DISH Network CORP
Form DEF 14A
April 25, 2008

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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 þ
Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ Definitive Proxy Statement
o Definitive Additional Materials
o 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):

þ No fee required.
o 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:

o Fee paid previously with preliminary materials.

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

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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April 25, 2008

Dear Shareholder:

It is a pleasure for me to extend to you an invitation to attend the 2008 Annual Meeting of Shareholders of DISH Network Corporation. The Annual Meeting will be held on June 5, 2008, at 12:00 noon, local time, at DISH Network s headquarters located at 9601 S. Meridian Blvd., Englewood, Colorado 80112.

The enclosed Notice of 2008 Annual Meeting of Shareholders and Proxy Statement describe the proposals to be considered and voted on at the Annual Meeting. During the Annual Meeting, we also will 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 promptly complete, date and return your proxy card in the enclosed return envelope.

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, President and Chief Executive Officer

9601 S. Meridian Blvd.   Englewood, Colorado 80112   Tel: (303) 723-1000   Fax: (303) 723-1699

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NOTICE OF 2008 ANNUAL MEETING OF SHAREHOLDERS

To The Shareholders Of Dish Network Corporation:

The Annual Meeting of Shareholders of DISH Network Corporation will be held on June 5, 2008, at 12:00 noon, local time, at our headquarters located at 9601 S. Meridian Blvd., Englewood, Colorado 80112, to consider and vote upon:

1. The election of eight directors to our Board of Directors;

2. The ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2008;

3. A shareholder proposal to amend our equal opportunity policy; and

4. 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 by telephone, or electronically through the Internet, by following the instructions included with your proxy card; or

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

Only shareholders of record at the close of business on April 18, 2008 are entitled to notice of, and to vote at, the Annual Meeting or any adjournment of the meeting. We anticipate first mailing our proxy statement and proxy card on or about April 25, 2008.

By Order of the Board of Directors

R. STANTON DODGE

Executive Vice President, General Counsel and Secretary

April 25, 2008

9601 S. Meridian Blvd. Englewood, Colorado 80112 Tel: (303) 723-1000 Fax: (303) 723-1699

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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 2008 Annual Meeting of Shareholders (the Annual Meeting) of DISH Network Corporation (DISH Network, we, us, ou the Corporation). The Annual Meeting will be held on June 5, 2008, at 12:00 noon, 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 April 25, 2008, to holders of record at the close of business on April 18, 2008 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 by mail, please complete the accompanying proxy card and return it to us as instructed in the proxy card. To vote using the telephone or electronically through the Internet, please refer to the instructions on the accompanying proxy card. Votes submitted by mail, telephone or electronically through the Internet must be received by 11:59 p.m., Eastern Time, on June 4, 2008. Submitting your vote by mail, telephone or electronically through the Internet will not affect your right to vote in person, if you choose to do so. Proxies that are properly delivered to us before the closing of the polls during the Annual Meeting and not revoked 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 directors, the ratification of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2008 and a shareholder proposal to amend our equal opportunity policy. 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 in accordance with their best judgment. 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 April 18, 2008, 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 11:30 a.m., local time, and the Annual Meeting will begin at 12:00 noon, local time. Each shareholder may be asked to present an admission ticket, which is attached to the accompanying proxy card, together with a valid government issued photo identification confirming their 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, April 18, 2008. All shareholders must check in at the registration desk at the Annual Meeting.

Securities Entitled to Vote

Only shareholders of record at the close of business on April 18, 2008 are entitled to notice of the Annual Meeting. Such shareholders may vote shares held by them at the close of business on April 18, 2008 at the Annual Meeting. At the close of business on April 18, 2008, 210,808,190 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.

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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 eight 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 and the proposal to amend our equal opportunity policy.

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 and the proposal to amend our equal opportunity policy. 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 and the proposal to amend our equal opportunity policy. 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 or the proposal to amend our equal opportunity policy.

Through his direct or indirect ownership of Class A Shares and Class B Shares, Charles W. Ergen, our Chairman, President and Chief Executive Officer, possesses approximately 80% of our total voting power. Mr. Ergen has indicated his intention to vote: (1) for the election of each of the nominee directors, (2) for the ratification of the appointment of KPMG LLP as our independent registered public accounting firm and (3) against the proposal to amend our equal opportunity policy. Accordingly, the election of each of the director nominees, the ratification of the appointment of KPMG LLP as our independent registered public accounting firm and the rejection of the proposal to amend our equal opportunity policy 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 and Proxy Statement 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 will reduce our printing costs and postage fees.

We will deliver promptly upon written or oral request a separate copy of our Annual Report or Proxy Statement, as applicable, to a shareholder at a shared address to which a single copy of the documents was delivered. Please notify our transfer agent at the address provided below to receive a separate copy of our Annual Report or Proxy Statement.

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 and/or proxy statements, 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 or Proxy Statement for your household, please contact our transfer agent, Computershare Investor Services, at 350 Indiana Street, Suite 800, Golden, Colorado 80401, telephone number 303-262-0600.

Our Mailing Address

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

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PROPOSAL NO. 1 ELECTION OF DIRECTORS

Nominees

Our shareholders will elect a board of eight 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 eight nominees who receive the most votes will be elected to the eight 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 the entire term if elected. If at the time of the 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 designated by the Nominating Committee or (ii) the Board of Directors may, in accordance with the Bylaws, reduce the size of the Board of Directors or may leave a vacancy until a nominee is identified. The Nominating Committee knows of no reason why any of the nominees will be unable to serve.

The nominees for director are as follows:

Name	Age	First Became Director	Position with the Company
James DeFranco	55	1980	Director and Executive Vice President
Cantey Ergen	53	2001	Director and Employee
Charles W. Ergen	55	1980	Chairman of the Board of Directors, President and Chief Executive Officer
Steven R. Goodbarn	50	2002	Director
Gary S. Howard	57	2005	Director
David K. Moskowitz	50	1998	Director and Senior Advisor
Tom A. Ortolf	57	2005	Director
Carl E. Vogel	50	2005	Director and Vice Chairman

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

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 our subsidiaries. Mr. DeFranco co-founded DISH Network with Charles W. Ergen and his wife Cantey Ergen in 1980.

Cantey Ergen. Mrs. Ergen has served on the Board since May 2001 and has had a variety of operational responsibilities with us over the past 28 years. Mrs. Ergen has served on the board of trustees of The Children s Hospital of Denver since 2001 and served on the board of trustees of The Children s Hospital Foundation of Denver during 2000. Mrs. Ergen co-founded DISH Network with her husband Charles W. Ergen and James DeFranco in 1980.

Charles W. Ergen. Mr. Ergen has been our Chairman of the Board and Chief Executive Officer since our formation and has been our President since February 4, 2008. During the past five years, he has also held various executive officer and director positions with our subsidiaries. Mr. Ergen co-founded DISH Network with his wife Cantey Ergen and James DeFranco in 1980. Since October 2007, Mr. Ergen has also served as the Chairman and Chief Executive Officer of EchoStar Corporation (EchoStar). On January 1, 2008, we completed the spin-off of EchoStar, which was previously our subsidiary.

Steven R. Goodbarn. Mr. Goodbarn joined the Board in December 2002 and is a member of our Executive Compensation Committee, Nominating Committee, and Audit Committee, where he serves as our audit committee financial expert. Since July 2002, Mr. Goodbarn has served as director, chief executive officer and president of Secure64 Software Corporation, a company he co-founded. Mr. Goodbarn was chief financial officer of Janus Capital Corporation from 1992 until late 2000. During that time, he was a member of the executive committee and served on the board of directors of many Janus corporate and investment entities. Until September 2003, Mr. Goodbarn also served as a director of Nighthawk Systems. 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 requirements of NASDAQ and SEC rules and regulations. Since October 2007, Mr. Goodbarn has also served as a member of the board of directors of EchoStar Corporation, and is currently a member of its Executive Compensation Committee, Nominating Committee, and Audit Committee.

Gary S. Howard. Mr. Howard joined the Board in November 2005 and is a member of our Executive Compensation Committee, Nominating Committee and Audit Committee. Mr. Howard served as Executive Vice President and Chief Operating Officer of Liberty Media Corporation from July 1998 to February 2004 as well as serving on Liberty Media Corporation s Board of Directors from July 1998 until January 2005. Additionally, Mr. Howard held several executive officer positions with companies affiliated with Liberty Media Corporation. The Board has determined that Mr. Howard meets the independence requirements of NASDAQ and SEC rules and regulations.

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. Since October 2007, Mr. Moskowitz has also served as a member of the board of directors of EchoStar.

Tom A. Ortolf. Mr. Ortolf joined the Board in May 2005 and is a member of our Executive Compensation Committee, Nominating Committee, and Audit Committee. Mr. Ortolf has been the President of Colorado Meadowlark Corp., a privately held investment management firm, for more than ten years. From 1988 until 1991, Mr. Ortolf served as our President and Chief Operating Officer. The Board has determined that Mr. Ortolf meets the independence requirements of NASDAQ and SEC rules and regulations. Since October 2007, Mr. Ortolf has also served as a member of the board of directors of EchoStar, and is a member of its Executive Compensation Committee, Nominating Committee, and Audit Committee.

Carl E. Vogel. Mr. Vogel has served on the Board since May 2005 and became a full-time employee in June 2005. Mr. Vogel is currently our Vice Chairman and served as our President and Vice Chairman from September 2006 until February 2008. From 2001 until 2005, Mr. Vogel served as the President and CEO of Charter Communications Inc., 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. Mr. Vogel was one of our executive officers from 1994 until 1997, including serving as our President from 1995 until 1997. Mr. Vogel is also currently serving on the Board of Directors and Audit Committee of Shaw Communications, Inc. Since October 2007, Mr. Vogel has also served as the Vice Chairman of the board of directors and as an advisor to EchoStar.

Charles W. Ergen, our Chairman, President and Chief Executive Officer, possesses approximately 80% of our total voting power. Accordingly, if Mr. Ergen votes in favor of Proposal No. 1, approval of Proposal No. 1 is assured even if it receives a negative vote from all shareholders other than Mr. Ergen. Mr. Ergen has indicated his intention to vote in favor of Proposal No. 1.

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).

Board of Directors and Committees and Selection Process

Our Board held thirteen meetings in 2007 and also took action by unanimous written consent on two occasions during 2007. 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 2007. 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, President and Chief Executive Officer. Please see Equity Security Ownership 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; and (iii) 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 an Executive Compensation Committee (the Compensation Committee) and a Nominating

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Committee, in addition to an Audit Committee, all of which are composed entirely of independent directors. The charters for our Compensation, Audit, and Nominating Committees are available free of charge on our website at http://www.dishnetwork.com. The function and authority of these committees are described below:

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, President and Chief Executive Officer. The Compensation Committee held eleven meetings and took action by unanimous written consent on three occasions during 2007. The current members of the Compensation Committee are Mr. Goodbarn, Mr. Howard and Mr. Ortolf, with Mr. Goodbarn serving as Chairman of the Committee. C. Michael Schroeder, who resigned from the Board in connection with the spin-off of EchoStar from DISH Network effective January 1, 2008, was also a member of the Compensation Committee during 2007. The Board has determined that each of these individuals meets the independence requirements of NASDAQ and SEC rules and regulations. The current composition of the Compensation Committee is expected to remain the same following our Annual Meeting.

Audit Committee. Our Board has established a standing Audit Committee in accordance with NASDAQ rules and Section 3(a)(58)(A) of the Securities Exchange Act of 1934. 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 sixteen meetings and took action by unanimous written consent on four occasions during 2007. The current members of the Audit Committee are Mr. Goodbarn, Mr. Howard and Mr. Ortolf, with Mr. Ortolf serving as Chairman of the Audit Committee. Mr. Schroeder also served as a member of the Audit Committee during 2007 before his resignation from the Board in connection with the spin-off of EchoStar from DISH Network effective January 1, 2008. Each of these individuals meets the independence requirements of NASDAQ and applicable SEC rules and regulations. The Board has 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. The current composition of the Audit Committee is expected to remain the same following our Annual Meeting, with Mr. Goodbarn continuing as the audit committee financial expert.

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 two meetings during 2007. The current members of the Nominating Committee are Mr. Goodbarn, Mr. Howard and Mr. Ortolf, with Mr. Howard serving as Chairman of the Committee. Mr. Schroeder also served as a member of the Nominating Committee during 2007 and was Chairman of the Committee until his resignation from the Board in connection with the spin-off of EchoStar from DISH Network effective upon January 1, 2008. The Board has determined that each of these individuals meets the independence requirements of NASDAQ and applicable SEC rules and regulations. The current composition of the Nominating Committee is expected to remain the same following our Annual Meeting.

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 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

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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 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. 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.

Other Information About Our Board of Directors

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 were in attendance at our 2007 Annual Meeting. We also expect that all of our directors will attend our 2008 Annual Meeting.

Equity Security Ownership

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 April 18, 2008 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 2007 (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)	209,374,963	49.9%
Cantey Ergen (4)	208,554,963	49.8%
David K. Moskowitz (5)	27,035,668	11.4%
Fairholme Capital Management, L.L.C. (6)	21,905,422	10.4%
Barclays Global Investors, NA (7)	17,290,464	8.2%
Dodge & Cox (8)	13,254,647	6.3%
James DeFranco (9)	6,257,583	3.0%
Michael Kelly (10)	1,105,139	*
Carl E. Vogel (11)	320,542	*
David J. Rayner (12)	225,382	*
Tom A. Ortolf (13)	121,200	*
Bernard L. Han (14)	70,124	*
Steven R. Goodbarn (15)	70,000	*
Gary S. Howard (16)	60,100	*
All Directors and Executive Officers as a Group (15 persons) (17)	244,760,373	57.9%
Class B Common Stock:		
Charles W. Ergen	208,059,154	87.3%
Cantey Ergen	208,059,154	87.3%
Trusts (18)	26,130,903	11.0%

All Directors and Executive Officers as a Group (15 persons) (17)	234,190,057	98.3%

* Less than 1%.

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(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 April 18, 2008, there were 210,808,190 outstanding shares of Class A Common Stock and 238,435,208 shares of Class B Common Stock.

(2) Mr. Ergen is deemed to own beneficially all of the Class A Shares owned by his spouse, Mrs. Ergen. Mr. Ergen s beneficial ownership includes: (i) 448,652 Class A Shares; (ii) 18,648 Class A Shares held in DISH Network s 401(k) Employee Savings Plan (the 401(k) Plan); (iii) the right to acquire 820,000 Class A Shares within 60 days upon the exercise of employee stock options; (iv) 235 Class A

Shares held by Mrs. Ergen; (v) 1,099 Class A Shares held in the 401(k) Plan held by Mrs. Ergen; (vi) 27,175 Class A Shares held as custodian for his children; and (vii) 208,059,154 Class A Shares issuable upon conversion of Mr. Ergen s Class B Shares. Mr. Ergen s beneficial ownership of Class A Shares excludes (A) 26,130,903 Class A Shares issuable upon conversion of Class B Shares currently held by the following three grantor retained annuity trusts: (i) the Ergen Five-Year GRAT dated November 9, 2005; (ii) the Ergen Four-Year GRAT dated November 9, 2005; and (iii) the Ergen Three-Year GRAT dated November 9, 2005 (collectively, the Ergen GRATS) and (B) 4,245,151 Class A Shares issuable upon conversion of Class B Shares held by certain trusts established by Mr. Ergen for the benefit of his family.

(3) The percentage of total voting power held by Mr. Ergen is approximately 80% after giving effect to the exercise of Mr. Ergen s options exercisable within 60 days.

(4) Mrs. Ergen beneficially owns all of the Class A Shares owned by her spouse, Mr. Ergen, except for Mr. Ergen s right to acquire 820,000 Class A Shares within 60 days upon the exercise of employee stock options.

(5) Mr. Moskowitz s beneficial ownership includes: (i) 127,414 Class A Shares; (ii) 17,839 Class A Shares held in the 401(k) Plan; (iii) the right to acquire 720,000 Class A Shares within 60 days upon the exercise of employee stock options; (iv) 1,328

Class A Shares held as custodian for his minor children; (v) 8,184 Class A Shares held as trustee for Mr. Ergen s children; (vi) 30,000 Class A Shares held by a charitable foundation for which Mr. Moskowitz is a member of the Board of Directors; and (vii) 26,130,903 Class A Shares issuable upon conversion of the Class B Shares held by the Ergen GRATS described above, for which Mr. Moskowitz is the sole trustee.

(6) The address of Fairholme Capital Management, L.L.C. (Fairholme) is 1001 Brickell Bay Drive, Suite 3112, Miami, Florida, 33131. Of the Class A Shares beneficially owned, Fairholme has shared voting power as to 18,522,824 Class A Shares and shared dispositive power as to 21,905,422

Class A Shares. Bruce R. Berkowitz is the Managing Member of Fairholme, and as such Mr. Berkowitz has voting and investment control with respect to the Class A Shares owned by Fairholme, and therefore beneficially owns such Class A Shares. The foregoing information is based solely upon a Schedule 13G filed on January 9, 2008.

(7) The address of Barclay Global Investors, NA. (Barclays) is 45 Fremont Street, San Francisco, California, 94105. The Class A Shares beneficially owned by Barclays include 13,137,648 Class A Shares, of which Barclays has sole voting power as to 11,228,644 Class A Shares, as well as (i) 1,200,146 Class A Shares held by Barclays Global Fund Advisors; (ii)

1,972,155 Class A Shares held by Barclays Global Investors, Ltd.; (iii) 845,840 Class A Shares held by Barclays Global Investors Japan Limited; and (iv) 134,675 Class A Shares held by Barclays Global Investors Canada Limited. The foregoing information is based solely upon a Schedule 13G filed on February 5, 2008.

(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 12,689,255 Class A Shares. The foregoing information is based solely upon a Schedule 13G filed on February 8, 2008.

(9) Mr. DeFranco s beneficial ownership includes: (i) 3,762,175 Class A Shares; (ii) 18,648 Class A Shares held in the 401(k)

Plan; (iii) the right to acquire 168,000 Class A Shares within 60 days upon the exercise of employee stock options; (iv) 50,000 Class A Shares held by Mr. DeFranco in an irrevocable trust for the benefit of his minor children and grandchildren; (v) 8,760 Class A Shares held by Mr. DeFranco as custodian for his minor children; and (vi) 2,250,000 Class A Shares controlled by Mr. DeFranco as general partner of a limited partnership.

(10) Mr. Kelly s beneficial ownership includes: (i) 77,822 Class A Shares (including 49,000 shares held in an account that is subject to a margin loan); (ii) 817 Class A Shares held in the 401(k) Plan; (iii) the right to acquire 1,020,000 Class A Shares within 60 days upon the exercise

of employee stock options; (iv) 3,000 Class A Shares held by Mr. Kelly in trust for the benefit of his minor children; and (v) 3,500 Class A Shares held by Mr. Kelly as custodian for his minor children.

(11) 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) 377 Class A Shares held in the 401(k) Plan; and (iii) the right to acquire 310,000 Class A Shares within 60 days upon the exercise of employee stock options.

(12) Mr. Rayner s beneficial ownership includes: (i) 5 Class A Shares; (ii) 377 Class A Shares held in the 401(k) Plan; and (iii) the right to acquire 225,000 Class A Shares within 60 days upon the exercise of employee

stock options.

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(13) Mr. Ortolf s beneficial ownership includes: (i) the right to acquire 60,000 Class A Shares within 60 days upon the exercise of nonemployee director stock options; (ii) 200 Class A Shares held in the name of one of his children; and (iii) 61,000 Class A Shares held by a partnership of which Mr. Ortolf is a partner.

(14) Mr. Han s beneficial ownership includes: (i) 124 Class A Shares held in the 401(k) Plan; and (ii) the right to acquire 70,000 Class A Shares within 60 days upon the exercise of employee stock options.

(15) Mr. Goodbarn s beneficial ownership includes: (i) 5,000 Class A Shares; and (ii) the right to acquire 65,000 Class A

Shares within 60 days upon the exercise of nonemployee director stock options.

(16) Mr. Howard s beneficial ownership includes: (i) 100 Class A Shares owned by his spouse; and (ii) the right to acquire 60,000 Class A Shares within 60 days upon the exercise of nonemployee director stock options.

(17) Includes: (i) 4,432,496 Class A Shares; (ii) 59,573 Class A Shares held in the 401(k) Plan; (iii) the right to acquire 3,635,000 Class A Shares within 60 days upon the exercise of employee stock options; (iv) 2,311,000 Class A Shares held in a partnership; (v) 234,190,057 Class A Shares issuable upon conversion of Class B Shares; (vi) 102,147 Class A Shares

held in the name of, or in trust for, children and other family members; (vii) 30,000 Class A Shares held by a charitable foundation for which Mr. Moskowitz is a member of its board of directors; and (viii) 100 Class A Shares held by a spouse. Class A and Class B Common Stock beneficially owned by both Mr. and Mrs. Ergen is only included once in calculating the aggregate number of shares owned by directors and executive officers as a group.

(18) Held by certain trusts established by Mr. Ergen for the benefit of Mr. Ergen s family of which Mr. Moskowitz is trustee.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (the Exchange Act) requires our directors, 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 2007, our directors, officers and 10% shareholders complied with all Section 16(a) filing requirements, with the exception of the following inadvertent late reports: Mr. DeFranco filed two late Form 4 filings; Mr. Schroeder filed one late Form 4 filing; and Mr. Orban filed one late

Form 4 filing. Each late Form 4 reported above related to a single late transaction or a single series of related transactions. 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 2007 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 2007 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 interest of management with that of DISH Network s shareholders through equity incentives.

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General Compensation Levels

The total direct compensation opportunities, both base salaries and 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 interest of its executive officers and shareholders.

The Compensation Committee of DISH Network, without Mr. Ergen present, determines Mr. Ergen s compensation. Mr. Ergen recommends to the Board of Directors, but DISH Network s Board of Directors ultimately approves, the base compensation of DISH Network s other NEOs. DISH Network s 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 DISH Network NEO could exceed $1 million annually. DISH Network s 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 of DISH Network reviews the materials discussed in the peer group analysis described 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 DISH Network s and individual goals, whether the performance goals of any short-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. DISH Network s Compensation Committee and Board have also considered each of DISH Network s NEOs individual extraordinary efforts resulting in tangible increases in corporate, division or department success when setting base cash salaries and short term incentive compensation.

Furthermore, the Compensation Committee of DISH Network 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 incentive plans were met, the payouts that would become payable to Mr. Ergen upon achievement of those performance goals, the 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 stock options and/or restricted stock units 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 Common Stock. Therefore, DISH Network may grant more options to one particular NEO in a given year if a substantial portion of the NEO s equity incentives are vested and the underlying stock 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.

Peer Group Analysis

In connection with the approval process for DISH Network s executive officer compensation, DISH Network s Board of Directors and Compensation Committee had management prepare a table listing the compensation components for the NEOs of companies selected by the Compensation Committee, as disclosed in their respective publicly-filed proxy statements. These surveyed companies included: The DirecTV Group, Inc., Comcast Corporation, Cablevision Systems Corporation, Cox Communications, Inc., Charter Communications, Inc., Adelphia Communications Corporation, Liberty Media Corporation, CenturyTel, Inc., Liberty Global, Inc., Level 3 Communications, Inc., and Motorola, Inc. This table, along with other information obtained by committee members 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 committee members, is used solely as a subjective frame of reference to set approximate boundaries for compensation, rather than a basis for benchmarking compensation of DISH Network s NEOs. DISH Network s 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, DISH Network s compensation levels generally lag its peers.

Deductibility of Compensation

Section 162(m) of the U.S. Internal Revenue 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 four next most highly compensated executive officers in the year that the compensation is paid). This limitation applies only to compensation which is not considered performance-based under the Section 162(m) rules. The Compensation Committee conducts an ongoing review of DISH Network s compensation practices for purposes of obtaining the maximum continued deductibility of compensation paid consistent with DISH Network s existing commitments and ongoing competitive needs. However, nondeductible compensation in excess of this limitation may be paid.

Implementation of Executive Compensation Program Objectives and Policies

Weighting and Selection of Elements of Compensation

As described in General Compensation Levels above, neither DISH Network s Board of Directors nor its Compensation Committee has in the past assigned specific weights to any factors considered by DISH Network s Board of Directors and its Compensation Committee 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 salary 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 Equity Incentive Compensation, DISH Network has weighted overall compensation towards equity components as opposed to base salaries. DISH Network s Compensation Committee and 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 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 annual cost-of-living adjustment for employees who are performing at a satisfactory level.

Short-Term Incentive Compensation and 2007 Short-Term Incentive Plan

The compensation program 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. DISH Network s compensation program also permits a portion of short-term incentive compensation to be awarded in the form of discretionary cash bonuses based on individual performance during the year.

In determining the specific performance-based elements of executive compensation for the short-term incentive plan that will be implemented in any given year, the Board of Directors and the Compensation Committee review a number of potential performance metrics including, among other things: (a) subscriber growth; (b) subscriber churn; (c) net subscriber additions as compared to those of DISH Network s competitors; (d) earnings before interest and taxes, and other financial metrics; (e) average revenue per subscriber; (f) customer service metrics; (g) departmental goals; and (h) individual accomplishment metrics. The particular metrics used by DISH Network for performance-based incentives vary from year-to-year based on a determination by DISH Network s Board of Directors, its Compensation Committee and Mr. Ergen as to the key company-wide, departmental and individual performance goals for DISH Network for the upcoming year.

DISH Network may provide performance-based compensation to executives in the form of equity incentives, cash incentives, or both. In 2007, DISH Network s performance-based compensation was provided solely in the form of cash incentives payable pursuant to DISH Network s 2007 Short-Term Incentive Plan, the terms of which are described below.

Determination of Short-Term Incentive Compensation of Chief Executive Officer and other NEOs

For 2007, cash incentives were payable to each NEO if a combination of certain pre-determined corporate goals were met by DISH Network and individual and/or departmental goals were met by that NEO as set forth in DISH Network s 2007 Short-Term Incentive Plan. DISH Network s Compensation Committee, with input from Mr. Ergen, based the corporate goals for the 2007 Short-Term Incentive Plan on key metrics for growth and profitability established by Mr. Ergen and the Compensation Committee for 2007. The corporate goals accounted for 90% of total potential cash incentive compensation payments to DISH Network s NEOs under the 2007 Short-Term Incentive Plan. Individual and departmental performance accounted for the remaining 10% of total potential cash incentive compensation to DISH Network s NEOs under the 2007 Short-Term Incentive Plan.

Each of DISH Network s NEOs was eligible to receive cash incentive payments in increments based upon achievement of each of the corporate goals described herein. Mr. Ergen s target payout was $900,000 and Mr. Ergen had a maximum payout of $927,000 if all of the corporate goals and his personal goal were achieved and all additional incentive payments under the net subscriber growth goal were made. Mr. Vogel s target payout was $500,000 and Mr. Vogel had a maximum payout of $515,000 if all of the corporate goals and his personal goal were achieved and all additional incentive payments under the net subscriber growth goal were made. Each of the other NEOs had a target payout of $200,000 and a maximum payout of $206,000 if all of the corporate goals and the individual NEO s personal goal were achieved and all additional incentive payments under the net subscriber growth goal were made. All of the NEOs cash incentive payments required as a condition that either the net subscriber growth goal or the fasting growing DBS provider goal were met. The 2007 Short-Term Incentive Plan structure is summarized below:

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Performance Goal	Performance Threshold	Overall Cash Incentive Percentage
Trouble Call Rate	Achieve a material reduction in trouble call rates from 2006 levels	15.0%
Agent Contact Rate	Achieve a material reduction in agent contact rates from 2006 levels	15.0%
Net Subscriber Growth	Exceed 14.030 million subscribers by 12/31/07	15.0%. However, for each 10,000 subscribers above the subscriber goal of 14.030 million (up to a maximum of 14.230 million subscribers) an additional cash incentive payment of 0.15% of the target payout (up to a maximum of 3.0%) may be paid out.
Fasting Growing DBS Provider	DISH Network is the leading DBS provider in terms of net new subscribers in 2007	15.0%
EBITDA	Achieve at least $3.0 billion of EBITDA	15.0%
Controllable Cost	Achieve a material reduction in subscriber costs from 2006 levels	15.0%
Department & Individual Goals	Achieve individual and departmental goals established by the Compensation Committee (1)	10.0%
Total		100.0%. Although, up to 103% of the target cash incentive compensation may be achieved if DISH Network had 14.230 million or more subscribers on 12/31/07.

(1) The departmental and individual goals for Mr. Ergen consisted of quantitative and qualitative goals relating to customer service, programming development, product development and engineering metrics. The departmental and individual goals for each of

the other NEOs consisted of spending time towards establishing DISH Network s business by spending a certain number of full working days or nights on company business outside the metropolitan area in which the NEO was based.

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 has aligned 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.

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General Equity Incentives

With respect to equity incentive compensation, DISH Network attempts to ensure that each NEO has stock options and/or restricted stock units 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 Common Stock. Therefore, DISH Network may grant more options 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 2007, the Compensation Committee took into account the fact that all of DISH Network s NEOs currently retain significant incentives in the form of stock options and restricted stock units granted in previous years that will vest, subject to continued employment, if DISH Network reached certain subscriber milestones, as described below under 1999 Long Term Incentive Plan and 2005 Long Term Incentive Plan .

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 encourage executive officers to remain in DISH Network s employ, 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 Common Stock on the date of grant. 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 do not continue with DISH Network or the surviving entity, as applicable.

Practices Regarding Grant of Equity Incentives

DISH Network has generally awarded stock options and restricted stock units as of the last day of each calendar quarter and has set exercise prices, as applicable, of not less than the fair market value of DISH Network s Class A Common Stock on the date of grant.

1999 Stock Incentive Plan

We have adopted an employee stock incentive plan, which we refer to as the 1999 Stock Incentive Plan. The purpose of the 1999 Stock Incentive Plan is to provide incentives to attract and retain executive officers and other key employees. Awards available to be granted under the 1999 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 CEO Stock Option Plan

We have adopted a Class B CEO stock option plan, which we refer to as the 2002 Class B CEO Stock Option Plan. The purpose of the 2002 Class B CEO 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, President and Chief Executive Officer 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. Awards available to be granted under the 2002 Class B CEO Stock Option Plan will include nonqualified stock options and dividend equivalent rights with respect to DISH Network s Class B Common Stock.

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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 common stock. All full-time employees who are employed by DISH Network for at least one calendar year quarter will be eligible to participate in the ESPP. Employee stock purchases will be made through payroll deductions. Under the terms of the ESPP, employees will not be permitted to deduct an amount which would permit such employee to purchase our capital stock under all of our stock purchase plans which would exceed $25,000 in fair market value of capital stock in any one year. The ESPP is intended to qualify under Section 423 of the Internal Revenue Code and thereby provide participating employees with an opportunity to receive certain favorable income tax consequences as to stock purchase rights under the ESPP.

Nonemployee Director Stock Option Plan

We have adopted a non-employee director stock option plan, which we refer to as the NEDSOP. The purpose of the NEDSOP is to advance our interests through the motivation, attraction and retention of highly-qualified non-employee directors. The NEDSOP grants our new non-employee directors, upon their initial election or appointment to our Board, an option to acquire a certain number of shares of DISH Network s Class A Common Stock. We may also grant, in our discretion, any continuing non-employee directors further options to acquire our shares of Class A Common Stock in exchange for their continuing services.

1999 Long-Term Incentive Plan

In February 1999, DISH Network adopted its 1999 long-term incentive plan, or 1999 LTIP, within the terms of DISH Network s 1995 Stock Incentive Plan. The 1999 LTIP provided key employees with stock options that will become exercisable if DISH Network becomes the largest DBS provider measured by total subscribers by December 31, 2008. The performance goal is the same for all key employees granted options pursuant to the 1999 LTIP. The performance goal for the 1999 LTIP was not achieved in 2007 and DISH Network does not anticipate achieving this goal prior to the expiration of the 1999 LTIP on December 31, 2008. Messrs. Ergen and Vogel each have 400,000 stock options under the 1999 LTIP that were granted on February 17, 1999 and June 30, 2005, respectively. Mr. Kelly has 40,000 stock options under the 1999 LTIP that were granted on March 31, 2000. Messrs. Han and Rayner do not have any stock options under the 1999 LTIP.

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 a specified long-term subscriber objective. 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 DISH Network s 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; (b) rights to acquire for no additional consideration a specified smaller number of shares of DISH Network s Class A Common Stock; or (c) in some cases, a corresponding combination of a lesser number of option shares and such rights to acquire shares of DISH Network s Class A Common Stock. 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 subscribers. The performance goal under the 2005 LTIP was not achieved in 2007. Mr. Ergen has 900,000 stock options under the 2005 LTIP that were granted on September 30, 2005. Mr. Vogel has 300,000 stock options under the 2005 LTIP that were granted on September 30, 2006. 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. Kelly has 300,000 stock options under the 2005 LTIP that were granted on March 31, 2005. Mr. Rayner has 60,000 restricted stock units under the 2005 LTIP that were granted on September 30, 2006.

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401(k) Plan

DISH Network has adopted 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 plan, employees have 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 have been able to contribute up to 50% of their compensation in each contribution period, subject to the maximum deductible limit provided by the Internal Revenue Code. DISH Network may also make a 50% matching employer contribution up to a maximum of $1,500 per participant per calendar year. In addition, DISH Network may also make an annual discretionary profit sharing or employer stock 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 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 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 stock options and restricted stock units have been granted to its executive officers subject to accelerated vesting upon a change in control.

2007 Executive Compensation

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. For 2007, 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 base salary and bonus paid to the NEO in the prior year, and (b) stock options and restricted stock units held by each NEO in DISH Network s incentive plans. DISH Network s Compensation Committee (along with Mr. Ergen for each of the NEOs other than himself) also reviewed the results of the peer group analysis described above that was prepared for 2007. As described in General Incentive Compensation above, DISH Network aims to provide 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, DISH Network s Compensation Committee has discretion to award performance based compensation, that is based on performance goals different from those which 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. DISH Network s Compensation Committee did not exercise this discretion in 2007.

Compensation of Chief Executive Officer

2007 Base Salary. Mr. Ergen s base salary for 2007 was determined at the beginning of 2007 based on a review by the Compensation Committee of the expected base salaries in 2007 of each of DISH Network s other NEOs. Mr. Ergen s base salary for 2007 was set at $600,000 because the Compensation Committee determined that Mr. Ergen should receive DISH Network s annual merit increase due to Mr. Ergen s satisfactory performance in 2006. In addition, in setting Mr. Ergen s compensation for 2007, the Compensation Committee determined that Mr. Ergen s salary should be measurably higher than that of DISH Network s other NEOs. DISH Network s Compensation Committee also noted that Mr. Ergen s base salary continued to be substantially lower than the base salaries of the CEOs of the significant majority of the surveyed companies in the 2007 peer group analysis.

2007 Cash Bonus. Because neither the net subscriber growth nor the leading DBS provider goals were met in 2007, no bonus was paid to Mr. Ergen in 2007.

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2007 Equity Incentives. With respect to equity incentives, DISH Network attempts to ensure that Mr. Ergen has stock options and/or restricted stock units at any given time that are significant in relation to Mr. Ergen s annual cash compensation to ensure that Mr. Ergen has appropriate incentives tied to the performance of DISH Network s Class A Common Stock. In determining whether to award equity incentives to Mr. Ergen in 2007, DISH Network s Compensation Committee noted that Mr. Ergen was awarded an option to purchase 900,000 shares of DISH Network s Class A Common Stock in 2005 under the 2005 Long-Term Incentive Plan and had a significant number of unexercisable equity incentives. In light of Mr. Ergen s existing equity holdings and equity incentives, DISH Network s Compensation Committee determined that it was not necessary to grant Mr. Ergen additional equity incentives in 2007.

Compensation of Other Named Executive Officers

2007 Base Salary.

Base salaries for each of the other NEOs are determined annually by DISH Network s 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 CEO and as co-founder and controlling shareholder of DISH Network.

Mr. Ergen made recommendations to the Board of Directors with respect to the 2007 base salary of each of the other NEOs after considering (a) the NEO s base salary in 2006, (b) the range of the percentage increases in base salary for NEOs of the surveyed companies in the 2007 peer group survey, (c) whether the NEO s 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 2007 in relation to a particular NEO in 2007, (e) whether the NEO was promoted or newly hired in 2007, and (f) whether in Mr. Ergen s subjective determination, the NEO s performance in 2006 warranted an increase in the NEO s base salary. Placing primary weight on (a) the NEO s base salary in 2006 and (b) whether, in Mr. Ergen s subjective view, an increase in 2006 base salary was necessary to retain the NEO, Mr. Ergen recommended the base salary amounts indicated in the Fiscal 2007 Summary Compensation Table. 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 base salaries for each of the other NEOs.

Mr. Vogel. Mr. Ergen determined that Mr. Vogel s performance met expectations for 2006 and that Mr. Vogel was therefore eligible for DISH Network s standard annual merit increase. In addition, Mr. Ergen determined that Mr. Vogel should receive an additional annual increase in base salary based on Mr. Ergen s subjective determination of the amount required to maintain Mr. Vogel s salary within the range of market compensation indicated in the peer group analysis in light of DISH Network s practices with respect to base salaries. Mr. Ergen also considered Mr. Vogel s particular individual contributions as President of DISH Network in setting Mr. Vogel s 2007 base salary.

Mr. Han. Mr. Han s salary was agreed between DISH Network and Mr. Han on September 28, 2006 in connection with the commencement of Mr. Han s employment as Executive Vice President and Chief Financial Officer of DISH Network. In light of the fact that Mr. Han commenced his employment in late 2006, Mr. Ergen and the Compensation Committee concluded that Mr. Han s salary should not be increased above 2006 levels for 2007.

Mr. Kelly. Mr. Ergen determined that Mr. Kelly s performance met expectations for 2006 and that Mr. Kelly was therefore eligible for DISH Network s standard annual merit increase. In determining Mr. Kelly s 2007 base salary, Mr. Ergen subjectively determined that Mr. Kelly s existing base compensation already was within the range of market compensation indicated in the peer group analysis in light of DISH Network s practices with respect to base salaries.