on average purchase lower priced programming services than DISH TV subscribers, and therefore, as Sling TV subscribers increase, it has had a negative impact on Pay-TV ARPU.

DISH TV average monthly subscriber churn rate ("DISH TV churn rate"). We are not aware of any uniform standards for calculating subscriber churn rate and believe presentations of subscriber churn rates may not be calculated

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consistently by different companies in the same or similar businesses. We calculate DISH TV churn rate for any period by dividing the number of DISH TV subscribers who terminated service during the period by the average number of DISH TV subscribers for the same period, and further dividing by the number of months in the period. The average number of DISH TV subscribers is calculated for the period by adding the average number of DISH TV subscribers for each month and dividing by the number of months in the period. The average number of DISH TV subscribers for each month is calculated by adding the beginning and ending DISH TV subscribers for the month and dividing by two.

Free cash flow. We define free cash flow as "Net cash flows from operating activities" less "Purchases of property and equipment" and "Capitalized interest related to FCC authorizations," as shown on our Consolidated Statements of Cash Flows.

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RESULTS OF OPERATIONS

Year Ended December 31, 2017 Compared to the Year Ended December 31, 2016.

	For the Years Ended December 31,		Variance	
Statements of Operations Data	**2017**	**2016**	**Amount**	**%**
	(In thousands)			
Revenue:				
Subscriber-related revenue	$ 14,260,412	$ 15,033,939	$ (773,527)	(5.1)
Equipment sales and other revenue	130,963	178,363	(47,400)	(26.6)
Total revenue	14,391,375	15,212,302	(820,927)	(5.4)
Costs and Expenses:				
Subscriber-related expenses	8,919,985	8,913,624	6,361	0.1
% of Subscriber-related revenue	**62.6 %**	**59.3 %**		
Satellite and transmission expenses	658,017	710,719	(52,702)	(7.4)
% of Subscriber-related revenue	**4.6 %**	**4.7 %**		
Cost of sales - equipment and other	95,116	133,902	(38,786)	(29.0)

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Subscriber acquisition costs	1,204,261	1,456,492	(252,231)	(17.3)
General and administrative expenses	687,054	735,954	(48,900)	(6.6)
% of Total revenue	**4.8 %**	**4.8 %**		
Litigation expense	295,695	21,148	274,547	*
Depreciation and amortization	817,564	921,202	(103,638)	(11.3)
Impairment of long-lived assets (Note 8)	145,918	—	145,918	*
Total costs and expenses	12,823,610	12,893,041	(69,431)	(0.5)
Operating income (loss)	1,567,765	2,319,261	(751,496)	(32.4)
Other Income (Expense):				
Interest income	41,006	31,168	9,838	31.6
Interest expense, net of amounts capitalized	(63,172)	(53,141)	(10,031)	(18.9)
Other, net	104,488	119,315	(14,827)	(12.4)
Total other income (expense)	82,322	97,342	(15,020)	(15.4)
Income (loss) before income taxes	1,650,087	2,416,603	(766,516)	(31.7)
Income tax (provision) benefit, net	515,320	(865,818)	1,381,138	*
Effective tax rate	**(31.2)%**	**35.8 %**		
Net income (loss)	2,165,407	1,550,785	614,622	39.6
Less: Net income (loss) attributable to noncontrolling interests, net of tax	66,718	52,846	13,872	26.2
Net income (loss) attributable to DISH Network	$ 2,098,689	$ 1,497,939	$ 600,750	40.1
Other Data:				
Pay-TV subscribers, as of period end (in millions) **	13.242	13.671	(0.429)	(3.1)
DISH TV subscribers, as of period end (in millions) **	11.030	12.170	(1.140)	(9.4)
Sling TV subscribers, as of period end (in millions)	2.212	1.501	0.711	47.4
Pay-TV subscriber additions (losses), net (in millions) **	(0.284)	(0.392)	0.108	27.6
DISH TV subscriber additions (losses), net (in millions) **	(0.995)	(1.270)	0.275	21.7
Sling TV subscriber additions (losses), net (in millions)	0.711	0.878	(0.167)	(19.0)
Pay-TV ARPU	$ 86.43	$ 88.66	$ (2.23)	(2.5)
DISH TV subscriber additions, gross (in millions)	1.477	1.736	(0.259)	(14.9)
DISH TV churn rate	1.78 %	1.97 %	(0.19)%	(9.6)
DISH TV SAC	$ 751	$ 832	$ (81)	(9.7)
EBITDA	$ 2,423,099	$ 3,306,932	$ (883,833)	(26.7)

* Percentage is not meaningful.

** During the third quarter 2017, as a result of Hurricane Maria, we removed approximately 145,000 subscribers representing all of our subscribers in Puerto Rico and the U.S. Virgin Islands, from our ending Pay-TV subscriber count. The effect of the removal of these 145,000 subscribers as of September 30, 2017 was excluded from the calculation of our net DISH TV subscriber additions/losses and DISH TV churn rate for the year ended December 31, 2017. See "Results of Operations – Pay-TV subscribers" for further information.

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Pay-TV subscribers. We lost approximately 284,000 net Pay-TV subscribers during the year ended December 31, 2017 compared to the loss of approximately 392,000 net Pay-TV subscribers during the same period in 2016. The decrease in net Pay-TV subscriber losses during the year ended December 31, 2017 resulted from fewer net DISH TV subscriber losses, partially offset by fewer net Sling TV subscriber additions. We lost approximately 995,000 net DISH TV subscribers during the year ended December 31, 2017 compared to the loss of approximately 1.270 million net DISH TV subscribers during the same period in 2016. This decrease in net DISH TV subscriber losses primarily resulted from a lower DISH TV churn rate, partially offset by lower gross new DISH TV subscriber activations. We added approximately 711,000 net Sling TV subscribers during the year ended December 31, 2017 compared to the addition of approximately 878,000 net Sling TV subscribers during the same period in 2016. This decrease

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in net Sling TV subscriber additions is primarily related to a higher number of customer disconnects on a larger Sling TV subscriber base and from increased competition, including competition from other OTT service providers.

Our DISH TV churn rate for the year ended December 31, 2017 was 1.78% compared to 1.97% for the same period in 2016. This decrease primarily resulted from our increased emphasis on acquiring and retaining higher quality subscribers. See below for discussion regarding the impacts of Hurricane Maria on Puerto Rico and the U.S. Virgin Islands during September 2017. While our DISH TV churn rate improved during the year ended December 31, 2017, it continues to be adversely affected by increased competitive pressures, including aggressive marketing, bundled discount offers combining broadband, video and/or wireless services and other discounted promotional offers, as well as cord cutting. Our DISH TV churn rate is also impacted by, among other things, our ability to consistently provide outstanding customer service, price increases, programming interruptions in connection with the scheduled expiration of certain programming carriage contracts, our ability to control piracy and other forms of fraud and the level of our retention efforts.

During the year ended December 31, 2017, we activated approximately 1.477 million gross new DISH TV subscribers compared to approximately 1.736 million gross new DISH TV subscribers during the same period in 2016, a decrease of 14.9%. This decrease in our gross new DISH TV subscriber activations was primarily impacted by increased competitive pressures, including aggressive marketing and retention efforts, bundled discount offers combining broadband, video and/or wireless services and other discounted promotional offers, as well as stricter customer acquisition policies for our DISH TV subscribers, including an increased emphasis on acquiring higher quality subscribers.

During September 2017, Hurricane Maria caused extraordinary damage in Puerto Rico and the U.S. Virgin Islands, resulting in a widespread loss of power and infrastructure. Given the devastation and loss of power, substantially all customers in those areas were unable to receive our service as of September 30, 2017. In an effort to ensure customers would not be charged for services they were unable to receive, we proactively paused service for those customers. Accordingly, we removed approximately 145,000 subscribers, representing all of our subscribers in Puerto Rico and the U.S. Virgin Islands, from our ending Pay-TV subscriber count as of September 30, 2017. The effect of the removal of these 145,000 subscribers as of September 30, 2017 was excluded from the calculation of our net DISH TV subscriber additions/losses and DISH TV churn rate for the year ended December 31, 2017. During the fourth quarter 2017, 75,000 of these customers reactivated. We incurred certain costs in connection with the re-activation of these returning subscribers, and accordingly, these returning customers were recorded as gross new DISH TV subscriber activations for the year ended December 31, 2017 with the corresponding costs recorded in "Subscriber acquisition costs" in our Consolidated Statements of Operations and Comprehensive Income (Loss) and/or in "Purchases of property and equipment" in our Consolidated Statements of Cash Flows. We cannot predict when the remaining subscribers in Puerto Rico and the U.S. Virgin Islands discussed above will be able to receive service, how many will return or when they may return to active subscriber status, and there can be no assurance that they will return. Although we continue to assess the potential impact of Hurricane Maria on our subscriber base, the impact of the hurricane did not have a material effect on our overall financial position or results of operations.

In the past, our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV subscriber churn rate have been negatively impacted as a result of programming interruptions and threatened programming interruptions in connection with the scheduled expiration of programming carriage contracts with content providers. We cannot predict with any certainty the impact to our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV subscriber churn rate resulting from programming interruptions or threatened programming

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interruptions that may occur in the future. As a result, we may at times suffer from periods of lower net Pay-TV subscriber additions or higher net Pay-TV subscriber losses.

We have not always met our own standards for performing high-quality installations, effectively resolving subscriber issues when they arise, answering subscriber calls in an acceptable timeframe, effectively communicating with our subscriber base, reducing calls driven by the complexity of our business, improving the reliability of certain systems and subscriber equipment, and aligning the interests of certain independent third-party retailers and installers to provide high-quality service. Most of these factors have affected both gross new DISH TV subscriber activations as well as DISH TV subscriber churn rate. Our future gross new DISH TV subscriber activations and our DISH TV subscriber churn rate may be negatively impacted by these factors, which could in turn adversely affect our revenue.

Subscriber-related revenue. "Subscriber-related revenue" totaled $14.260 billion for the year ended December 31, 2017, a decrease of $774 million or 5.1% compared to the same period in 2016. The decrease in "Subscriber-related revenue" from the same period in 2016 was primarily related to the decrease in Pay-TV ARPU discussed below and a lower average Pay-TV subscriber base. We expect these trends in "Subscriber-related revenue" to continue.

Pay-TV ARPU. Pay-TV ARPU was $86.43 during the year ended December 31, 2017 versus $88.66 during the same period in 2016. The $2.23 or 2.5% decrease in Pay-TV ARPU was primarily attributable to an increase in Sling TV subscribers as a percentage of our total Pay-TV subscriber base and a shift in DISH TV programming package mix to lower priced programming packages. Sling TV subscribers on average purchase lower priced programming services than DISH TV subscribers, and therefore, the increase in Sling TV subscribers had a negative impact on Pay-TV ARPU. We expect this trend to continue. These decreases were partially offset by DISH TV programming package price increases in February 2017 and 2016 and an increase in Sling TV subscribers with higher priced Sling TV programming packages.

Subscriber-related expenses. "Subscriber-related expenses" totaled $8.920 billion during the year ended December 31, 2017, an increase of $6 million or 0.1% compared to the same period in 2016. The increase in "Subscriber-related expenses" was primarily attributable to higher programming costs per subscriber, partially offset by a lower average Pay-TV subscriber base and a decrease in variable costs per subscriber. The increase in programming costs per subscriber was driven by rate increases in certain of our programming contracts, including the renewal of certain contracts at higher rates, particularly for local broadcast channels. "Subscriber-related expenses" represented 62.6% and 59.3% of "Subscriber-related revenue" during the years ended December 31, 2017 and 2016, respectively. The increase in this expense to revenue ratio primarily resulted from lower subscriber-related revenue and higher programming costs, discussed above.

In the normal course of business, we enter into contracts to purchase programming content in which our payment obligations are generally contingent on the number of Pay-TV subscribers to whom we provide the respective content. Our "Subscriber-related expenses" have and will continue to face further upward pressure from price increases and the renewal of long-term programming contracts on less favorable pricing terms. In addition, our programming expenses will increase to the extent we are successful in growing our Pay-TV subscriber base.

Subscriber acquisition costs. "Subscriber acquisition costs" totaled $1.204 billion for the year ended December 31, 2017, a decrease of $252 million or 17.3% compared to the same period in 2016. This change was primarily attributable to fewer gross new DISH TV subscriber activations and a decrease in DISH TV SAC, discussed below.

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DISH TV SAC. DISH TV SAC was $751 during the year ended December 31, 2017 compared to $832 during the same period in 2016, a decrease of $81 or 9.7%. This change was primarily attributable to a decrease in hardware costs per activation, a decrease in advertising costs per activation and the reactivation of subscribers in Puerto Rico and the U.S. Virgin Islands in fourth quarter 2017. The expenses we incurred for the reactivation of subscribers in Puerto Rico and the U.S. Virgin Islands were lower on a per subscriber basis than those incurred for the remaining gross new DISH TV activations during the year ended December 31, 2017. The decrease in hardware costs per activation was primarily due to a reduction in manufacturing costs related to certain receiver systems and a higher percentage of remanufactured receivers being activated on new DISH TV subscriber accounts.

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During the years ended December 31, 2017 and 2016, the amount of equipment capitalized under our lease program for new DISH TV subscribers totaled $137 million and $243 million, respectively. This decrease in capital expenditures under our lease program for new DISH TV subscribers resulted primarily from fewer gross new DISH TV subscriber activations and a decrease in hardware costs per activation, discussed above.

To remain competitive, we upgrade or replace subscriber equipment periodically as technology changes, and the costs associated with these upgrades may be substantial. To the extent technological changes render a portion of our existing equipment obsolete, we would be unable to redeploy all returned equipment and consequently would realize less benefit from the DISH TV SAC reduction associated with redeployment of that returned lease equipment.

Our "Subscriber acquisition costs" and "DISH TV SAC" may materially increase in the future to the extent that we, among other things, transition to newer technologies, introduce more aggressive promotions, or provide greater equipment subsidies. See further information under *"Liquidity and Capital Resources – Subscriber Acquisition and Retention Costs."*

Litigation expense. "Litigation expense" related to certain significant legal settlements, judgments and/or accruals totaled $296 million during the year ended December 31, 2017, an increase of $275 million compared to the same period in 2016. See Note 14 in the Notes to the Consolidated Financial Statements for further discussion.

Depreciation and amortization. "Depreciation and amortization" expense totaled $818 million during the year ended December 31, 2017, a $104 million or 11.3% decrease compared to the same period in 2016. This change was primarily driven by a decrease in depreciation expense from equipment leased to new and existing DISH TV subscribers, partially offset by the increase in depreciation expense associated with our EchoStar XVIII satellite, which became operational during the third quarter 2016.

Impairment of long-lived assets. "Impairment of long-lived assets" of $146 million during the year ended December 31, 2017 resulted from an impairment of the T1 satellite. See Note 8 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

Interest expense, net of amounts capitalized. "Interest expense, net of amounts capitalized" totaled $63 million during the year ended December 31, 2017, an increase of $10 million or 18.9% compared to the same period in 2016. This increase was primarily related to interest

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expense associated with debt issuances during 2016 and 2017, partially offset by an increase of $172 million in capitalized interest principally associated with the commercialization of our wireless spectrum and a reduction in interest expense from debt redemptions during 2016 and 2017. On June 14, 2017, the FCC issued an order granting our application to acquire the 600 MHz Licenses. The addition of the carrying amount of these licenses, together with the carrying amount of current wireless spectrum licenses, exceeded the amount of long-term debt and capital lease obligations on our Consolidated Balance Sheets since June 14, 2017. Therefore, beginning June 14, 2017, materially all of our interest expense is being capitalized. See Note 2 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

Earnings before interest, taxes, depreciation and amortization. EBITDA was $2.423 billion during the year ended December 31, 2017, a decrease of $884 million or 26.7% compared to the same period in 2016. EBITDA for the year ended December 31, 2017 was negatively impacted by “Litigation expense” of $296 million and “Impairment of long-lived assets” of $146 million. The following table reconciles EBITDA to the accompanying financial statements.

	For the Years Ended December 31,	
	2017	**2016**
	(In thousands)	
EBITDA	$ 2,423,099	$ 3,306,932
Interest, net	(22,166)	(21,973)
Income tax (provision) benefit, net	515,320	(865,818)
Depreciation and amortization	(817,564)	(921,202)
Net income (loss) attributable to DISH Network	$ 2,098,689	$ 1,497,939

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EBITDA is not a measure determined in accordance with accounting principles generally accepted in the United States (“GAAP”) and should not be considered a substitute for operating income, net income or any other measure determined in accordance with GAAP. EBITDA is used as a measurement of operating efficiency and overall financial performance and we believe it to be a helpful measure for those evaluating companies in the pay-TV industry. Conceptually, EBITDA measures the amount of income generated each period that could be used to service debt, pay taxes and fund capital expenditures. EBITDA should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Income tax (provision) benefit, net*.* Our income tax benefit was $515 million during the year ended December 31, 2017, compared to an income tax provision of $866 million for the same period in 2016. On December 22, 2017, the Tax Reform Act was enacted, which, among other things, lowered the federal statutory corporate tax rate effective for us in future periods from 35% to 21%. Consequently, we remeasured our deferred tax assets and liabilities as of December 31, 2017 which positively impacted our “Income tax (provision) benefit, net” by approximately $1.2 billion. Our effective tax rate was negatively impacted by $255 million of “Litigation expense” related to the FTC Action during the year ended December 31, 2017, as any eventual payments of this expense may not be deductible for income tax purposes. The tax deductibility of any eventual payments may change based upon, among other things, further developments in the FTC Action, including final adjudication of the FTC Action. See Note 14 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

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Year Ended December 31, 2016 Compared to the Year Ended December 31, 2015.

Statements of Operations Data	For the Years Ended December 31, 2016	2015	Variance Amount	%
	(In thousands)			
Revenue:				
Subscriber-related revenue	$ 15,033,939	$ 14,953,559	$ 80,380	0.5
Equipment sales and other revenue	178,363	271,934	(93,571)	(34.4)
Total revenue	15,212,302	15,225,493	(13,191)	(0.1)
Costs and Expenses:				
Subscriber-related expenses	8,913,624	8,821,831	91,793	1.0
% of Subscriber-related revenue	**59.3 %**	**59.0 %**		
Satellite and transmission expenses	710,719	741,286	(30,567)	(4.1)
% of Subscriber-related revenue	**4.7 %**	**5.0 %**		
Cost of sales - equipment and other	133,902	185,355	(51,453)	(27.8)
Subscriber acquisition costs	1,456,492	1,664,100	(207,608)	(12.5)
General and administrative expenses	735,954	758,985	(23,031)	(3.0)
% of Total revenue	**4.8 %**	**5.0 %**		
FCC auction expense (Note 14)	—	515,555	(515,555)	*
Litigation expense	21,148	20,900	248	1.2
Depreciation and amortization	921,202	963,357	(42,155)	(4.4)
Impairment of long-lived assets (Note 8)	—	125,752	(125,752)	*
Total costs and expenses	12,893,041	13,797,121	(904,080)	(6.6)
Operating income (loss)	2,319,261	1,428,372	890,889	62.4
Other Income (Expense):				
Interest income	31,168	19,526	11,642	59.6
Interest expense, net of amounts capitalized	(53,141)	(494,081)	440,940	89.2
Other, net	119,315	281,379	(162,064)	(57.6)
Total other income (expense)	97,342	(193,176)	290,518	*
Income (loss) before income taxes	2,416,603	1,235,196	1,181,407	95.6
Income tax (provision) benefit, net	(865,818)	(393,170)	(472,648)	*
Effective tax rate	**35.8 %**	**31.8 %**		
Net income (loss)	1,550,785	842,026	708,759	84.2
Less: Net income (loss) attributable to noncontrolling interests, net of tax	52,846	39,652	13,194	33.3
Net income (loss) attributable to DISH Network	$ 1,497,939	$ 802,374	$ 695,565	86.7
Other Data:				
Pay-TV subscribers, as of period end (in millions)	13.671 **	13.897	(0.226)	(1.6)
DISH TV subscribers, as of period end (in millions)	12.170	13.274	(1.104)	(8.3)
Sling TV subscribers, as of period end (in millions)	1.501	0.623	0.878	*
Pay-TV subscriber additions (losses), net (in millions)	(0.392)	(0.081)	(0.311)	*
DISH TV subscriber additions (losses), net (in millions)	(1.270)	(0.607)	(0.663)	*
Sling TV subscriber additions (losses), net (in millions)	0.878	0.526	0.352	66.9
Pay-TV ARPU	$ 88.66	$ 86.79	$ 1.87	2.2
DISH TV subscriber additions, gross (in millions)	1.736	2.247	(0.511)	(22.7)
DISH TV churn rate	1.97 %	1.75 %	0.22 %	12.6
DISH TV SAC	$ 832	$ 822	$ 10	1.2
EBITDA	$ 3,306,932	$ 2,633,456	$ 673,476	25.6

* Percentage is not meaningful.

** Our ending Pay-TV subscriber count increased by approximately 166,000 subscribers during the third quarter 2016 as a result of the change in our calculation for our commercial accounts.

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Pay-TV subscribers. We lost approximately 392,000 net Pay-TV subscribers during the year ended December 31, 2016 compared to the loss of approximately 81,000 net Pay-TV subscribers during the same period in 2015. The increase in net Pay-TV subscriber losses during the year ended December 31, 2016 resulted from higher net DISH TV subscriber losses, partially offset by higher net Sling TV subscriber additions. We lost approximately 1.270 million net DISH TV subscribers during the year ended December 31, 2016 compared to the loss of approximately 607,000 net DISH TV subscribers during the same period in 2015. This increase primarily resulted from a higher DISH TV churn rate and lower gross new DISH TV subscriber activations. We added approximately 878,000 net Sling TV subscribers during the year ended December 31, 2016 compared to the addition of approximately 526,000 net Sling TV subscribers during the same period in 2015. This increase in net Sling TV subscriber additions primarily resulted from the launch of our Sling Blue service in 2016.

Our DISH TV churn rate for the year ended December 31, 2016 was 1.97% compared to 1.75% for the same period in 2015. Our DISH TV churn rate continues to be adversely affected by increased competitive pressures, including aggressive marketing, bundled discount offers combining broadband, video and/or wireless services and other discounted promotional offers, as well as cord cutting. Our DISH TV churn rate is also impacted by, among other things, the credit quality of previously acquired subscribers, our ability to consistently provide outstanding customer service, price increases, programming interruptions in connection with the scheduled expiration of certain programming carriage contracts, our ability to control piracy and other forms of fraud and the level of our retention efforts. As part of our increased emphasis on retaining higher quality subscribers, we have been more selective in issuing retention credits, which has had a negative impact on our DISH TV churn rate.

During the year ended December 31, 2016, we activated approximately 1.736 million gross new DISH TV subscribers compared to approximately 2.247 million gross new DISH TV subscribers during the same period in 2015, a decrease of 22.7%. This decrease in our gross new DISH TV subscriber activations was primarily impacted by stricter customer acquisition policies for our DISH TV subscribers, including an increased emphasis on acquiring higher quality subscribers, as well as increased competitive pressures, including aggressive marketing, more aggressive retention efforts, bundled discount offers combining broadband, video and/or wireless services and other discounted promotional offers. In addition, our ending Pay-TV subscriber count increased by approximately 166,000 subscribers during the third quarter 2016 as a result of the change in our calculation for our commercial accounts. This had no impact on our gross new DISH TV subscriber activations or net Pay-TV subscriber losses for the year ended December 31, 2016. See "*Explanation of Key Metrics and Other Items – Pay-TV subscribers*" for further information.

Subscriber-related revenue. "Subscriber-related revenue" totaled $15.034 billion for the year ended December 31, 2016, an increase of $80 million or 0.5% compared to the same period in 2015. The change in "Subscriber-related revenue" from the same period in 2015 was primarily related to the increase in Pay−TV ARPU discussed below, partially offset by a lower average Pay-TV subscriber base.

Pay-TV ARPU. Pay-TV ARPU was $88.66 during the year ended December 31, 2016 versus $86.79 during the same period in 2015. The $1.87 or 2.2% increase in Pay-TV ARPU was primarily attributable to the DISH TV programming package price increases in February 2016

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and 2015. These price increases were partially offset by a shift in DISH TV programming package mix and an increase in Sling TV subscribers. Sling TV subscribers on average purchase lower priced programming services than DISH TV subscribers, and therefore, the increase in Sling -TV subscribers during 2016 had a negative impact on Pay-TV ARPU. We expect this trend to continue.

Subscriber-related expenses. "Subscriber-related expenses" totaled $8.914 billion during the year ended December 31, 2016, an increase of $92 million or 1.0% compared to the same period in 2015. The increase in "Subscriber-related expenses" was primarily attributable to higher programming costs per subscriber, partially offset by a lower average Pay-TV subscriber base. The increase in programming costs per subscriber was driven by rate increases in certain of our programming contracts, including the renewal of certain contracts at higher rates, particularly for local broadcast channels. "Subscriber-related expenses" represented 59.3% and 59.0% of "Subscriber-related revenue" during the years ended December 31, 2016 and 2015, respectively. The increase in this expense to revenue ratio primarily resulted from higher programming costs, discussed above.

Subscriber acquisition costs. "Subscriber acquisition costs" totaled $1.456 billion for the year ended December 31, 2016, a decrease of $208 million or 12.5% compared to the same period in 2015. This change was primarily attributable to fewer gross new DISH TV subscriber activations.

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DISH TV SAC. DISH TV SAC was $832 during the year ended December 31, 2016 compared to $822 during the same period in 2015, an increase of $10 or 1.2%. This change was primarily attributable to an increase in advertising costs per activation, partially offset by a decrease in hardware costs per activation. The decrease in hardware costs per activation was primarily due to a higher percentage of remanufactured receivers being activated on new DISH TV subscriber accounts and a reduction in manufacturing costs related to certain receiver systems. This decrease in hardware costs was partially offset by an increase in the percentage of new DISH TV subscriber activations with Hopper 3 receiver systems, which have a higher cost per unit than the prior generation Hopper receiver systems.

During the years ended December 31, 2016 and 2015, the amount of equipment capitalized under our lease program for new DISH TV subscribers totaled $243 million and $371 million, respectively. This decrease in capital expenditures under our lease program for new DISH TV subscribers resulted primarily from fewer gross new DISH TV subscriber activations and a decrease in hardware costs per activation, discussed above.

FCC auction expense. On October 1, 2015, Northstar Wireless and SNR Wireless notified the FCC that they would not be paying the gross winning bid amounts on certain AWS-3 Licenses. As a result, the FCC retained those AWS-3 Licenses and Northstar Wireless and SNR Wireless paid the FCC an additional interim payment of approximately $516 million. See Note 14 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

Impairment of long-lived assets. "Impairment of long-lived assets" of $126 million during the year ended December 31, 2015 resulted primarily from an impairment of the D1 satellite and related ground equipment. See Note 8 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

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Interest expense, net of amounts capitalized. "Interest expense, net of amounts capitalized" totaled $53 million during the year ended December 31, 2016, a decrease of $441 million or 89.2% compared to the same period in 2015. This decrease was primarily related to an increase of $474 million in capitalized interest principally associated with wireless spectrum and a reduction in interest expense as a result of redemptions and repurchases of debt during 2016 and 2015, partially offset by interest expense associated with the issuance of the Convertible Notes due 2026 and our 7 3/4% Senior Notes due 2026. On October 27, 2015, the FCC granted certain AWS-3 Licenses to Northstar Wireless and to SNR Wireless, respectively. We began capitalizing interest expense related to the commercialization of these wireless spectrum licenses in the fourth quarter 2015. See Note 2 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

Other, net. "Other, net" income was $119 million during the year ended December 31, 2016, a decrease of $162 million or 57.6% compared to the same period in 2015. This change resulted from a decrease in net realized and/or unrealized gains on our derivative financial instruments, partially offset by an increase in net realized gains on our marketable investment securities. See Note 6 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

Earnings before interest, taxes, depreciation and amortization. EBITDA was $3.307 billion during the year ended December 31, 2016, an increase of $673 million or 25.6% compared to the same period in 2015. EBITDA for the year ended December 31, 2016 was positively impacted by "Other, net" income of $119 million. EBITDA for the year ended December 31, 2015 was negatively impacted by the "FCC auction expense" of $516 million and "Impairment of long-lived assets" of $126 million, partially offset by the positive impact of "Other, net" income of $281 million. The following table reconciles EBITDA to the accompanying financial statements.

	For the Years Ended December 31,	
	2016	**2015**
	(In thousands)	
EBITDA	$ 3,306,932	$ 2,633,456
Interest, net	(21,973)	(474,555)
Income tax (provision) benefit, net	(865,818)	(393,170)
Depreciation and amortization	(921,202)	(963,357)
Net income (loss) attributable to DISH Network	$ 1,497,939	$ 802,374

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EBITDA is not a measure determined in accordance with GAAP and should not be considered a substitute for operating income, net income or any other measure determined in accordance with GAAP. EBITDA is used as a measurement of operating efficiency and overall financial performance and we believe it to be a helpful measure for those evaluating companies in the pay-TV industry. Conceptually, EBITDA measures the amount of income generated each period that could be used to service debt, pay taxes and fund capital expenditures. EBITDA should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Income tax (provision) benefit, net. Our income tax provision was $866 million during the year ended December 31, 2016, an increase of $473 million compared to the same period in 2015. The increase in the provision was primarily related to the increase in "Income (loss) before income taxes" and an increase in our effective tax rate. During the year ended December 31, 2015, our effective tax rate was positively impacted by a $63 million credit that was previously recorded in "Accumulated other comprehensive income (loss)" and was released to our income tax provision during the year ended December 31, 2015. See Note 5 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

LIQUIDITY AND CAPITAL RESOURCES

Cash, Cash Equivalents and Current Marketable Investment Securities

We consider all liquid investments purchased within 90 days of their maturity to be cash equivalents. See Note 6 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information regarding our marketable investment securities. As of December 31, 2017, our cash, cash equivalents and current marketable investment securities totaled $1.981 billion compared to $5.360 billion as of December 31, 2016, a decrease of $3.379 billion. This decrease in cash, cash equivalents and current marketable investment securities primarily resulted from a $4.711 billion payment to the FCC for the 600 MHz Licenses, the redemption of our 4 5/8% Senior Notes with an aggregate principal balance of $900 million, $174 million repurchases of our 4 1/4% Senior Notes due 2018 in open market trades and capital expenditures of $1.385 billion (including capitalized interest related to FCC authorizations), partially offset by approximately $994 million in net proceeds from the issuance of our Convertible Notes due 2024 and cash generated from operating activities of $2.780 billion.

Debt Maturity

Our 7 1/8% Senior Notes with an aggregate principal balance of $1.5 billion were redeemed on February 1, 2016.

Our 4 5/8% Senior Notes with an aggregate principal balance of $900 million were redeemed on July 17, 2017.

During 2017, we repurchased $174 million of our 4 1/4% Senior Notes due 2018 in open market trades. The remaining balance of $1.026 billion matures on April 1, 2018 and is included in "Current portion of long-term debt and capital lease obligations" on our Consolidated Balance Sheets as of December 31, 2017. We expect to fund the remaining obligation from cash and marketable investment securities balances at that time. But, depending on market conditions, we may refinance the remaining obligation in whole or in part.

Cash Flow

The following discussion highlights our cash flow activities during the years ended December 31, 2017, 2016 and 2015.

Cash flows from operating activities. We typically reinvest the cash flow from operating activities in our business primarily to grow our subscriber base, expand our infrastructure, make strategic investments, such as significant investments in wireless, including commercialization of our wireless spectrum, and repay debt obligations. For the years ended December 31, 2017, 2016 and 2015, we reported "Net cash flows from operating activities" of $2.780 billion, $2.854 billion and $2.459 billion, respectively.

Net cash flows from operating activities from 2016 to 2017 decreased $74 million, primarily attributable to a $317 million decrease in income adjusted to exclude non-cash charges for "Realized and unrealized losses (gains) on investments," "Depreciation and amortization" expense, "Impairment of long-lived assets" and "Deferred tax expense (benefit)," partially offset by an increase in cash flows resulting from changes in operating assets and liabilities principally attributable to timing differences between book expense and cash payments.

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Net cash flows from operating activities from 2015 to 2016 increased $395 million, primarily attributable to a $987 million increase in income adjusted to exclude non-cash charges for "Realized and unrealized losses (gains) on investments," "Depreciation and amortization" expense, "Impairment of long-lived assets" and "Deferred tax expense (benefit)," partially offset by a decrease in cash flows resulting from changes in operating assets and liabilities principally attributable to timing differences between book expense and cash payments, including income taxes.

Cash flows from investing activities. Our investing activities generally include purchases and sales of marketable investment securities, acquisitions, strategic investments, including purchases and settlements of derivative financial instruments, and purchases of wireless spectrum licenses, capital expenditures and capitalized interest. For the years ended December 31, 2017, 2016 and 2015, we reported outflows from "Net cash flows from investing activities" of $6.521 billion, $1.738 billion and $8.062 billion, respectively. During the years ended December 31, 2017, 2016 and 2015, capital expenditures for new and existing DISH TV customer equipment totaled $259 million, $387 million and $496 million, respectively. The decrease in 2017 for new and existing DISH TV customer equipment primarily resulted from fewer gross new DISH TV subscriber activations and a decrease in hardware costs per activation.

The year ended December 31, 2017 was impacted by cash outflows primarily related to a $4.711 billion payment to the FCC for the 600 MHz Licenses, $953 million of capitalized interest related to FCC authorizations, $432 million of capital expenditures and $360 million in net purchases of marketable investment securities.

The year ended December 31, 2016 was impacted by cash outflows primarily related to the upfront payment related to Auction 1000 of $1.5 billion, $724 million of capitalized interest related to FCC authorizations, $614 million of capital expenditures and cash inflows related to a $562 million settlement of our derivative financial instruments and $524 million in net sales of marketable investment securities.

The year ended December 31, 2015 was impacted by cash outflows associated with our non-controlling investments in the Northstar Entities and the SNR Entities related to the AWS-3 Licenses of $8.970 billion, $735 million of capital expenditures, $353 million of capitalized interest related to FCC authorizations, cash inflows related to net sales of marketable investment securities of $1.607 billion and a refund from the FCC of our $400 million upfront payment related to the AWS-3 Auction in 2015.

Cash flows from financing activities. Our financing activities generally include net proceeds related to the issuance of long-term and convertible debt, cash used for the repurchase, redemption or payment of long-term debt and capital lease obligations, and repurchases of our Class A common stock. For the year ended December 31, 2017, we reported outflows from "Net cash flows from financing activities" of $103 million. For the year ended December 31, 2016, we reported inflows from "Net cash flows from financing activities" of $3.154 billion. For the year ended December 31, 2015, we reported outflows from "Net cash flows from financing activities" of $448 million.

The net cash outflows in 2017 primarily related to the redemption of our 4 5/8% Senior Notes with an aggregate principal balance of $900 million and the $174 million repurchases of our 4 1/4% Senior Notes due 2018 in open market trades, partially offset by approximately $994 million in net proceeds from the issuance of the Convertible Notes due 2024.

The net cash inflows in 2016 primarily related to $4.973 billion in net proceeds from the issuance of our 7 3/4% Senior Notes due 2026 and the Convertible Notes due 2026, partially offset by the redemption of our 7 1/8% Senior Notes with an aggregate principal balance of $1.5 billion and $260 million in net cost incurred in connection with the convertible note hedge and warrant transactions.

The net cash outflows in 2015 primarily related to the redemption of our 7 3/4% Senior Notes due 2015 of $650 million, partially offset by $204 million in aggregate capital contributions to Northstar Spectrum and SNR HoldCo from Northstar Manager and SNR Management, respectively.

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Free Cash Flow

We define free cash flow as “Net cash flows from operating activities” less “Purchases of property and equipment,” and “Capitalized interest related to FCC authorizations,” as shown on our Consolidated Statements of Cash Flows. We believe free cash flow is an important liquidity metric because it measures, during a given period, the amount of cash generated that is available to repay debt obligations, make investments (including strategic wireless investments), fund acquisitions and for certain other activities. Free cash flow is not a measure determined in accordance with GAAP and should not be considered a substitute for “Operating income,” “Net income,” “Net cash flows from operating activities” or any other measure determined in accordance with GAAP. Since free cash flow includes investments in operating assets, we believe this non-GAAP liquidity measure is useful in addition to the most directly comparable GAAP measure “Net cash flows from operating activities.”

Free cash flow can be significantly impacted from period to period by changes in “Net income (loss)” adjusted to exclude certain non-cash charges, operating assets and liabilities, “Purchases of property and equipment,” and “Capitalized interest related to FCC authorizations.” These items are shown in the “Net cash flows from operating activities” and “Net cash flows from investing activities” sections on our Consolidated Statements of Cash Flows included herein. Operating asset and liability balances can fluctuate significantly from period to period and there can be no assurance that free cash flow will not be negatively impacted by material changes in operating assets and liabilities in future periods, since these changes depend upon, among other things, management’s timing of payments and control of inventory levels, and cash receipts. In addition to fluctuations resulting from changes in operating assets and liabilities, free cash flow can vary significantly from period to period depending upon, among other things, net Pay-TV subscriber additions (losses), subscriber revenue, DISH TV subscriber churn, subscriber acquisition and retention costs including amounts capitalized under our equipment lease programs for DISH TV subscribers, operating efficiencies, increases or decreases in purchases of property and equipment, expenditures related to the commercialization of our wireless spectrum and other factors. In addition, certain changes resulting from the Tax Reform Act, including, among other things, limitations on the deductibility of interest, may increase cash paid for income taxes and decrease free cash flow in 2018.

The following table reconciles free cash flow to “Net cash flows from operating activities.”

	For the Years Ended December 31,		
	2017	2016	2015
		(In thousands)	
Free cash flow	$1,394,214	$1,515,863	$1,371,442
Add back:			
Purchases of property and equipment (including capitalized interest related to FCC authorizations)	1,385,293	1,338,384	1,087,681
Net cash flows from operating activities	$2,779,507	$2,854,247	$2,459,123

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Operational Liquidity

We make general investments in property such as satellites, set-top boxes, information technology and facilities that support our overall Pay-TV business. We also will need to make significant additional investments or partner with others to, among other things, commercialize, build-out, and integrate our wireless spectrum licenses and related assets. Moreover, since we are primarily a subscriber-based company, we also make subscriber-specific investments to acquire new subscribers and retain existing subscribers. While the general investments may be deferred without impacting the business in the short-term, the subscriber-specific investments are less discretionary. Our overall objective is to generate sufficient cash flow over the life of each subscriber to provide an adequate return against the upfront investment. Once the upfront investment has been made for each subscriber, the subsequent cash flow is generally positive, but there can be no assurances that over time we will recoup or earn a return on the upfront investment.

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There are a number of factors that impact our future cash flow compared to the cash flow we generate at a given point in time. The first factor is our DISH TV churn rate and how successful we are at retaining our current Pay-TV subscribers. To the extent we lose Pay-TV subscribers from our existing base, the positive cash flow from that base is correspondingly reduced. The second factor is how successful we are at maintaining our subscriber-related margins. To the extent our "Subscriber-related expenses" grow faster than our "Subscriber-related revenue," the amount of cash flow that is generated per existing subscriber is reduced. Recently, our subscriber-related margins have been reduced by, among other things, a shift to lower priced Pay-TV programming packages and higher programming costs. The third factor is the rate at which we acquire new subscribers. The faster we acquire new subscribers, the more our positive ongoing cash flow from existing subscribers is offset by the negative upfront cash flow associated with acquiring new subscribers. Conversely, the slower we acquire subscribers, the more our operating cash flow is enhanced in that period. Finally, our future cash flow is impacted by the rate at which we make general investments (including significant investments in wireless), incur expenditures related to the commercialization of our wireless licenses (including any expenditures associated with the deployment of our wireless networks), incur litigation expense, and any cash flow from financing activities.

Our subscriber-specific investments to acquire new subscribers have a significant impact on our cash flow. While fewer subscribers will likely translate into lower ongoing cash flow in the long-term, cash flow is actually aided, in the short-term, by the reduction in subscriber-specific investment spending. As a result, a slow-down in our business due to external or internal factors does not introduce the same level of short-term liquidity risk as it might in other industries.

Subscriber Base

We lost approximately 284,000 net Pay-TV subscribers during the year ended December 31, 2017 compared to the loss of approximately 392,000 net Pay-TV subscribers during the same period in 2016. The decrease in net Pay-TV subscriber losses during the year ended December 31, 2017 resulted from fewer net DISH TV subscriber losses, partially offset by fewer net Sling TV subscriber additions. We lost approximately 995,000 net DISH TV subscribers during the year ended December 31, 2017 compared to the loss of approximately 1.270 million net DISH

TV subscribers during the same period in 2016. This decrease in net DISH TV subscriber losses primarily resulted from a lower DISH TV churn rate, partially offset by lower gross new DISH TV subscriber activations. We added approximately 711,000 net Sling TV subscribers during the year ended December 31, 2017 compared to the addition of approximately 878,000 net Sling TV subscribers during the same period in 2016. This decrease in net Sling TV subscriber additions is primarily related to a higher number of customer disconnects on a larger Sling TV subscriber base and from increased competition, including competition from other OTT service providers. See "Results of Operations" above for further information.

Subscriber Acquisition and Retention Costs

We incur significant upfront costs to acquire subscribers, including advertising, independent third-party retailer incentives, payments made to third-parties, equipment subsidies, installation services, and/or new customer promotions. While we attempt to recoup these upfront costs over the lives of their subscription, there can be no assurance that we will be successful in achieving that objective. With respect to our DISH TV services, we employ business rules such as minimum credit requirements for prospective customers and contractual commitments to receive service for a minimum term. We strive to provide outstanding customer service to increase the likelihood of customers keeping their Pay-TV services over longer periods of time. Subscriber acquisition costs for Sling TV subscribers are significantly lower than those for DISH TV subscribers, and therefore, as Sling TV subscriber activations increase, it will have a positive impact on subscriber acquisition costs. Our subscriber acquisition costs may vary significantly from period to period.

We incur significant costs to retain our existing DISH TV customers, mostly by upgrading their equipment to HD and DVR receivers and by providing retention credits. As with our subscriber acquisition costs, our retention upgrade spending includes the cost of equipment and installation services. In certain circumstances, we also offer programming at no additional charge and/or promotional pricing for limited periods to existing customers in exchange for a contractual commitment to receive service for a minimum term. A component of our retention efforts includes the installation of equipment for customers who move. Our subscriber retention costs may vary significantly from period to period.

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Seasonality

Historically, the first half of the year generally produces fewer gross new DISH TV subscriber activations than the second half of the year, as is typical in the pay-TV industry. In addition, the first and fourth quarters generally produce a lower DISH TV churn rate than the second and third quarters. However, in recent years, as the pay-TV industry has matured we and our competitors increasingly must seek to attract a greater proportion of new subscribers from each other's existing subscriber bases rather than from first-time purchasers of pay-TV services. As a result, seasonality has recently had a smaller impact on gross new DISH TV subscribers and the DISH TV churn rate. However, we cannot provide assurance that this will continue in the future. Our net Sling TV subscriber additions are impacted by, among other things, certain major sporting events and other major television events. We expect our new Sling TV subscriber additions to potentially demonstrate seasonality patterns as our Sling TV services become more established. We expect to be able to assess the seasonality patterns once we have a longer subscriber history.

Satellites

Operation of our DISH TV services requires that we have adequate satellite transmission capacity for the programming that we offer. Moreover, current competitive conditions require that we continue to expand our offering of new programming. While we generally have had in-orbit satellite capacity sufficient to transmit our existing channels and some backup capacity to recover the transmission of certain critical programming, our backup capacity is limited. In the event of a failure or loss of any of our owned or leased satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other satellites and use it as a replacement for the failed or lost satellite. Such a failure could result in a prolonged loss of critical programming or a significant delay in our plans to expand programming as necessary to remain competitive and cause us to expend a significant portion of our cash to acquire or lease additional satellite capacity.

Security Systems

Increases in theft of our signal or our competitors' signals could, in addition to reducing gross new subscriber activations, also cause subscriber churn to increase. We use Security Access Devices in our DBS receiver systems to control access to authorized programming content. Furthermore, for our Sling TV services, we encrypt programming content and use digital rights management software to, among other things, prevent unauthorized access to our programming content. Our signal encryption has been compromised in the past and may be compromised in the future even though we continue to respond with significant investment in security measures, such as Security Access Device replacement programs and updates in security software, that are intended to make signal theft more difficult. It has been our prior experience that security measures may only be effective for short periods of time or not at all and that we remain susceptible to additional signal theft. We expect that future replacements of Security Access Devices may be necessary to keep our system secure. We cannot ensure that we will be successful in reducing or controlling theft of our programming content and we may incur additional costs in the future if our system's security is compromised.

Stock Repurchases

Our Board of Directors previously authorized stock repurchases of up to $1.0 billion of our outstanding Class A common stock through and including December 31, 2017. On November 2, 2017, our Board of Directors extended this authorization such that we are currently authorized to repurchase up to $1.0 billion of our outstanding Class A common stock through and including December 31, 2018. As of December 31, 2017, we may repurchase up to $1.0 billion of our Class A common stock under this program. During the years ended December 31, 2017, 2016 and 2015, there were no repurchases of our Class A common stock.

Covenants and Restrictions Related to our Long-Term Debt

We are subject to the covenants and restrictions set forth in the indentures related to our long-term debt. In particular, the indentures related to our outstanding senior notes issued by DISH DBS Corporation ("DISH DBS") contain restrictive covenants that, among other things, impose limitations on the ability of DISH DBS and its restricted subsidiaries to: (i) incur additional indebtedness; (ii) enter into sale and leaseback transactions; (iii) pay dividends or

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make distributions on DISH DBS' capital stock or repurchase DISH DBS' capital stock; (iv) make certain investments; (v) create liens; (vi) enter into certain transactions with affiliates; (vii) merge or consolidate with another company; and (viii) transfer or sell assets. Should we fail to comply with these covenants, all or a portion of the debt under the senior notes and our other long-term debt could become immediately payable. The senior notes also provide that the debt may be required to be prepaid if certain change-in-control events occur. In addition, the Convertible Notes due 2026 and Convertible Notes due 2024 provide that, if a "fundamental change" (as defined in the related indenture) occurs, holders may require us to repurchase for cash all or part of their Convertible Notes. As of the date of filing of this Annual Report on Form 10-K, we and DISH DBS were in compliance with the covenants and restrictions related to our respective long-term debt.

Other

We are also vulnerable to fraud, particularly in the acquisition of new subscribers. While we are addressing the impact of subscriber fraud through a number of actions, there can be no assurance that we will not continue to experience fraud, which could impact our subscriber growth and churn. Economic weakness may create greater incentive for signal theft, piracy and subscriber fraud, which could lead to higher subscriber churn and reduced revenue.

Obligations and Future Capital Requirements

Contractual Obligations and Off-Balance Sheet Arrangements

As of December 31, 2017, future maturities of our long-term debt, capital lease and contractual obligations are summarized as follows:

	Payments due by period						
	Total	2018	2019	2020	2021	2022	Thereafter
				(In thousands)			
Long-term debt obligations	$17,070,789	$1,031,074	$1,404,698	$1,104,503	$2,004,626	$2,004,756	$ 9,521,132
Capital lease obligations	104,318	37,451	19,896	19,137	20,615	7,219	—
Interest expense on long-term debt and capital lease obligations	5,181,572	924,452	899,444	759,846	662,939	594,457	1,340,434
Satellite-related obligations	1,233,242	348,617	301,102	241,371	208,196	125,636	8,320
Operating lease obligations	198,890	48,029	33,125	25,404	19,996	13,556	58,780
Purchase obligations	1,515,546	1,349,635	134,859	16,019	8,833	6,200	—
Total	$25,304,357	$3,739,258	$2,793,124	$2,166,280	$2,925,205	$2,751,824	$10,928,666

In certain circumstances the dates on which we are obligated to make these payments could be delayed. These amounts will increase to the extent that we procure launch and/or in-orbit insurance on our satellites or contract for the construction, launch or lease of additional satellites.

The table above does not include $394 million of liabilities associated with unrecognized tax benefits that were accrued, as discussed in Note 10 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K, and are included on our Consolidated Balance Sheets as of December 31, 2017. We do not expect any portion of this amount to be paid or settled within the next twelve months.

The table above does not include certain potential expenses we expect to incur for our wireless projects including, among other things, our plan to deploy a next-generation 5G-capable network, focused on supporting narrowband IoT. We currently expect expenditures for our wireless projects to be between $500 million and $1.0 billion through 2020. For further discussion see Note 14 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K.

Other than the "Guarantees" disclosed in Note 14 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K, we generally do not engage in off-balance sheet financing activities.

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Satellite Insurance

We generally do not carry commercial launch or in-orbit insurance on any of the satellites we use, other than certain satellites leased from third parties. We generally do not use commercial insurance to mitigate the potential financial impact of launch or in-orbit failures because we believe that the cost of insurance premiums is uneconomical relative to the risk of such failures. We lease substantially all of our satellite capacity from third parties, including the vast majority of our transponder capacity from EchoStar, and we do not carry commercial insurance on any of the satellites we lease from them. While we generally have had in-orbit satellite capacity sufficient to transmit our existing channels and some backup capacity to recover the transmission of certain critical programming, our backup capacity is limited. In the event of a failure or loss of any of our owned or leased satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other owned or leased satellites and use it as a replacement for the failed or lost satellite.

Purchase Obligations

Our 2018 purchase obligations primarily consist of binding purchase orders for certain fixed contractual commitments to purchase programming content, receiver systems and related equipment, broadband equipment, digital broadcast operations, transmission costs, streaming delivery technology and infrastructure, engineering services, and other products and services related to the operation of our Pay-TV services. Our purchase obligations can fluctuate significantly from period to period due to, among other things, management's timing of payments and inventory purchases, and can materially impact our future operating asset and liability balances, and our future working capital requirements.

Programming Contracts

In the normal course of business, we enter into contracts to purchase programming content in which our payment obligations are generally contingent on the number of Pay-TV subscribers to whom we provide the respective content. These programming commitments are not included in the "Commitments" table above. The terms of our contracts typically range from one to ten years with annual rate increases. Our programming expenses will increase to the extent we are successful in growing our Pay-TV subscriber base. In addition, programming costs per subscriber continue to increase due to contractual price increases and the renewal of long-term programming contracts on less favorable pricing terms.

Future Capital Requirements

We expect to fund our future working capital, capital expenditures and debt service requirements from cash generated from operations, existing cash, cash equivalents and marketable investment securities balances, and cash generated through raising additional capital. The amount of capital required to fund our future working capital and capital expenditure needs varies, depending on, among other things, the rate at which we acquire new subscribers and the cost of subscriber acquisition and retention, including capitalized costs associated with our new and existing subscriber equipment lease programs. The majority of our capital expenditures for 2018, with the exception of the commercialization of our existing wireless spectrum licenses, including capital expenditures associated with our wireless projects and potential purchase of additional wireless spectrum licenses discussed below, are expected to be driven by the costs associated with subscriber premises equipment. These expenditures are necessary to operate and maintain our DISH TV services. Consequently, we consider them to be non-discretionary. The amount of capital required will also depend on the levels of investment necessary to support potential strategic initiatives that may arise from time to time. Our capital expenditures vary depending on the number of satellites leased or under construction at any point in time, and could increase materially as a result of increased competition, significant satellite failures, or economic weakness and uncertainty. Our DISH TV subscriber base has been declining and there can be no assurance that our DISH TV subscriber base will not continue to decline and that the pace of such decline will not accelerate. In the event that our DISH TV subscriber base continues to decline, it will have a material adverse long-term effect on our cash flow. In addition, the rulings in the Telemarketing litigation requiring us to pay up to an aggregate amount of $341 million and imposing certain injunctive relief against us, if upheld, would have a material adverse effect on our cash, cash equivalents and marketable investment securities balances and our business operations. These factors, including a reduction in our available future cash flows, could require that we raise additional capital in the future.

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Volatility in the financial markets has made it more difficult at times for issuers of high-yield indebtedness, such as us, to access capital markets at acceptable terms. These developments may have a significant effect on our cost of financing and our liquidity position.

Wireless

Since 2008, we have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets and made over $10 billion in non-controlling investments in certain entities, for a total of over $21 billion, as described further below.

DISH Network Spectrum. We have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets. These wireless spectrum licenses are subject to certain interim and final build-out requirements. We will need to make significant additional investments or partner with others to, among other things, commercialize, build-out, and integrate these licenses and related assets, and any additional acquired licenses and related assets; and comply with regulations applicable to such licenses. Depending on the nature and scope of such commercialization, build-out, integration efforts, and regulatory compliance, any such investments or partnerships could vary significantly. In addition, as we consider our options for the commercialization of our wireless spectrum, we will incur significant additional expenses and will have to make significant investments related to, among other things, research and development, wireless testing and wireless network infrastructure. In March 2017, we notified the FCC that we plan to deploy a next-generation 5G-capable network, focused on supporting narrowband IoT. The first phase of our network deployment will be completed by March 2020, with subsequent phases to be completed thereafter. We currently expect expenditures for our wireless projects to be between $500 million and $1.0 billion through 2020.

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We may also determine that additional wireless spectrum licenses may be required to commercialize our wireless business and to compete with other wireless service providers. See Note 14 "*Commitments and Contingencies – Wireless – DISH Network Spectrum*" in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses. Through our wholly-owned subsidiaries American II and American III, we have made over $10 billion in certain non-controlling investments in Northstar Spectrum, the parent company of Northstar Wireless, and in SNR HoldCo, the parent company of SNR Wireless, respectively. On October 27, 2015, the FCC granted certain AWS-3 Licenses to Northstar Wireless and to SNR Wireless, respectively, which are recorded in "FCC authorizations" on our Consolidated Balance Sheets. Under the applicable accounting guidance in ASC 810, Northstar Spectrum and SNR HoldCo are considered variable interest entities and, based on the characteristics of the structure of these entities and in accordance with the applicable accounting guidance, we consolidate these entities into our financial statements. See Note 2 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information. The AWS-3 Licenses are subject to certain interim and final build-out requirements. We may need to make significant additional loans to the Northstar Entities and to the SNR Entities, or they may need to partner with others, so that the Northstar Entities and the SNR Entities may commercialize, build-out and integrate these AWS-3 Licenses, comply with regulations applicable to such AWS-3 Licenses, and make any potential payments related to the Northstar Re-Auction Payment and the SNR Re-Auction Payment for the AWS-3 Licenses retained by the FCC. Depending upon the nature and scope of such commercialization, build-out, integration efforts, regulatory compliance, and potential Northstar Re-Auction Payment and SNR Re-Auction Payment, any such loans or partnerships could vary significantly. See Note 14 "*Commitments and Contingencies – Wireless – DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses*" in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

We may need to raise significant additional capital in the future to fund the efforts described above, which may not be available on acceptable terms or at all. There can be no assurance that we, the Northstar Entities and/or the SNR Entities will be able to develop and implement business models that will realize a return on these wireless spectrum licenses or that we, the Northstar Entities and/or the SNR Entities will be able to profitably deploy the assets represented by these wireless spectrum licenses, which may affect the carrying amount of these assets and our future financial condition or results of operations. See Note 14 "*Commitments and Contingencies – Wireless*" in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

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Availability of Credit and Effect on Liquidity

The ability to raise capital has generally existed for us despite economic weakness and uncertainty. While modest fluctuations in the cost of capital will not likely impact our current operational plans, significant fluctuations could have a material adverse effect on our business, results of operations and financial condition.

Critical Accounting Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect amounts reported therein. Management bases its estimates, judgments and assumptions on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from previously estimated amounts, and such differences may be material to our consolidated financial statements. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected prospectively in the period they occur. The following represent what we believe are the critical accounting policies that may involve a high degree of estimation, judgment and complexity. For a summary of our significant accounting policies, including those discussed below, see Note 2 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K.

- ***Capitalized premise equipment***. Since we retain ownership of certain equipment provided pursuant to our subscriber equipment lease programs for DISH TV and broadband subscribers, we capitalize and depreciate equipment costs that would otherwise be expensed at the time of sale. Such capitalized costs are depreciated over the estimated useful life of the equipment, which is based on, among other things, management's judgment of the risk of technological obsolescence. Because of the inherent difficulty of making this estimate, the estimated useful life of capitalized equipment may change based on, among other things, historical experience and changes in technology as well as our response to competitive conditions. Changes in estimated useful life may impact "Depreciation and amortization" on our Consolidated Statements of Operations and Comprehensive Income (Loss). For example, if we had decreased the estimated useful life of our capitalized subscriber equipment by one year, annual 2017 depreciation expense would have increased by approximately $71 million.

- ***Accounting for investments in private and publicly-traded securities***. We hold debt and equity interests in companies, some of which are publicly traded and have highly volatile prices. We record an investment impairment charge in "Other, net" within "Other Income (Expense)" on our Consolidated Statements of Operations and Comprehensive Income (Loss) when we believe an investment has experienced a decline in value that is judged to be other-than-temporary. We monitor our investments for impairment by considering current factors including economic environment, market conditions and the operational performance and other specific factors relating to the business underlying the investment. Future adverse changes in these factors could result in losses or an inability to recover the carrying amount of the investments that may not be reflected in an investment's current carrying amount, thereby possibly requiring an impairment charge in the future.

- ***Valuation of long-lived assets***. We review our long-lived assets and identifiable finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For assets which are held and used in operations, the asset would be impaired if the carrying amount of the asset (or asset group) exceeded its undiscounted future net cash flows. Once an impairment is determined, the actual impairment recognized is the difference between the carrying amount and the fair value as estimated using one of the following approaches: income, cost and/or market. The carrying amount of a long-lived asset or asset group is considered impaired when the anticipated undiscounted cash flows from such asset or asset group is less than its carrying amount. In that event, a loss is recorded in "Impairment of long-lived assets" on our Consolidated Statements of Operations and Comprehensive Income (Loss) based on the amount by which the carrying amount exceeds the fair value of the long-lived asset or asset group. Fair value, using the income approach, is determined primarily using a discounted cash flow model that uses the estimated cash flows associated with the asset or asset group under review, discounted at a rate commensurate with the risk involved. Fair value, utilizing the cost approach, is determined based on the replacement cost of the asset reduced for, among other things, depreciation and obsolescence. Fair value, utilizing the market approach, benchmarks the fair value against the carrying amount. See Note 8 in the Notes to our Consolidated Financial Statements in this Annual Report on

Form 10-K. Assets which are to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. We currently evaluate our

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DBS satellite fleet for impairment as one asset group whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

- ***Valuation of intangible assets with indefinite lives***. We evaluate the carrying amount of intangible assets with indefinite lives annually, and also when events and circumstances warrant. During 2017, 2016 and 2015, we performed a qualitative assessment to determine whether it is more likely than not that the indefinite-lived asset's fair value exceeds its carrying amount. In our assessment, we assess relevant qualitative factors, including macroeconomic conditions, overall financial performance, industry and market conditions, relevant company specific events, and perception of the market. When our qualitative assessment is inconclusive, further analysis is required. While our qualitative assessment for 2017, 2016 and 2015 indicated the fair value of our intangible assets exceeded their carrying amounts, significant changes in our quantitative estimates of future cash flows or market data could result in a write-down of intangible assets with indefinite lives in a future period, which will be recorded in a line item entitled "Impairment of long-lived assets," on our Consolidated Statements of Operations and Comprehensive Income (Loss) and could be material to our consolidated results of operations and financial condition.

- ***Income taxes***. Our income tax policy is to record the estimated future tax effects of temporary differences between the tax bases of assets and liabilities and amounts reported in the accompanying consolidated balance sheets, as well as operating loss and tax credit carryforwards. Determining necessary valuation allowances requires us to make assessments about the timing of future events, including the probability of expected future taxable income and available tax planning opportunities. We periodically evaluate our need for a valuation allowance based on both historical evidence, including trends, and future expectations in each reporting period. Any such valuation allowance is recorded in either "Income tax (provision) benefit, net" on our Consolidated Statements of Operations and Comprehensive Income (Loss) or "Accumulated other comprehensive income (loss)" within "Stockholders' equity (deficit)" on our Consolidated Balance Sheets. Future performance could have a significant effect on the realization of tax benefits, or reversals of valuation allowances, as reported in our consolidated results of operations.

- ***Uncertainty in tax positions***. Management evaluates the recognition and measurement of uncertain tax positions based on applicable tax law, regulations, case law, administrative rulings and pronouncements and the facts and circumstances surrounding the tax position. Changes in our estimates related to the recognition and measurement of the amount recorded for uncertain tax positions could result in significant changes in our "Income tax provision (benefit), net," which could be material to our consolidated results of operations.

- ***Contingent liabilities***. A significant amount of management judgment is required in determining when, or if, an accrual should be recorded for a contingency and the amount of such accrual. Estimates generally are developed in consultation with counsel and are based on an analysis of potential outcomes. Due to the uncertainty of determining the likelihood of a future event occurring and the potential financial statement impact of such an event, it is possible that upon further development or resolution of a contingent matter, a charge could be recorded in a future period to “General and administrative expenses” or “Litigation expense” on our Consolidated Statements of Operations and Comprehensive Income (Loss) that would be material to our consolidated results of operations and financial condition.

- ***Business combinations.*** When we acquire a business, we allocate the purchase price to the various components of the acquisition based upon the fair value of each component using various valuation techniques, including the market approach, income approach and/or cost approach. The accounting standard for business combinations requires most identifiable assets, liabilities, noncontrolling interests and goodwill acquired to be recorded at estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires management’s judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to the estimated future cash flows, discounted at a rate commensurate with the risk involved or the market approach.

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Inflation

Inflation has not materially affected our operations during the past three years. We believe that our ability to increase the prices charged for our products and services in future periods will depend primarily on competitive pressures.

Backlog

We do not have any material backlog of our products.

New Accounting Pronouncements

Revenue from Contracts with Customers. On May 28, 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update 2014-09 *Revenue from Contracts with Customers (Topic 606)* (“ASU 2014-09”), and has modified the standard thereafter. ASU 2014-09 provides a framework for revenue recognition that replaces most existing GAAP revenue recognition guidance. ASU 2014-09 also includes ASC 340-40 which codifies the guidance on other assets and deferred costs relating to contracts with customers. ASC 340-40 specifies the accounting treatment for costs an entity incurs to obtain and fulfill a contract to provide goods and services to customers. ASU 2014-09 became effective for us on January 1, 2018 and we elected to adopt the standard using the modified retrospective method. The impacts of the standard to us will include, among other things, the following:

- We will recognize an asset for the incremental costs of obtaining a contract with a subscriber if we expect the benefit of those costs to be longer than one year. We have determined that certain sales incentive programs, including those with our independent third-party retailers, will meet the requirements to be capitalized, and expenses incurred under these programs will therefore be capitalized and amortized over the estimated subscriber life, whereas our current policy is to expense these costs as incurred.

- We will change the timing of revenue recognition for certain nonrefundable upfront fees received from our residential video and broadband subscribers as these fees will be accounted for as implied performance obligations in the form of a material right to the customer related to the customer's option to renew without having to pay an additional fee upon renewal.

- Certain contracts related to our commercial, advertising, and equipment sales have one-time payments and deliverables that are significant to those contracts and for which the timing of revenue recognition will change. Note that while the one-time payments are significant to the contracts themselves, these contracts are not significant to our overall results of operations.

We have concluded that for our residential video and broadband customers under a contract, the contract term under ASU 2014-09 is one month. Accordingly, while there will be changes in the way certain upfront fees and other items are recognized as discussed above, we do not believe at this time there will be a material change to our revenue recognition model for our residential video and broadband customers. Under the modified retrospective method we will recognize an asset for capitalized commission costs only for customers for which their initial contract was considered open as of January 1, 2018. We are currently in the process of applying the new guidance to all open contracts as of January 1, 2018 with existing customers and will recognize in beginning retained earnings an adjustment for the cumulative effect of the change, which we believe will be immaterial. We will provide additional disclosures for periods ending in 2018 comparing the results under previous guidance to those under the new standard.

Recognition and Measurement of Financial Assets and Financial Liabilities. On January 5, 2016, the FASB issued ASU 2016-01 *Recognition and Measurement of Financial Assets and Financial Liabilities* ("ASU 2016-01"), which amends certain aspects of recognition, measurement, presentation and disclosure of financial instruments. This amendment requires all equity investments to be measured at fair value with changes in the fair value recognized through net income (other than those accounted for under equity method of accounting or those that result in consolidation of the investee). This standard will be effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. We expect that the adoption of ASU 2016-01 will have an immaterial impact on our Consolidated Financial Statements and related disclosures.

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Statement of Cash Flows - Update. On August 26, 2016, the FASB issued 2016-15 *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"). This update consists of eight provisions that provide guidance on the classification of certain cash receipts and cash payments. If practicable, this update should be applied using a retrospective transition method to each period presented. For the provisions that are impracticable to apply retrospectively, those provisions may be applied prospectively as of the earliest date practicable. This update will become effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. We expect that the adoption of ASU 2016-15 will have an immaterial impact on our Consolidated Financial Statements and related disclosures.

Statement of Cash Flows: Restricted Cash. On November 17, 2016, the FASB issued ASU 2016-18 *Restricted Cash* ("ASU 2016-18"), which addresses the diversity where changes in restricted cash are classified on the cash flow statement. ASU 2016-18 requires that changes in restricted cash and cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts on the statement of cash flows. This standard will be effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. We expect that the adoption of ASU 2016-18 will have an immaterial impact on our Consolidated Financial Statements and related disclosures.

Leases. On February 25, 2016, the FASB issued ASU 2016-02 *Leases* ("ASU 2016-02"), which relates to the accounting of leasing transactions. This standard requires a lessee to record on the balance sheet the assets and liabilities for the rights and obligations created by leases with lease terms of more than 12 months. In addition, this standard requires both lessees and lessors to disclose certain key information about lease transactions. This standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. We are evaluating the impact the adoption of ASU 2016-02 will have on our Consolidated Financial Statements and related disclosures.

Financial Instruments – Credit Losses. On June 16, 2016, the FASB issued ASU 2016-13 *Financial Instruments – Credit Losses, Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), which changes the way entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net earnings. This standard will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. We are evaluating the impact the adoption of ASU 2016-13 will have on our Consolidated Financial Statements and related disclosures.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risks Associated with Financial Instruments

Our investments and debt are exposed to market risks, discussed below.

Cash, Cash Equivalents and Current Marketable Investment Securities

As of December 31, 2017, our cash, cash equivalents and current marketable investment securities had a fair value of $1.981 billion. Of that amount, a total of $1.887 billion was invested in: (a) cash; (b) money market funds; (c) debt instruments of the United States Government and its agencies; (d) commercial paper and corporate notes with an overall average maturity of less than one year and rated in one of the four highest rating categories by at least two nationally recognized statistical rating organizations; and/or (e) instruments with similar risk, duration and credit quality characteristics to the commercial paper and corporate obligations described above. The primary purpose of these investing activities has been to preserve principal until the cash is required to, among other things, continue investing in our business, pursue acquisitions and other strategic transactions, fund ongoing operations, repay debt obligations and expand our business. Consequently, the size of this portfolio can fluctuate significantly as cash is received and used in our business for these or other purposes. The value of this portfolio is negatively impacted by credit losses; however, this risk is mitigated through diversification that limits our exposure to any one issuer.

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Interest Rate Risk

A change in interest rates would affect the fair value of our cash, cash equivalents and current marketable investment securities portfolio; however, we normally hold these investments to maturity. Based on our December 31, 2017 current non-strategic investment portfolio of $1.887 billion, a hypothetical 10% change in average interest rates would not have a material impact on the fair value due to the limited duration of our investments.

Our cash, cash equivalents and current marketable investment securities had an average annual rate of return for the year ended December 31, 2017 of 1.1%. A change in interest rates would affect our future annual interest income from this portfolio, since funds would be re-invested at different rates as the instruments mature. A hypothetical 10% decrease in average interest rates during 2017 would result in a decrease of approximately $4 million in annual interest income.

Strategic Marketable Investment Securities

As of December 31, 2017, we held debt and equity investments in private and public companies with a fair value of $94 million for strategic and financial purposes, which are highly speculative and have experienced and continue to experience volatility. As of December 31, 2017, our strategic investment portfolio consisted of securities of a small number of issuers, and as a result the value of that portfolio depends, among other things, on the performance of those issuers. The fair value of certain of the debt and equity securities in our investment portfolio can be adversely impacted by, among other things, the issuers' respective performance and ability to obtain any necessary additional financing on acceptable terms, or at all.

The fair value of our strategic and financial debt and equity investments can be significantly impacted by the risk of adverse changes in securities markets generally, as well as risks related to the performance of the companies whose securities we have invested in, risks associated with specific industries, and other factors. These investments are subject to significant fluctuations in fair value due to the volatility of the securities markets and of the underlying businesses. In general, the debt instruments held in our strategic marketable investment securities portfolio are not significantly impacted by interest rate fluctuations as their value is more closely related to factors specific to the underlying business. A hypothetical 10% adverse change in the price of our public strategic debt and equity investments would result in a decrease of approximately $9 million in the fair value of these investments.

Restricted Cash, Cash Equivalents and Marketable Investment Securities

As of December 31, 2017, we had $72 million of restricted cash and marketable investment securities invested in: (a) cash; (b) money market funds; (c) debt instruments of the United States Government and its agencies; and/or (d) instruments with similar risk, duration and credit quality characteristics to commercial paper. Based on our December 31, 2017 investment portfolio, a hypothetical 10% increase in average interest rates would not have a material impact on the fair value of our restricted cash and marketable investment securities.

Long-Term Debt

As of December 31, 2017, we had long-term debt of $17.071 billion, excluding capital lease obligations and unamortized deferred financing costs and debt discounts, on our Consolidated Balance Sheets. We estimated the fair value of this debt to be approximately $17.568 billion using quoted market prices. The fair value of our debt is affected by fluctuations in interest rates. A hypothetical 10% decrease in assumed interest rates would increase the fair value of our debt by approximately $372 million. To the extent interest rates increase, our future costs of financing would increase at the time of any future financings. As of December 31, 2017, all of our long-term debt consisted of fixed rate indebtedness.

Derivative Financial Instruments

From time to time, we invest in speculative financial instruments, including derivatives. As of December 31, 2017, we did not hold any derivative financial instruments.

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Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements are included in this Annual Report on Form 10-K beginning on page F-1.

Our selected quarterly financial data for each of the quarterly periods ended March 31, June 30, September 30 and December 31 for 2017 and 2016 is included in Note 17 in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

Item 9A. CONTROLS AND PROCEDURES

Disclosure controls and procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in internal control over financial reporting

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with United States generally accepted accounting principles.

Our internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets;

(ii) provide reasonable assurance that our transactions are recorded as necessary to permit preparation of our financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our directors; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

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Our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2017.

The effectiveness of our internal control over financial reporting as of December 31, 2017 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which appears in Item 15(a) of this Annual Report on Form 10-K.

Item 9B. OTHER INFORMATION

None

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item will be set forth in our Proxy Statement for the 2018 Annual Meeting of Shareholders, which information is hereby incorporated herein by reference.

The information required by this Item with respect to the identity and business experience of our executive officers is set forth on page 23 of this Annual Report on Form 10-K under the caption "Executive Officers of the Registrant."

Item 11. EXECUTIVE COMPENSATION

The information required by this Item will be set forth in our Proxy Statement for the 2018 Annual Meeting of Shareholders, which information is hereby incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item will be set forth in our Proxy Statement for the 2018 Annual Meeting of Shareholders, which information is hereby incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item will be set forth in our Proxy Statement for the 2018 Annual Meeting of Shareholders, which information is hereby incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item will be set forth in our Proxy Statement for the 2018 Annual Meeting of Shareholders, which information is hereby incorporated herein by reference.

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PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

(1) *Financial Statements*

(2) *Financial Statement Schedules*

None. All schedules have been included in the consolidated financial statements or notes thereto.

(3) *Exhibits*

3.1(a)* Amended and Restated Articles of Incorporation of DISH Network Corporation (incorporated by reference to Exhibit 3.1(a) on the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended June 30, 2003, Commission File No. 0-26176), as amended by the Certificate of Amendment to the Articles of Incorporation of DISH Network Corporation (incorporated by reference to Annex 1 on DISH Network Corporation's Definitive Information Statement on Schedule 14C filed on December 31, 2007, Commission File No. 0-26176) and as further amended by the Certificate of Amendment to the Articles of Incorporation of DISH Network

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Corporation, effective November 3, 2015 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K of DISH Network Corporation filed November 3, 2015, Commission File No. 0-26176).

3.1(b)* Amended and Restated Bylaws of DISH Network Corporation (incorporated by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended September 30, 2014, Commission File No. 0-26176).

3.2(a)* Articles of Incorporation of DISH DBS Corporation (incorporated by reference to Exhibit 3.4(a) to the Registration Statement on Form S-4 of DISH DBS Corporation, Registration No. 333-31929), as amended by the Certificate of Amendment of the Articles of Incorporation of DISH DBS Corporation, dated as of August 25, 2003 (incorporated by reference to Exhibit 3.1(b) to the Annual Report on Form 10-K of DISH DBS Corporation for the year ended December 31, 2003, Commission File No. 333-31929), and as further amended by the Amendment of the Articles of Incorporation of DISH DBS Corporation, effective December 12, 2008 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K of DISH DBS Corporation filed December 12, 2008, Registration No. 333-31929).

3.2(b)* Bylaws of DISH DBS Corporation (incorporated by reference to Exhibit 3.4(b) to the Registration Statement on Form S-4 of DISH DBS Corporation, Registration No. 333-31929).

4.1* Registration Rights Agreement by and between DISH Network Corporation and Charles W. Ergen (incorporated by reference to Exhibit 4.8 to the Registration Statement on Form S-1 of DISH Network Corporation, Registration No. 33-91276). P

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4.2* Indenture, relating to the 4 5/8% Senior Notes due 2017, dated as of May 16, 2012 among DISH DBS Corporation, the guarantors named on the signature pages thereto and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed May 16, 2012, Commission File No. 0-26176).

4.3* Indenture, relating to the 4 1/4% Senior Notes due 2018, dated as of April 5, 2013, among DISH DBS Corporation, the guarantors named on the signature pages thereto and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of DISH Network Corporation filed April 5, 2013, Commission File No. 0-26176).

4.4* Indenture, relating to the 7 7/8% Senior Notes Due 2019, dated as of August 17, 2009 between DISH DBS Corporation and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed August 18, 2009, Commission File No. 0-26176).

4.5* Indenture, relating to the 5 1/8% Senior Notes due 2020, dated as of April 5, 2013, among DISH DBS Corporation, the guarantors named on the signature pages thereto

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	and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed April 5, 2013, Commission File No. 0-26176).
4.6*	Indenture, relating to the 6 3/4% Senior Notes due 2021, dated as of May 5, 2011, among DISH DBS Corporation, the guarantors named on the signature pages thereto and Wells Fargo Bank, National Association, as trustee (incorporated by reference from Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed May 5, 2011, Commission File No. 000-26176).
4.7*	Indenture, relating to the 5 7/8% Senior Notes due 2022, dated as of May 16, 2012 among DISH DBS Corporation, the guarantors named on the signature pages thereto and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of DISH Network Corporation filed May 16, 2012, Commission File No. 0-26176).
4.8*	Indenture, relating to the 5% Senior Notes due 2023, dated as of December 27, 2012 among DISH DBS Corporation, the guarantors named on the signature pages thereto and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed December 27, 2012, Commission File No. 0-26176).
4.9*	Indenture, relating to the 5 7/8% Senior Notes due 2024, dated as of November 20, 2014 among DISH DBS Corporation, the guarantors named on the signature pages thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed November 21, 2014, Commission File No. 0-26176).
4.10*	Indenture, relating to the 7 3/4% Senior Notes due 2026, dated as of June 13, 2016, among DISH DBS Corporation, the guarantors named on the signature pages thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8−K of DISH Network Corporation filed June 13, 2016, Commission File No. 0-26176).
4.11*	Indenture, relating to the 2 3/8% Convertible Notes due 2024, dated as of March 17, 2017, by and between DISH Network Corporation and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8 K of DISH Network Corporation filed March 20, 2017, Commission File No. 0-26176).
4.12*	Indenture, relating to the 3 3/8% Convertible Notes due 2026, dated as of August 8, 2016, by and between DISH Network Corporation and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8−K of DISH Network Corporation filed August 8, 2016, Commission File No. 0-26176).
10.1*	2002 Class B CEO Stock Option Plan (incorporated by reference to Appendix A to DISH Network Corporation's Definitive Proxy Statement on Schedule 14A dated April 9, 2002). **

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10.2*	Satellite Service Agreement, dated February 19, 2004, between SES Americom, Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2004, Commission File No. 0-26176). ***
10.3*	Amendment No. 1 to Satellite Service Agreement, dated March 10, 2004, between SES Americom, Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2004, Commission File No. 0-26176). ***
10.4*	Whole RF Channel Service Agreement, dated February 4, 2004, between Telesat Canada and DISH Network Corporation (incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2004, Commission File No. 0-26176). ***
10.5*	Letter Amendment to Whole RF Channel Service Agreement, dated March 25, 2004, between Telesat Canada and DISH Network Corporation (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2004, Commission File No. 0-26176). ***
10.6*	Amendment No. 2 to Satellite Service Agreement, dated April 30, 2004, between SES Americom, Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended June 30, 2004, Commission File No. 0-26176). ***
10.7*	Second Amendment to Whole RF Channel Service Agreement, dated May 5, 2004, between Telesat Canada and DISH Network Corporation (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended June 30, 2004, Commission File No. 0-26176). ***
10.8*	Third Amendment to Whole RF Channel Service Agreement, dated October 12, 2004, between Telesat Canada and DISH Network Corporation (incorporated by reference to Exhibit 10.22 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2004, Commission File No. 0-26176). ***
10.9*	Amendment No. 3 to Satellite Service Agreement, dated November 19, 2004 between SES Americom, Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.24 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2004, Commission File No. 0-26176). ***
10.10*	Amendment No. 4 to Satellite Service Agreement, dated April 6, 2005, between SES Americom, Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended June 30, 2005, Commission File No. 0-26176). ***
10.11*	Amendment No. 5 to Satellite Service Agreement, dated June 20, 2005, between SES Americom, Inc. and DISH Network Corporation (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended June 30, 2005, Commission File No. 0-26176). ***
10.12*	Incentive Stock Option Agreement (Form A) (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176). **
10.13*	

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	Incentive Stock Option Agreement (Form B) (incorporated by reference to Exhibit 99.2 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176). **
10.14*	Restricted Stock Unit Agreement (Form A) (incorporated by reference to Exhibit 99.3 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176). **
10.15*	Restricted Stock Unit Agreement (Form B) (incorporated by reference to Exhibit 99.4 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176). **

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10.16*	Nonemployee Director Stock Option Agreement (incorporated by reference to Exhibit 99.6 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176). **
10.17*	Separation Agreement between EchoStar Corporation and DISH Network Corporation (incorporated by reference from Exhibit 2.1 to the Amendment No. 1 to the Form 10 of EchoStar Corporation filed December 12, 2007, Commission File No. 001-33807).
10.18*	Tax Sharing Agreement between EchoStar Corporation and DISH Network Corporation (incorporated by reference from Exhibit 10.2 to the Amendment No. 1 to the Form 10 of EchoStar Corporation filed December 12, 2007, Commission File No. 001-33807).
10.19*	Employee Matters Agreement between EchoStar Corporation and DISH Network Corporation (incorporated by reference from Exhibit 10.3 to the Amendment No. 1 to the Form 10 of EchoStar Corporation filed December 12, 2007, Commission File No. 001-33807).
10.20*	Intellectual Property Matters Agreement between EchoStar Corporation, EchoStar Acquisition L.L.C., Echosphere L.L.C., DISH DBS Corporation, EIC Spain SL, EchoStar Technologies L.L.C. and DISH Network Corporation (incorporated by reference from Exhibit 10.4 to the Amendment No. 1 to the Form 10 of EchoStar Corporation filed December 12, 2007, Commission File No. 001-33807).
10.21*	Form of Satellite Capacity Agreement between EchoStar Corporation and DISH Network L.L.C. (incorporated by reference from Exhibit 10.28 to the Amendment No. 2 to Form 10 of EchoStar Corporation filed December 26, 2007, Commission File No. 001-33807).
10.22*	Description of the 2008 Long-Term Incentive Plan dated December 22, 2008 (incorporated by reference to Exhibit 10.42 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2008, Commission File No. 0-26176). **
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	DISH Network Corporation 2009 Stock Incentive Plan (incorporated by reference to Appendix A to DISH Network Corporation's Definitive Proxy Statement on Form 14A filed September 19, 2014, Commission File No. 000-26176). **
10.24*	Amended and Restated DISH Network Corporation 2001 Nonemployee Director Stock Option Plan (incorporated by reference to Appendix B to DISH Network Corporation's Definitive Proxy Statement on Form 14A filed March 31, 2009, Commission File No. 000-26176). **
10.25*	Amended and Restated DISH Network Corporation 1999 Stock Incentive Plan (incorporated by reference to Appendix C to DISH Network Corporation's Definitive Proxy Statement on Form 14A filed March 31, 2009, Commission File No. 000-26176). **
10.26*	NIMIQ 5 Whole RF Channel Service Agreement, dated September 15, 2009, between Telesat Canada and EchoStar Corporation (incorporated by reference from Exhibit 10.30 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807). ***
10.27*	NIMIQ 5 Whole RF Channel Service Agreement, dated September 15, 2009, between EchoStar Corporation and DISH Network L.L.C. (incorporated by reference from Exhibit 10.31 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807). ***
10.28*	Professional Services Agreement, dated August 4, 2009, between EchoStar Corporation and DISH Network Corporation (incorporated by reference from Exhibit 10.3 to the Quarterly Report on Form 10-Q of EchoStar Corporation for the quarter ended September 30, 2009, Commission File No. 001-33807). ***
10.29*	Allocation Agreement, dated August 4, 2009, between EchoStar Corporation and DISH Network Corporation (incorporated by reference from Exhibit 10.4 to the Quarterly Report on Form 10-Q of EchoStar Corporation for the quarter ended September 30, 2009, Commission File No. 001-33807).

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10.30*	Amendment to Form of Satellite Capacity Agreement (Form A) between EchoStar Corporation and DISH Network L.L.C. (incorporated by reference from Exhibit 10.34 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807).
10.31*	Amendment to Form of Satellite Capacity Agreement (Form B) between EchoStar Corporation and DISH Network L.L.C. (incorporated by reference from Exhibit 10.35 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807).
10.32*	EchoStar XVI Satellite Capacity Agreement between EchoStar Satellite Services L.L.C. and DISH Network L.L.C. (incorporated by reference from Exhibit 10.36 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807). ***

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10.33* Amended and Restated Investment Agreement, dated as of February 24, 2011, and First Amendment to Amended and Restated Investment Agreement, dated as of March 15, 2011, between DISH Network Corporation and DBSD North America, Inc. (incorporated by reference from Exhibit 10.1 to the Current Report on Form 8-K of ICO Global Communications (Holdings) Limited filed March 17, 2011, Commission File No. 001-33008).

10.34* Implementation Agreement, dated as of March 15, 2011, between DISH Network and ICO Global Communications (Holdings) Limited (incorporated by reference from Exhibit 10.2 to the Current Report on Form 8-K of ICO Global Communications (Holdings) Limited filed March 17, 2011, Commission File No. 001-33008).

10.35* Restructuring Support Agreement, dated as of March 15, 2011, between DISH Network and ICO Global Communications (Holdings) Limited (incorporated by reference from Exhibit 10.3 to the Current Report on Form 8-K of ICO Global Communications (Holdings) Limited filed March 17, 2011, Commission File No. 001-33008).

10.36* Purchase Agreement, dated as of June 14, 2011, by and among TerreStar Networks Inc., TerreStar License Inc., TerreStar National Services Inc., TerreStar Networks Holdings (Canada) Inc., TerreStar Networks (Canada) Inc., 0887729 B.C. Ltd., and Gamma Acquisition L.L.C. and DISH Network Corporation (solely with respect to Section 6.19 thereof) (incorporated by reference from Exhibit 99.1 to the Current Report on Form 8-K of DISH Network Corporation filed June 16, 2011, Commission File No. 000-26176).

10.37* Cost Allocation Agreement, dated April 29, 2011, between EchoStar Corporation and DISH Network (incorporated by reference from Exhibit 10.2 to the Quarterly Report on Form 10-Q of EchoStar Corporation for the quarter ended June 30, 2011, Commission File No. 001-33807).

10.38* Settlement and Patent License between TiVo Inc. and DISH Network Corporation and EchoStar Corporation, dated as of April 29, 2011 (incorporated by reference to Exhibit 10.9 to the Quarterly Report on Form 10-Q/A of EchoStar Corporation filed February 21, 2012, Commission File No. 001-33807). ***

10.39* QuetzSat-1 Transponder Service Agreement, dated November 24, 2008, between EchoStar 77 Corporation, a direct wholly-owned subsidiary of EchoStar, and DISH Network L.L.C. (incorporated by reference to Exhibit 10.25 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807). ***

10.40* Receiver Agreement dated January 1, 2012 between Echosphere L.L.C. and EchoStar Technologies L.L.C. (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2012, Commission File No. 0-26176). ***

10.41* Broadcast Agreement dated January 1, 2012 between EchoStar Broadcasting Corporation and DISH Network L.L.C. (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2012, Commission File No. 0-26176). ***

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10.42*	Confidential Settlement Agreement and Release dated as of October 21, 2012 by and between Voom HD Holdings LLC and CSC Holdings, LLC, on the one hand, and DISH Network L.L.C., on the other hand, and for certain limited purposes, DISH Media Holdings Corporation, MSG Holdings, L.P., The Madison Square Garden Company and EchoStar Corporation (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended September 30, 2012, Commission File No. 0-26176). ***
10.43*	Description of the 2013 Long-Term Incentive Plan dated November 30, 2012 (incorporated by reference to the Current Report on Form 8-K of DISH Network Corporation filed December 6, 2012, Commission File No. 000-26176). **
10.44*	Amendment to EchoStar XVI Satellite Capacity Agreement between EchoStar Satellite Services L.L.C. and DISH Network L.L.C. dated December 21, 2012 (incorporated by reference to Exhibit 10.62 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2012, Commission File No. 0-26176). ***
10.45*	Transaction Agreement, dated February 20, 2014, by and among EchoStar Corporation, Hughes Satellite Systems Corporation, Alpha Company LLC, DISH Network L.L.C., DISH Operating L.L.C. and EchoStar XI Holding L.L.C. (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2014, Commission File No. 0-26176). ***
10.46*	Investor Rights Agreement, dated February 20, 2014, by and among EchoStar Corporation, Hughes Satellite Systems Corporation, DISH Operating L.L.C. and DISH Network L.L.C. (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2014, Commission File No. 0-26176). ***
10.47*	Form of Satellite Capacity Agreement between EchoStar Satellite Operating Corporation and DISH Operating L.L.C. (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2014, Commission File No. 0-26176).***
10.48*	First Amended and Restated Credit Agreement dated October 13, 2014, among American AWS-3 Wireless II L.L.C., Northstar Wireless, LLC and Northstar Spectrum, LLC, as amended on February 12, 2015 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2015, Commission File No. 0-26176). ***
10.49*	First Amended and Restated Credit Agreement dated October 13, 2014, among American AWS-3 Wireless III L.L.C., SNR Wireless LicenseCo, LLC and SNR Wireless HoldCo, LLC, as amended on February 12, 2015 (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2015, Commission File No. 0-26176). ***
10.50*	First Amended and Restated Limited Liability Company Agreement dated October 13, 2014, among Northstar Spectrum, LLC, Northstar Manager, LLC and American AWS-3 Wireless II L.L.C., as amended on February 12, 2015 (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2015, Commission File No. 0-26176). ***

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10.51* First Amended and Restated Limited Liability Company Agreement dated October 13, 2014, among SNR Wireless HoldCo, LLC, SNR Wireless Management, LLC and American AWS-3 Wireless III L.L.C., as amended on February 12, 2015 (incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10−Q of DISH Network Corporation for the quarter ended March 31, 2015, Commission File No. 0−26176). ***

10.52* Management Services Agreement dated September 12, 2014, between American AWS-3 Wireless II L.L.C. and Northstar Wireless, LLC (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2015, Commission File No. 0-26176). ***

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10.53* Management Services Agreement dated September 12, 2014, between American AWS-3 Wireless III L.L.C. and SNR Wireless LicenseCo, LLC (incorporated by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2015, Commission File No. 0-26176).***

10.54* Second Amendment, dated October 1, 2015, to the First Amended and Restated Credit Agreement dated October 13, 2014, among American AWS-3 Wireless II L.L.C., Northstar Wireless, LLC and Northstar Spectrum, LLC, as first amended on February 12, 2015 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of DISH Network Corporation filed October 2, 2015, Commission File No. 0-26176).

10.55* Guaranty of Certain Obligations to FCC, dated as of October 1, 2015, made by DISH Network Corporation in favor of the Federal Communications Commission (Northstar Wireless) (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of DISH Network Corporation filed October 2, 2015, Commission File No. 0-26176).

10.56* Second Amendment, dated October 1, 2015, to the First Amended and Restated Credit Agreement dated October 13, 2014, among American AWS-3 Wireless III L.L.C., SNR Wireless LicenseCo, LLC and SNR Wireless HoldCo, LLC, as first amended on February 12, 2015 (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K of DISH Network Corporation filed October 2, 2015, Commission File No. 0-26176).

10.57* Guaranty of Certain Obligations to FCC, dated as of October 1, 2015, made by DISH Network Corporation in favor of the Federal Communications Commission (SNR Wireless) (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K of DISH Network Corporation filed October 2, 2015, Commission File No. 0-26176).

10.58* Form of Base/Additional Note Hedge Transaction Confirmation (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of DISH Network Corporation filed August 8, 2016, Commission File No. 0-26176).

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	Form of Base/Additional Warrant Transaction Confirmation (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of DISH Network Corporation filed August 8, 2016, Commission File No. 0-26176).
10.60*	Description of the 2017 Long-Term Incentive Plan dated December 2, 2016 (incorporated by reference to the Current Report on Form 8-K of DISH Network Corporation filed December 8, 2016, Commission File No. 0-26176).**
10.61*	Share Exchange Agreement dated January 31, 2017, between DISH Network Corporation, DISH Network L.L.C., DISH Operating L.L.C., EchoStar Corporation, EchoStar Broadcasting Holding Parent L.L.C., EchoStar Broadcasting Holding Corporation, EchoStar Technologies Holding Corporation, and EchoStar Technologies L.L.C. (incorporated by reference in Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2017, Commission File No. 0-26176).***
21☐	Subsidiaries of DISH Network Corporation.
23☐	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
24☐	Power of Attorney authorizing Timothy A. Messner as signatory for Charles W. Ergen, George R. Brokaw, James DeFranco, Cantey M. Ergen, Steven R. Goodbarn, Charles M. Lillis, Afshin Mohebbi, David K. Moskowitz, Tom A. Ortolf and Carl E. Vogel.
31.1☐	Section 302 Certification of Chief Executive Officer.
31.2☐	Section 302 Certification of Chief Financial Officer.
32.1☐	Section 906 Certification of Chief Executive Officer.
32.2☐	Section 906 Certification of Chief Financial Officer.

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101 ☐	The following materials from the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2017, filed on February 21, 2018, formatted in eXtensible Business Reporting Language ("XBRL"): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Consolidated Statement of Changes in Stockholders' Equity (Deficit), (iv) Consolidated Statements of Cash Flows, and (v) related notes to these financial statements.

☐ Filed herewith.

* Incorporated by reference.

** Constitutes a management contract or compensatory plan or arrangement.

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Certain portions of the exhibit have been omitted and separately filed with the Securities and Exchange Commission with a request for confidential treatment.

Item 16. FORM 10-K SUMMARY

None

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DISH NETWORK CORPORATION

By: /s/ *Steven E. Swain*
Steven E. Swain
Senior Vice President and Chief Financial Officer

Date: February 21, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ *W. Erik Carlson* W. Erik Carlson	President and Chief Executive Officer *(Principal Executive Officer)*	February 21, 2018
/s/ *Steven E. Swain* Steven E. Swain	Senior Vice President and Chief Financial Officer *(Principal Financial Officer)*	February 21, 2018
/s/ *Paul W. Orban* Paul W. Orban	Senior Vice President and Chief Accounting Officer *(Principal Accounting Officer)*	February 21, 2018
* Charles W. Ergen	Chairman	February 21, 2018
* George R. Brokaw	Director	February 21, 2018
* James DeFranco	Director	February 21, 2018

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* Cantey M. Ergen	Director	February 21, 2018
* Steven R. Goodbarn	Director	February 21, 2018
* Charles M. Lillis	Director	February 21, 2018
* Afshin Mohebbi	Director	February 21, 2018
* David K. Moskowitz	Director	February 21, 2018
* Tom A. Ortolf	Director	February 21, 2018
* Carl E. Vogel	Director	February 21, 2018

* By: /s/ *Timothy A. Messner*
Timothy A. Messner
Attorney-in-Fact

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INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements:

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Stockholders and Board of Directors
DISH Network Corporation:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of DISH Network Corporation and subsidiaries (the Company) as of December 31, 2017 and 2016, the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity (deficit), and cash flows for each of the years in the three-year period ended December 31, 2017, and the related notes (collectively, the "consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Transaction Between Entities Under Common Control

As discussed in Note 2 to the consolidated financial statements, the 2016 and 2015 consolidated financial statements have been retrospectively revised for the effects of consolidating entities acquired under common control.

Basis for Opinion

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Annual Report on Internal Controls Over Financial Reporting*. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Denver, Colorado
February 21, 2018

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DISH NETWORK CORPORATION
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share amounts)

	As of	
	December 31, 2017	**December 31, 2016**
Assets		
Current Assets		
Cash and cash equivalents	$ 1,479,508	$ 5,324,503
Marketable investment securities	501,165	35,616
Trade accounts receivable, net of allowance for doubtful accounts of $15,511 and $18,399, respectively	653,948	777,908
Inventory	321,008	422,349

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FCC auction deposit (Note 14)	—	1,500,000
Other current assets	329,394	220,011
Total current assets	3,285,023	8,280,387
Noncurrent Assets		
Restricted cash, cash equivalents and marketable investment securities	72,407	82,360
Property and equipment, net	2,183,661	2,654,271
FCC authorizations	23,725,789	16,498,733
Other investment securities	113,460	33,248
Other noncurrent assets, net	393,426	365,293
Total noncurrent assets	26,488,743	19,633,905
Total assets	$ 29,773,766	$ 27,914,292
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities		
Trade accounts payable	$ 393,305	$ 524,704
Deferred revenue and other	709,074	773,982
Accrued programming	1,571,273	1,542,036
Accrued interest	282,006	305,739
Other accrued expenses (Note 14)	803,822	504,468
Current portion of long-term debt and capital lease obligations	1,068,524	941,903
Total current liabilities	4,828,004	4,592,832
Long-Term Obligations, Net of Current Portion		
Long-term debt and capital lease obligations, net of current portion	15,134,441	15,541,736
Deferred tax liabilities	2,019,538	2,385,525
Long-term deferred revenue and other long-term liabilities	470,487	463,242
Total long-term obligations, net of current portion	17,624,466	18,390,503
Total liabilities	22,452,470	22,983,335
Commitments and Contingencies (Note 14)		
Redeemable noncontrolling interests (Note 2)	383,390	319,634
Stockholders' Equity (Deficit)		
Class A common stock, $.01 par value, 1,600,000,000 shares authorized, 228,033,671 and 226,812,205 shares issued and outstanding, respectively	2,280	2,268
Class B common stock, $.01 par value, 800,000,000 shares authorized, 238,435,208 shares issued and outstanding	2,384	2,384
Additional paid-in capital	3,296,488	3,071,425
Accumulated other comprehensive income (loss)	882	781
Accumulated earnings (deficit)	3,635,380	1,536,691
Total DISH Network stockholders' equity (deficit)	6,937,414	4,613,549
Noncontrolling interests	492	(2,226)
Total stockholders' equity (deficit)	6,937,906	4,611,323
Total liabilities and stockholders' equity (deficit)	$ 29,773,766	$ 27,914,292

The accompanying notes are an integral part of these consolidated financial statements.

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DISH NETWORK CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Dollars in thousands, except per share amounts)

	For the Years Ended December 31,		
	2017	2016	2015
Revenue:			
Subscriber-related revenue	$ 14,260,412	$ 15,033,939	$ 14,953,559
Equipment sales and other revenue	130,963	178,363	271,934
Total revenue	14,391,375	15,212,302	15,225,493
Costs and Expenses (exclusive of depreciation shown separately below - Note 8):			
Subscriber-related expenses	8,919,985	8,913,624	8,821,831
Satellite and transmission expenses	658,017	710,719	741,286
Cost of sales - equipment and other	95,116	133,902	185,355
Subscriber acquisition costs			
Cost of sales - subscriber promotion subsidies	74,145	143,507	175,857
Other subscriber acquisition costs	579,272	709,772	908,983
Subscriber acquisition advertising	550,844	603,213	579,260
Total subscriber acquisition costs	1,204,261	1,456,492	1,664,100
General and administrative expenses	687,054	735,954	758,985
FCC auction expense (Note 14)	—	—	515,555
Litigation expense (Note 14)	295,695	21,148	20,900
Depreciation and amortization (Note 8)	817,564	921,202	963,357
Impairment of long-lived assets (Note 8)	145,918	—	125,752
Total costs and expenses	12,823,610	12,893,041	13,797,121
Operating income (loss)	1,567,765	2,319,261	1,428,372
Other Income (Expense):			
Interest income	41,006	31,168	19,526
Interest expense, net of amounts capitalized	(63,172)	(53,141)	(494,081)
Other, net	104,488	119,315	281,379
Total other income (expense)	82,322	97,342	(193,176)
Income (loss) before income taxes	1,650,087	2,416,603	1,235,196
Income tax (provision) benefit, net	515,320	(865,818)	(393,170)
Net income (loss)	2,165,407	1,550,785	842,026
Less: Net income (loss) attributable to noncontrolling interests, net of tax	66,718	52,846	39,652
Net income (loss) attributable to DISH Network	$ 2,098,689	$ 1,497,939	$ 802,374
Weighted-average common shares outstanding - Class A and B common stock:			
Basic	466,021	464,807	462,995
Diluted	522,596	484,162	464,697
Earnings per share - Class A and B common stock:			
Basic net income (loss) per share attributable to DISH Network	$ 4.50	$ 3.22	$ 1.73
Diluted net income (loss) per share attributable to DISH Network	$ 4.07	$ 3.15	$ 1.73
Comprehensive Income (Loss):			
Net income (loss)	$ 2,165,407	$ 1,550,785	$ 842,026
Other comprehensive income (loss)			
Foreign currency translation adjustments	1,027	—	—
Unrealized holding gains (losses) on available-for-sale securities	9,671	3,050	20,205
Recognition of previously unrealized (gains) losses on available-for-sale securities included in net income (loss)	(11,129)	(99,312)	(99,361)
Deferred income tax (expense) benefit, net	532	35,062	(33,370)
Total other comprehensive income (loss), net of tax	101	(61,200)	(112,526)
Comprehensive income (loss)	2,165,508	1,489,585	729,500
Less: Comprehensive income (loss) attributable to noncontrolling interests, net of tax	66,718	52,846	39,652
Comprehensive income (loss) attributable to DISH Network	$ 2,098,790	$ 1,436,739	$ 689,848

The accompanying notes are an integral part of these consolidated financial statements.

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DISH NETWORK CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands)

	Class A and B Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Deficit)	Treasury Stock	Noncontrolling Interests	Total	Redeemable Noncontrolling Interests
Balance, December 31, 2014	$ 5,178	$ 2,510,617	$ 174,507	$ 805,275	$ (1,569,459)	$ (875)	$ 1,925,243	$ 21,442
Issuance of Class A common stock:								
Exercise of stock awards	20	25,744	—	—	—	—	25,764	—
Employee benefits	4	26,022	—	—	—	—	26,026	—
Employee Stock Purchase Plan	1	8,103	—	—	—	—	8,104	—
Non-cash, stock-based compensation	—	19,072	—	—	—	—	19,072	127
Income tax (expense) benefit related to stock awards and other	—	31,844	—	—	—	691	32,535	—
Change in unrealized holding gains (losses) on available-for-sale securities, net	—	—	(79,156)	—	—	—	(79,156)	—
Deferred income tax (expense) benefit attributable to unrealized gains (losses) on available-for-sale securities	—	—	(33,370)	—	—	—	(33,370)	—
Payments made to parent of transferred businesses	—	(31,615)	—	—	—	(11)	(31,626)	16
Redeemable noncontrolling interest recognized - investment in Northstar Spectrum and SNR Holdco	—	—	—	—	—	—	—	204,200
Net income (loss) attributable to noncontrolling interests	—	—	—	—	—	(805)	(805)	40,458
Net income (loss) attributable to DISH Network	—	—	—	802,374	—	—	802,374	—
Balance, December 31, 2015	$ 5,203	$ 2,589,787	$ 61,981	$ 1,607,649	$ (1,569,459)	$ (1,000)	$ 2,694,161	$ 266,243
Issuance of Class A common stock:								
Exercise of stock awards	5	10,067	—	—	—	—	10,072	—
Employee benefits	4	25,142	—	—	—	—	25,146	—
Employee Stock Purchase Plan	2	8,551	—	—	—	—	8,553	—
Non-cash, stock-based compensation	—	13,037	—	—	—	—	13,037	—
Change in unrealized holding gains (losses) on available-for-sale securities, net	—	—	(96,262)	—	—	—	(96,262)	—
Deferred income tax (expense) benefit attributable to unrealized gains (losses) on available-for-sale securities	—	—	35,062	—	—	—	35,062	—
	(562)	—	—	(1,568,897)	1,569,459	—	—	—

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Retirement of treasury stock								
Issuance of warrants	—	375,600	—	—	—	—	375,600	—
Initial equity component of the 3 3/8% Convertible Notes due 2026, net of deferred taxes of $286,322	—	487,521	—	—	—	—	487,521	—
Convertible note hedges, net of deferred taxes of $234,987	—	(400,113)	—	—	—	—	(400,113)	—
Payments made to parent of transferred businesses	—	(34,371)	—	—	—	(75)	(34,446)	—
Net income (loss) attributable to noncontrolling interests	—	—	—	—	—	(550)	(550)	—
Net income (loss) attributable to DISH Network	—	—	—	1,497,939	—	—	1,497,939	53,397
Other	—	(3,796)	—	—	—	(601)	(4,397)	(6)
Balance, December 31, 2016	$ 4,652	$ 3,071,425	$ 781	$ 1,536,691	$ —	$ (2,226)	$ 4,611,323	$ 319,634

The accompanying notes are an integral part of these consolidated financial statements.

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DISH NETWORK CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) – Continued
(In thousands)

	Class A and B Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Deficit)	Treasury Stock (See Note 12)	Noncontrolling Interests	Total	Redeemable Noncontrolling Interests
Balance, December 31, 2016	$ 4,652	$ 3,071,425	$ 781	$ 1,536,691	$ —	$ (2,226)	$ 4,611,323	$ 319,634
Issuance of Class A common stock:								
Exercise of stock awards	5	14,508	—	—	—	—	14,513	—
Employee benefits	4	23,160	—	—	—	—	23,164	—
Employee Stock Purchase Plan	3	14,058	—	—	—	—	14,061	—
Non-cash, stock-based compensation	—	29,941	—	—	—	—	29,941	—
Change in unrealized holding gains (losses) on available-for-sale securities, net	—	—	(1,458)	—	—	—	(1,458)	—
Deferred income tax (expense) benefit attributable to unrealized gains (losses) on available-for-sale securities	—	—	532	—	—	—	532	—
Foreign currency translation	—	—	1,027	—	—	—	1,027	—
Initial equity component of the 2 3/8%	—	159,869	—	—	—	—	159,869	—

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Convertible Notes due 2024, net of deferred taxes of $92,512								
Payments made to parent of transferred businesses	—	(7,378)	—	—	—	274	(7,104)	6
Net income (loss) attributable to noncontrolling interests	—	—	—	—	—	2,969	2,969	63,750
Net income (loss) attributable to DISH Network	—	—	—	2,098,689	—	—	2,098,689	—
Other	—	(9,095)	—	—	—	(525)	(9,620)	—
Balance, December 31, 2017	$ 4,664	$ 3,296,488	$ 882	$ 3,635,380	$ —	$ 492	$ 6,937,906	$ 383,390

The accompanying notes are an integral part of these consolidated financial statements.

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DISH NETWORK CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For the Years Ended December 31,		
	2017	**2016**	**2015**
Cash Flows From Operating Activities:			
Net income (loss)	$ 2,165,407	$ 1,550,785	$ 842,026
Adjustments to reconcile net income (loss) to net cash flows from operating activities			
Depreciation and amortization	817,564	921,202	963,357
Impairment of long-lived assets	145,918	—	125,752
Realized and unrealized losses (gains) on investments	(99,997)	(119,092)	(287,250)
Non-cash, stock-based compensation	29,941	13,037	19,199
Deferred tax expense (benefit)	(485,973)	506,808	228,443
Change in long-term deferred revenue and other long-term liabilities	29,750	76,203	103,827
Other, net	(29,632)	9,573	19,748
Changes in current assets and current liabilities, net			
Trade accounts receivable	126,848	109,364	66,606
Allowance for doubtful accounts	(2,888)	(4,566)	(2,532)
Prepaid and accrued income taxes	(46,599)	(144,212)	61,370
Inventory	37,895	(43,157)	96,318
Other current assets	(63,154)	13,111	17,623
Trade accounts payable	(131,399)	33,976	67,086
Deferred revenue and other	(64,909)	(98,019)	(22,708)
Accrued programming and other accrued expenses	350,735	29,234	160,258
Net cash flows from operating activities	2,779,507	2,854,247	2,459,123
Cash Flows From Investing Activities:			
Purchases of marketable investment securities	(566,373)	(345,210)	(447,901)
Sales and maturities of marketable investment securities	206,272	868,792	2,054,805
Settlement of derivative financial instruments	—	562,234	—
Purchases of property and equipment	(431,795)	(614,055)	(734,998)
Capitalized interest related to FCC authorizations (Note 2)	(953,498)	(724,329)	(352,683)
Purchases of FCC authorizations, including deposits (Note 14)	(4,711,154)	(1,500,000)	(8,970,389)
AWS-3 FCC license refunds (deposits) (Note 14)	—	—	400,000
Purchases of strategic investments	(90,381)	—	—
Other, net	25,664	14,911	(10,918)
Net cash flows from investing activities	(6,521,265)	(1,737,657)	(8,062,084)
Cash Flows From Financing Activities:			

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Proceeds from issuance of senior notes	—	2,000,000	—
Proceeds from issuance of convertible notes (Note 9)	1,000,000	3,000,000	—
Purchases of convertible note hedges (Note 9)	—	(635,100)	—
Proceeds from issuance of warrants (Note 9)	—	375,600	—
Redemption and repurchases of senior notes	(1,074,139)	(1,500,000)	(650,001)
Capital contributions from Northstar Manager and SNR Management (Note 14)	—	—	204,200
Repayment of long-term debt and capital lease obligations	(42,422)	(43,521)	(36,846)
Payments made to parent of transferred businesses	(7,098)	(34,446)	(31,610)
Net proceeds from Class A common stock options exercised and stock issued under the Employee Stock Purchase Plan	28,574	18,625	33,868
Debt issuance costs	(6,158)	(26,622)	—
Other, net	(1,994)	(606)	32,189
Net cash flows from financing activities	(103,237)	3,153,930	(448,200)
Net increase (decrease) in cash and cash equivalents	(3,844,995)	4,270,520	(6,051,161)
Cash and cash equivalents, beginning of period	5,324,503	1,053,983	7,105,144
Cash and cash equivalents, end of period	$ 1,479,508	$ 5,324,503	$ 1,053,983

The accompanying notes are an integral part of these consolidated financial statements.

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DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Business Activities

Principal Business

DISH Network Corporation is a holding company. Its subsidiaries (which together with DISH Network Corporation are referred to as "DISH Network," the "Company," "we," "us" and/or "our," unless otherwise required by the context) operate two primary business segments.

Pay-TV

We offer pay-TV services under the DISH® brand and the Sling® brand (collectively "Pay-TV" services). The DISH branded pay-TV service consists of, among other things, Federal Communications Commission ("FCC") licenses authorizing us to use direct broadcast satellite ("DBS") and Fixed Satellite Service ("FSS") spectrum, our owned and leased satellites, receiver systems, broadcast operations, customer service facilities, a leased fiber optic network, in-home service and call center operations, and certain other assets utilized in our operations ("DISH TV"). The Sling branded pay-TV services consist of, among other things, live, linear streaming over-the-top ("OTT") Internet-based domestic, international and Latino video programming services ("Sling TV"). As of December 31, 2017, we had 13.242 million Pay-TV subscribers in the United States, including 11.030 million DISH TV subscribers and 2.212 million Sling TV subscribers.

In addition, we have historically offered broadband services under the dishNET™ brand, which includes satellite broadband services that utilize advanced technology and high-powered satellites launched by Hughes Communications, Inc. ("Hughes") and ViaSat, Inc.

("ViaSat") and wireline broadband services. However, as we move our broadband business focus from wholesale to authorized representative arrangements, we are generally no longer marketing dishNET broadband services and our broadband subscribers will decline through customer attrition. Generally, under these authorized representative arrangements, we will receive certain payments for each broadband service activation generated and installation performed, and we will not incur subscriber acquisition costs for these activations. For example, during the first quarter 2017, we transitioned our wholesale arrangement with Hughes to an authorized representative arrangement and entered into a master service agreement (the "MSA") with Hughes Network Systems, LLC ("HNS"), a wholly-owned subsidiary of Hughes. See "*Hughes Broadband Master Services Agreement"* in Note 18 to our Consolidated Financial Statements in this Annual Report on Form 10-K on our Related Party Transactions with EchoStar for further information.

As a result of the completion of the Share Exchange with EchoStar, described below, we also design, develop and distribute receiver systems and provide digital broadcast operations, including satellite uplinking/downlinking, transmission and other services to third-party pay-TV providers. See Note 2 and 18 for further information.

Wireless

Since 2008, we have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets and made over $10 billion in non-controlling investments in certain entities, for a total of over $21 billion, as described further below.

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DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

DISH Network Spectrum

We have directly invested over $11 billion to acquire certain wireless spectrum licenses and related assets. These wireless spectrum licenses are subject to certain interim and final build-out requirements. We will need to make significant additional investments or partner with others to, among other things, commercialize, build-out, and integrate these licenses and related assets, and any additional acquired licenses and related assets; and comply with regulations applicable to such licenses. Depending on the nature and scope of such commercialization, build-out, integration efforts, and regulatory compliance, any such investments or partnerships could vary significantly. In addition, as we consider our options for the commercialization of our wireless spectrum, we will incur significant additional expenses and will have to make significant investments related to, among other things, research and development, wireless testing and wireless network infrastructure. In March 2017, we notified the FCC that we plan to deploy a next-generation 5G-capable network, focused on supporting narrowband Internet of Things ("IoT"). The first phase of our network deployment will be completed by March 2020, with subsequent phases to be completed thereafter. We may also determine that additional wireless spectrum licenses may be required to commercialize our wireless business and to compete with other wireless service providers. See Note 14 for further information.

DISH Network Non-Controlling Investments in the Northstar Entities and the SNR Entities Related to AWS-3 Wireless Spectrum Licenses

Through our wholly-owned subsidiaries American AWS-3 Wireless II L.L.C. ("American II") and American AWS-3 Wireless III L.L.C. ("American III"), we have made over $10 billion in certain non-controlling investments in Northstar Spectrum, LLC ("Northstar Spectrum"), the parent company of Northstar Wireless, LLC ("Northstar Wireless," and collectively with Northstar Spectrum, the "Northstar Entities"), and in SNR Wireless HoldCo, LLC ("SNR HoldCo"), the parent company of SNR Wireless LicenseCo, LLC ("SNR Wireless," and collectively with SNR HoldCo, the "SNR Entities"), respectively. On October 27, 2015, the FCC granted certain AWS-3 wireless spectrum licenses (the "AWS-3 Licenses") to Northstar Wireless and to SNR Wireless, respectively, which are recorded in "FCC authorizations" on our Consolidated Balance Sheets. Under the applicable accounting guidance in Accounting Standards Codification 810, *Consolidation* ("ASC 810"), Northstar Spectrum and SNR HoldCo are considered variable interest entities and, based on the characteristics of the structure of these entities and in accordance with the applicable accounting guidance, we consolidate these entities into our financial statements. See Note 2 for further information.

The AWS-3 Licenses are subject to certain interim and final build-out requirements. We may need to make significant additional loans to the Northstar Entities and to the SNR Entities, or they may need to partner with others, so that the Northstar Entities and the SNR Entities may commercialize, build-out and integrate these AWS-3 Licenses, comply with regulations applicable to such AWS-3 Licenses, and make any potential payments related to the re-auction of AWS-3 Licenses retained by the FCC. Depending upon the nature and scope of such commercialization, build-out, integration efforts, regulatory compliance, and potential re-auction payments, any such loans or partnerships could vary significantly. There can be no assurance that we will be able to obtain a profitable return on our non-controlling investments in the Northstar Entities and the SNR Entities.

See Note 14 for further information.

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DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

2. Summary of Significant Accounting Policies

Principles of Consolidation and Basis of Presentation

We consolidate all majority owned subsidiaries, investments in entities in which we have controlling influence and variable interest entities where we have been determined to be the primary beneficiary. Minority interests are recorded as noncontrolling interests or redeemable noncontrolling interests. See below for further information. Non-consolidated investments are accounted for using the equity method when we have the ability to significantly influence the operating decisions of the investee. When we do not have the ability to significantly influence the operating decisions of an investee, the cost method is used. All significant intercompany accounts and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform to the current period presentation.

On February 28, 2017, we and EchoStar and certain of our respective subsidiaries completed the transactions contemplated by the Share Exchange Agreement (the "Share Exchange

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Agreement") that was previously entered into on January 31, 2017 (the "Share Exchange"). Pursuant to the Share Exchange Agreement, among other things, EchoStar transferred to us certain assets and liabilities of the EchoStar technologies and EchoStar broadcasting businesses, consisting primarily of the businesses that design, develop and distribute digital set-top boxes, provide satellite uplinking services and develop and support streaming video technology, as well as certain investments in joint ventures, spectrum licenses, real estate properties and EchoStar's ten percent non-voting interest in Sling TV Holding L.L.C. (the "Transferred Businesses"), and in exchange, we transferred to EchoStar the 6,290,499 shares of preferred tracking stock issued by EchoStar (the "EchoStar Tracking Stock") and 81.128 shares of preferred tracking stock issued by Hughes Satellite Systems Corporation, a subsidiary of EchoStar (the "HSSC Tracking Stock," and together with the EchoStar Tracking Stock, collectively, the "Tracking Stock"), that tracked the residential retail satellite broadband business of HNS. In connection with the Share Exchange, we and EchoStar and certain of its subsidiaries entered into certain agreements covering, among other things, tax matters, employee matters, intellectual property matters and the provision of transitional services. See Note 18 for further information.

As the Share Exchange was a transaction between entities that are under common control, accounting rules require that our Consolidated Financial Statements include the results of the Transferred Businesses for all periods presented, including periods prior to the completion of the Share Exchange. We initially recorded the Transferred Businesses at EchoStar's historical cost basis. The difference between the historical cost basis of the Transferred Businesses and the net carrying value of the Tracking Stock is recorded in "Additional paid-in capital" on our Consolidated Balance Sheets. The results of the Transferred Businesses were prepared from separate records maintained by EchoStar for the periods prior to March 1, 2017, and may not necessarily be indicative of the conditions that would have existed, or the results of operations, if the Transferred Businesses had been operated on a combined basis with our subsidiaries. The primary impacts to our financial statement presentation are as follows:

- Our investments in the EchoStar Tracking Stock and HSSC Tracking Stock are no longer included in our Consolidated Balance Sheets.
- The assets and liabilities of the Transferred Businesses are recorded in our Consolidated Balance Sheets, and the results of operations of the Transferred Businesses, including sales of set-top boxes to third parties, are recorded in our Consolidated Statements of Operations and Comprehensive Income (Loss).
- Sling TV Holding L.L.C., in which EchoStar held a 10% non-voting interest prior to the Share Exchange, is accounted for as though it was an indirect wholly-owned subsidiary of DISH Network.
- Intercompany transactions between the Transferred Businesses and us, including, among others, the sale of set-top boxes and broadcast services from EchoStar to us, have been eliminated to the extent possible, including the margin EchoStar received on those sales.

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Our financial statements include the results of the Transferred Businesses as described above for all periods presented, including periods prior to the completion of the Share

Exchange. The table below includes supplemental pro forma information for revenue and net income (loss) attributable to DISH Network on our Consolidated Statements of Operations and Comprehensive Income (Loss) as if the results of the Transferred Businesses were included for the years ended December 31, 2016 and December 31, 2015, respectively:

	DISH Network (as previously reported)	Adjustments Relating to the Transferred Businesses	DISH Network (as currently reported)
		(In thousands)	
For the Year Ended December 31, 2016:			
Total revenue	$ 15,094,562	$ 117,740	$ 15,212,302
Net income (loss) attributable to DISH Network	$ 1,449,853	$ 48,086	$ 1,497,939
For the Year Ended December 31, 2015:			
Total revenue	$ 15,068,901	$ 156,592	$ 15,225,493
Net income (loss) attributable to DISH Network	$ 747,092	$ 55,282	$ 802,374

Redeemable Noncontrolling Interests

Northstar Wireless. Northstar Wireless is a wholly-owned subsidiary of Northstar Spectrum, which is an entity owned by Northstar Manager, LLC (“Northstar Manager”) and us. Under the applicable accounting guidance in ASC 810, Northstar Spectrum is considered a variable interest entity and, based on the characteristics of the structure of this entity and in accordance with the applicable accounting guidance, we consolidate Northstar Spectrum into our financial statements. After the five-year anniversary of the grant of the AWS-3 Licenses to Northstar Wireless (and in certain circumstances, prior to the five-year anniversary of the grant of the AWS-3 Licenses to Northstar Wireless), Northstar Manager has the ability, but not the obligation, to require Northstar Spectrum to purchase Northstar Manager’s ownership interests in Northstar Spectrum (the “Northstar Put Right”) for a purchase price that generally equals its equity contribution to Northstar Spectrum plus a fixed annual rate of return. In the event that the Northstar Put Right is exercised by Northstar Manager, the consummation of the sale will be subject to FCC approval. Northstar Spectrum does not have a call right with respect to Northstar Manager’s ownership interests in Northstar Spectrum. Although Northstar Manager is the sole manager of Northstar Spectrum, Northstar Manager’s ownership interest is considered temporary equity under the applicable accounting guidance and is thus recorded as part of “Redeemable noncontrolling interests” in the mezzanine section of our Consolidated Balance Sheets. Northstar Manager’s ownership interest in Northstar Spectrum was initially accounted for at fair value. Subsequently, Northstar Manager’s ownership interest in Northstar Spectrum is increased by the fixed annual rate of return through “Redeemable noncontrolling interests” in our Consolidated Balance Sheets, with the offset recorded in “Net income (loss) attributable to noncontrolling interest, net of tax” on our Consolidated Statements of Operations and Comprehensive Income (Loss). The operating results of Northstar Spectrum attributable to Northstar Manager are recorded as “Redeemable noncontrolling interests” in our Consolidated Balance Sheets, with the offset recorded in “Net income (loss) attributable to noncontrolling interests, net of tax” on our Consolidated Statements of Operations and Comprehensive Income (Loss). See Note 14 for further information.

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SNR Wireless. SNR Wireless is a wholly-owned subsidiary of SNR HoldCo, which is an entity owned by SNR Wireless Management, LLC ("SNR Management") and us. Under the applicable accounting guidance in ASC 810, SNR HoldCo is considered a variable interest entity and, based on the characteristics of the structure of this entity and in accordance with the applicable accounting guidance, we consolidate SNR HoldCo into our financial statements. After the five-year anniversary of the grant of the AWS-3 Licenses to SNR Wireless (and in certain circumstances, prior to the five-year anniversary of the grant of the AWS-3 Licenses to SNR Wireless), SNR Management has the ability, but not the obligation, to require SNR HoldCo to purchase SNR Management's ownership interests in SNR HoldCo (the "SNR Put Right") for a purchase price that generally equals its equity contribution to SNR HoldCo plus a fixed annual rate of return. In the event that the SNR Put Right is exercised by SNR Management, the consummation of the sale will be subject to FCC approval. SNR HoldCo does not have a call right with respect to SNR Management's ownership interests in SNR HoldCo. Although SNR Management is the sole manager of SNR HoldCo, SNR Management's ownership interest is considered temporary equity under the applicable accounting guidance and is thus recorded as part of "Redeemable noncontrolling interests" in the mezzanine section of our Consolidated Balance Sheets. SNR Management's ownership interest in SNR HoldCo was initially accounted for at fair value. Subsequently, SNR Management's ownership interest in SNR HoldCo is increased by the fixed annual rate of return through "Redeemable noncontrolling interests" in our Consolidated Balance Sheets, with the offset recorded in "Net income (loss) attributable to noncontrolling interest, net of tax" on our Consolidated Statements of Operations and Comprehensive Income (Loss). The operating results of SNR HoldCo attributable to SNR Management are recorded as "Redeemable noncontrolling interests" in our Consolidated Balance Sheets, with the offset recorded in "Net income (loss) attributable to noncontrolling interests, net of tax" on our Consolidated Statements of Operations and Comprehensive Income (Loss). See Note 14 for further information.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense for each reporting period. Estimates are used in accounting for, among other things, allowances for doubtful accounts, self-insurance obligations, deferred taxes and related valuation allowances, uncertain tax positions, loss contingencies, fair value of financial instruments, fair value of options granted under our stock-based compensation plans, fair value of assets and liabilities acquired in business combinations, fair value of multi-element arrangements, capital leases, asset impairments, estimates of future cash flows used to evaluate impairments, useful lives of property, equipment and intangible assets, independent third-party retailer incentives, programming expenses and subscriber lives. Economic conditions may increase the inherent uncertainty in the estimates and assumptions indicated above. Actual results may differ from previously estimated amounts, and such differences may be material to our consolidated financial statements. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected prospectively in the period they occur.

Cash and Cash Equivalents

We consider all liquid investments purchased with a remaining maturity of 90 days or less at the date of acquisition to be cash equivalents. Cash equivalents as of December 31, 2017 and 2016 may consist of money market funds, government bonds, corporate notes and commercial paper. The cost of these investments approximates their fair value.

Marketable Investment Securities

We currently classify all marketable investment securities as available-for-sale, except for investments which we account for as trading securities, discussed below. We adjust the