

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

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): **December 18, 2020**

LIBERTY BROADBAND CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-36713
(Commission
File Number)

47-1211994
(I.R.S. Employer
Identification No.)

12300 Liberty Blvd.
Englewood, Colorado 80112
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(720) 875-5700**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Series A common stock	LBRDA	The Nasdaq Stock Market LLC
Series C common stock	LBRDK	The Nasdaq Stock Market LLC
Series A Cumulative Redeemable preferred stock	LBRDP	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). 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. ☐

Introduction

On December 18, 2020, pursuant to the Agreement and Plan of Merger, dated as of August 6, 2020 (the “Merger Agreement”), entered into by GCI Liberty, Inc. (“GCI Liberty”), Liberty Broadband Corporation (“Liberty Broadband”), Grizzly Merger Sub 1, LLC, a wholly owned subsidiary of Liberty Broadband (“Merger LLC”), and Grizzly Merger Sub 2, Inc., a wholly owned subsidiary of Merger LLC (“Merger Sub”), Merger Sub merged with and into GCI Liberty (the “First Merger”), with GCI Liberty surviving the First Merger as an indirect wholly owned subsidiary of Liberty Broadband (the “Surviving Corporation”), and immediately following the First Merger, GCI Liberty (as the Surviving Corporation in the First Merger) merged with and into Merger LLC (the “Upstream Merger”, and together with the First Merger, the “Combination”), with Merger LLC surviving the Upstream Merger as a wholly owned subsidiary of Liberty Broadband (the “Surviving Company”).

The descriptions of the Combination and Merger Agreement in this Current Report on Form 8-K do not purport to be complete and are subject to, and qualified in their entirety by reference to the Merger Agreement, which is included as Exhibit 2.1 hereto and incorporated herein by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The information provided in the Introduction section of this Current Report on Form 8-K is incorporated herein by reference.

At the effective time of the First Merger (the “Effective Time”), pursuant to the Merger Agreement:

(i) each share of GCI Liberty Series A common stock (the “GCI Liberty Series A Common Stock”), issued and outstanding immediately prior to the Effective Time (other than excluded treasury shares (as defined below)) was automatically converted into the right to receive 0.580 of a share of Liberty Broadband Series C common stock (the “Liberty Broadband Series C Common Stock”),

(ii) each share of GCI Liberty Series B common stock (the “GCI Liberty Series B Common Stock” and, together with the GCI Liberty Series A Common Stock, the “GCI Liberty Common Stock”), issued and outstanding immediately prior to the Effective Time (other than excluded shares (as defined below)) was automatically converted into the right to receive 0.580 of a share of Liberty Broadband Series B common stock (the “Liberty Broadband Series B Common Stock”), and

(iii) each share of GCI Liberty Series A Cumulative Redeemable Preferred Stock (the “GCI Liberty Preferred Stock”), issued and outstanding immediately prior to the Effective Time (other than excluded treasury shares) was automatically converted into the right to receive one share of newly issued Liberty Broadband Series A Cumulative Redeemable Preferred Stock (the “Liberty Broadband Preferred Stock”).

Such consideration is collectively referred to as the “Merger Consideration.”

No fractional shares of Liberty Broadband Series C Common Stock or Liberty Broadband Series B Common Stock were issued in the Combination. Cash will be paid in lieu of fractional shares as described in the Joint Proxy Statement/Prospectus (as defined below). The Merger Consideration is not deliverable with respect to (x) shares of GCI Liberty capital stock held by (i) GCI Liberty as treasury stock, (ii) any of GCI Liberty's wholly owned subsidiaries or (iii) Liberty Broadband or its wholly owned subsidiaries (the “excluded treasury shares”) or (y) shares of GCI Liberty Series B Common Stock held by any stockholders who have perfected and have not waived, effectively withdrawn or lost their appraisal rights pursuant to Section 262 of the General Corporation Law of the State of Delaware (collectively with the excluded treasury shares, the “excluded shares”).

The Liberty Broadband Preferred Stock has substantially identical terms to the GCI Liberty Preferred Stock, including a mandatory redemption date of March 8, 2039.

Each share of GCI Liberty Common Stock or GCI Liberty Preferred Stock (i) held by GCI Liberty as treasury stock or by any of its wholly owned subsidiaries immediately prior to the Effective Time or (ii) owned by Liberty Broadband or any of its wholly owned subsidiaries immediately prior to the Effective Time was cancelled, and no securities of Liberty Broadband or other consideration were delivered in exchange therefor.

Holders of GCI Liberty Series A Common Stock and GCI Liberty Preferred Stock are not entitled to dissenters' or appraisal rights in connection with the Combination. Holders of GCI Liberty Series B Common Stock are entitled to appraisal rights in connection with the Combination, and no holders of GCI Liberty Series B Common Stock have made demands for appraisal.

Approximately 61.3 million, 98 thousand and 7.2 million shares of Liberty Broadband Series C Common Stock, Liberty Broadband Series B Common Stock and Liberty Broadband Preferred Stock, respectively, were issued as Merger Consideration in the Combination.

The sections of the joint proxy statement/prospectus forming a part of Amendment No. 2 to Liberty Broadband's Registration Statement on Form S-4, filed with the Securities and Exchange Commission (the "SEC") on [October 30, 2020 \(File No. 333-248854\)](#) (the "[Joint Proxy Statement/Prospectus](#)"), entitled "[Special Factors—Liberty Broadband, Merger Sub and Merger LLC's Purpose and Reasons for the Combination; Recommendations of the Liberty Broadband Special Committee and Liberty Broadband Board of Directors](#)," "[Special Factors—Position of Liberty Broadband, Merger LLC and Merger Sub as to the Fairness of the Combination](#)" and "[Special Factors—Interests of Liberty Broadband Directors and Executive Officers in the Combination](#)," are incorporated herein by reference.

Item 3.03. Material Modification to Rights of Security Holders.

On December 18, 2020, in connection with the Combination, Liberty Broadband filed a Certificate of Designations for the Liberty Broadband Preferred Stock (the "[Certificate of Designations](#)") with the Secretary of State of the State of Delaware that became effective upon filing. The Certificate of Designations designates the Liberty Broadband Preferred Stock and establishes the preferences, limitations, voting powers and relative rights that are described in the section of the Joint Proxy Statement/Prospectus entitled "[Description of Liberty Broadband Capital Stock](#)," which is incorporated herein by reference.

The summary of the Certificate of Designations incorporated herein by reference does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Certificate of Designations, which is attached hereto as Exhibit 3.1 and is incorporated herein by reference.

Immediately prior to the Effective Time, each then-outstanding equity award of GCI Liberty (other than restricted stock unit awards held by non-employee directors of GCI Liberty) were converted into equity awards of Liberty Broadband. The adjusted Liberty Broadband equity awards have the same terms and conditions (including applicable vesting requirements) as applied to each GCI Liberty equity award immediately prior to the Effective Time. The sections of the Joint Proxy Statement/Prospectus entitled "[Questions & Answers—What will happen to GCI Liberty's outstanding equity awards?](#)" and "[Special Factors—The Merger Agreement—Treatment of Equity Awards](#)," which describe the adjustment of the GCI Liberty equity awards are incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As previously announced, following the completion of the Combination (i) the size of the board of directors (the "[Board](#)") of Liberty Broadband was increased from six to eight directorships; (ii) the newly created directorships resulting from such increase are a Class II directorship and a Class III directorship, with a term expiring at the annual meeting of stockholders in 2022 and 2023, respectively, and (iii) Sue Ann R. Hamilton and Gregg L. Engles were appointed to the Board to fill the newly created Class II and Class III directorships, respectively.

The Board has determined that Ms. Hamilton and Mr. Engles each qualify as an independent director for purposes of the rules of The Nasdaq Stock Market LLC and applicable rules and regulations adopted by the SEC.

Each of Ms. Hamilton and Mr. Engles will receive the same compensation as Liberty Broadband's other nonemployee directors, which compensation is summarized in Liberty Broadband's proxy statement for the annual meeting of stockholders held on May 19, 2020, which was filed with the SEC on April 10, 2020.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

The information provided in Item 3.03 of this Current Report on Form 8-K with respect to the Certificate of Designations is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On December 18, 2020, GCI Liberty and Liberty Broadband issued a joint press release announcing the completion of the Combination. A copy of the press release is furnished as Exhibit 99.1 hereto and incorporated herein by reference.

On December 21, 2020, Liberty Broadband issued a press release announcing that the Board declared a quarterly cash dividend which will be payable on January 15, 2021 to stockholders of record of Liberty Broadband Preferred Stock at the close of business on December 31, 2020.

The disclosure in Item 7.01 of this Current Report on Form 8-K and the press releases attached hereto as Exhibit 99.1 are being furnished to the SEC in satisfaction of the public disclosure requirements of Regulation FD and shall not be deemed "filed" for any purpose.

Item 8.01. Other Events.

Termination of Exchange Agreement

On December 18, 2020, prior to the Effective Time, John C. Malone converted each outstanding share of GCI Liberty Series B Common Stock beneficially owned by him into one share of GCI Liberty Series A Common Stock. At the Effective Time, each such share of GCI Liberty Series A Common Stock beneficially owned prior to the Combination was converted into the right to receive 0.580 of a share of Liberty Broadband Series C Common Stock. Because neither Mr. Malone nor the revocable trust of which Mr. Malone is the sole trustee and beneficiary (the "JCM Trust") received any shares of Liberty Broadband Series B Common Stock in the Combination, the Exchange Agreement entered into among Liberty Broadband, Mr. Malone and the JCM Trust terminated by its terms at the Effective Time.

Other Agreements

As previously announced, effective as of the closing of the Combination:

- pursuant to the Assumption and Joinder Agreement to Tax Sharing Agreement, dated as of August 6, 2020, by and among Liberty Broadband, GCI Liberty and Qurate Retail, Inc. ("Qurate Retail") (the "Tax Sharing Agreement Joinder Agreement"), Liberty Broadband assumed GCI Liberty's rights and obligations under the Tax Sharing Agreement, dated as of March 9, 2018, by and between Qurate Retail and GCI Liberty (the "Tax Sharing Agreement");
- pursuant to the Assumption and Joinder Agreement to Indemnification Agreement, dated as of August 6, 2020, by and among Liberty Broadband, GCI Liberty, Qurate Retail, Liberty Interactive LLC and LV Bridge, LLC (the "Indemnification Agreement Joinder Agreement"), Liberty Broadband assumed GCI Liberty's rights and obligations under the Indemnification Agreement, dated as of March 9, 2018, by and among GCI Liberty, Qurate Retail, Liberty Interactive LLC and LV Bridge, LLC (the "Indemnification Agreement");
- pursuant to the Assignment and Assumption Agreement, dated as of August 6, 2020, by and among Liberty Broadband, GCI Liberty, Merger LLC, Qurate Retail and Liberty Interactive LLC (the "Reorganization Agreement Assignment and Assumption Agreement"), the Surviving Company assumed GCI Liberty's rights and obligations under Section 5.8 of the Agreement and Plan of Reorganization, dated as of April 4, 2017, as amended pursuant to Amendment No. 1 to Reorganization Agreement, dated as of July 19, 2017 (the "Amendment No. 1 to Reorganization Agreement"), and Amendment No. 2 to Reorganization Agreement, dated as of November 8, 2017 (the "Amendment No. 2 to Reorganization Agreement"), and as may be further amended or supplemented, the "Reorganization Agreement", by and among Qurate Retail, Liberty Interactive LLC and GCI Liberty; and

- pursuant to the Termination Agreement, dated as of August 6, 2020, by and among Liberty Broadband, GCI Liberty and LV Bridge, LLC (the “Termination Agreement”), each of (i) the Proxy and Right of First Refusal Agreement, dated as of May 23, 2015, as amended by Amendment No. 1 to Proxy and Right of First Refusal Agreement, dated May 13, 2016, by and among Liberty Broadband, Qurate Retail and LV Bridge, LLC, as assigned to GCI Liberty pursuant to that Assignment and Assumption Agreement, dated as of March 9, 2018, by and among Liberty Broadband, Qurate Retail, LV Bridge and GCI Liberty (the “Proxy/ROFR Agreement”), and (ii) the Amended and Restated Investment Agreement, dated May 28, 2015, by and among Liberty Broadband, Qurate Retail, JANA Nirvana Master Fund, L.P., a Cayman Islands exempted company, JANA Master Fund, Ltd, and Coatue Offshore Master Fund, Ltd., as amended by the Amended and Restated Assignment and Assumption Agreement, dated May 28, 2015, by and among Liberty Broadband, Qurate Retail, Soroban Master Fund LP, and Soroban Opportunities Master Fund LP, as assigned to GCI Liberty pursuant to the Assignment and Assumption Agreement, dated as of March 9, 2018, by and among Liberty Broadband, Liberty Interactive LLC and GCI Liberty terminated.

The foregoing descriptions of the Tax Sharing Agreement Joinder Agreement, the Tax Sharing Agreement, the Indemnification Agreement Joinder Agreement, the Indemnification Agreement, the Reorganization Agreement Assignment and Assumption Agreement, the Reorganization Agreement, Amendment No. 1 to Reorganization Agreement, Amendment No. 2 to Reorganization Agreement and the Termination Agreement do not purport to be complete and are subject to, and qualified in their entirety by reference to the applicable agreements, copies of which are attached as Exhibits 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8 and 10.9 hereto and incorporated herein by reference.

Incremental Facility

As previously disclosed by Liberty Broadband in a Current Report on Form 8-K filed by Liberty Broadband on August 18, 2020 (the “August 8-K”), on August 12, 2020, a bankruptcy remote wholly owned subsidiary of Liberty Broadband entered into an amendment to its existing margin loan agreement to provide for, among other things, an incremental agreement for the commitment of up to \$1.3 billion of additional loans under the margin loan facility. The borrowings under this incremental agreement were subject to conditions precedent, which included the completion of the Combination, and were borrowed on December 18, 2020. For a description of the incremental facility see the August 8-K.

Item 9.01. Financial Statements and Exhibits.

(b) Pro forma financial information. The information required to be filed pursuant to Items 2.01 and 9.01 pursuant to the Article II of Regulation S-X is filed herewith as Exhibit 99.3.

(d) Exhibits.

Exhibit No.	Description of Exhibit
<u>2.1</u>	<u>Agreement and Plan of Merger, dated as of August 6, 2020, by and among GCI Liberty, Inc., Liberty Broadband Corporation, Grizzly Merger Sub 1, LLC and Grizzly Merger Sub 2, Inc. (incorporated by reference to Annex A to the Prospectus filed by Liberty Broadband Corporation on October 30, 2020 with the SEC pursuant to Rule 424(b)(3) of the Securities Act (File No. 333-248854) (the "Prospectus"))</u> .*
<u>3.1</u>	<u>Certificate of Designations of Series A Cumulative Redeemable Preferred Stock of Liberty Broadband Corporation.</u>
<u>10.1</u>	<u>Assumption and Joinder Agreement to Tax Sharing Agreement, made and entered into as of August 6, 2020, by and among Liberty Broadband Corporation, GCI Liberty, Inc. and Ourate Retail, Inc. (incorporated by reference to Annex H to the Prospectus).</u>
<u>10.2</u>	<u>Tax Sharing Agreement, dated as of March 9, 2018, by and between GCI Liberty, Inc. and Ourate Retail, Inc. (incorporated by reference to Exhibit 10.1 to GCI Liberty, Inc.'s Current Report on Form 8-K filed with the SEC on March 14, 2018 (File No. 001-38385) (the "March 2018 8-K"))</u> .
<u>10.3</u>	<u>Assumption and Joinder Agreement to Indemnification Agreement, made and entered into as of August 6, 2020, by and among Liberty Broadband Corporation, GCI Liberty, Inc., Ourate Retail, Inc., Liberty Interactive LLC and LV Bridge, LLC (incorporated by reference to Annex I to the Prospectus).</u>
<u>10.4</u>	<u>Indemnification Agreement, dated as of March 9, 2018, by and among GCI Liberty, Inc., Liberty Interactive Corporation, Liberty Interactive LLC and LV Bridge, LLC (incorporated by reference to Exhibit 10.2 to the March 2018 8-K).</u>
<u>10.5</u>	<u>Assignment and Assumption Agreement, dated as of August 6, 2020, by and among Liberty Broadband Corporation, GCI Liberty, Inc., Grizzly Merger Sub 1, LLC, Ourate Retail, Inc. and Liberty Interactive LLC (incorporated by reference to Annex J to the Prospectus).</u>
<u>10.6</u>	<u>Agreement and Plan of Reorganization, dated as of April 4, 2017, by and among Liberty Interactive Corporation, Liberty Interactive LLC and General Communication, Inc. (incorporated by reference to Exhibit 2.1 to GCI Liberty, Inc.'s Current Report on Form 8-K/A filed with the SEC on May 1, 2017 (File No. 000-15279))</u> .
<u>10.7</u>	<u>Amendment No. 1 to Reorganization Agreement, dated as of July 19, 2017, by and among Liberty Interactive Corporation, Liberty Interactive LLC, and General Communication, Inc. (incorporated by reference to Exhibit 10.4 to GCI Liberty, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 filed with the SEC on November 2, 2017 (File No. 000-15279))</u> .
<u>10.8</u>	<u>Amendment No. 2 to Reorganization Agreement, dated as of November 8, 2017, by and among Liberty Interactive Corporation, Liberty Interactive LLC and General Communication, Inc. (incorporated by reference to Exhibit 10.1 to GCI Liberty's Current Report on Form 8-K filed with the SEC on November 9, 2017 (File No. 000-15279))</u> .
<u>10.9</u>	<u>Termination Agreement, dated as of August 6, 2020, by and among Liberty Broadband Corporation, GCI Liberty, Inc. and LV Bridge, LLC (incorporated by reference to Annex G to the Prospectus).</u>
<u>99.1</u>	<u>Joint Press Release of Liberty Broadband Corporation and GCI Liberty, Inc., dated December 18, 2020.</u>
<u>99.2</u>	<u>Press Release of Liberty Broadband Corporation, dated December 21, 2020.</u>
<u>99.3</u>	<u>Condensed Pro Forma Consolidated Financial Statements.</u>
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. Liberty Broadband hereby undertakes to furnish supplemental copies of any of the omitted schedules upon request by the SEC.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: December 21, 2020

LIBERTY BROADBAND CORPORATION

By: /s/ Renee L. Wilm

Name: Renee L. Wilm

Title: Chief Legal Officer

CERTIFICATE OF DESIGNATIONS OF
SERIES A CUMULATIVE REDEEMABLE PREFERRED STOCK OF
LIBERTY BROADBAND CORPORATION

Liberty Broadband Corporation, a Delaware corporation (the “Corporation”), does hereby certify that the following resolution was duly adopted by the Board of Directors of the Corporation under authority conferred upon the Board of Directors by the provisions of the Restated Certificate of Incorporation of the Corporation:

“RESOLVED, that pursuant to the authority set forth in Article IV, Section C of the Restated Certificate of Incorporation (the “Restated Certificate”) of Liberty Broadband Corporation (the “Corporation”), the board of directors of the Corporation hereby designates 7,300,000 shares of the authorized and unissued preferred stock, par value \$0.01 per share, of the Corporation as “Series A Cumulative Redeemable Preferred Stock” (the “Series A Preferred Stock”), with such Series A Preferred Stock having the following powers, designations, preferences and relative, participating, optional or other rights, and qualifications, limitations or restrictions:

1. Certain Definitions. For purposes of this Certificate of Designations, the following terms shall have the meanings ascribed below:

“Board of Directors” or “Board” means the Board of Directors of the Corporation and, unless the context indicates otherwise, also means, to the extent permitted by law, any committee thereof authorized, with respect to any particular matter, to exercise the power of the Board of Directors of the Corporation with respect to such matter.

“Business Day” shall mean any weekday that is not a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to be closed.

“Capital Stock” shall mean any and all shares of capital stock of the Corporation.

“Common Stock” shall mean the common stock, par value \$0.01 per share, of the Corporation (including the Series A Common Stock, Series B Common Stock and Series C Common Stock).

“Corporation” shall mean Liberty Broadband Corporation.

“Debt Instrument” shall mean any note, bond, debenture, indenture, guarantee or other instrument or agreement evidencing any Indebtedness, whether existing at the effective time of this Certificate of Designations or thereafter created, incurred, assumed or guaranteed.

“Dividend Accrual Commencement Date” means October 15, 2020.

“Dividend Payment Date” means January 15, April 15, July 15 and October 15 of each year, commencing on the first such date following the Dividend Accrual Commencement Date.

“Dividend Period” shall mean the period from and including the Dividend Accrual Commencement Date to (but not including) the first Dividend Payment Date and each three (3) month period from and including the Dividend Payment Date for the preceding Dividend Period to (but not including) the Dividend Payment Date for such Dividend Period.

“Dividend Rate” shall mean the dividend rate accruing on the Series A Preferred Stock, as applicable from time to time pursuant to this Certificate of Designations.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“GLIB” means GCI Liberty, Inc., a corporation incorporated in the State of Delaware on May 9, 2017, (which, for the avoidance of doubt, will be merged with and into Grizzly Merger Sub 1, LLC, a Delaware limited liability company, pursuant to the GLIB Merger Agreement).

“GLIB Dividend Payment Date” means any Dividend Payment Date (as defined, for purposes of this definition, in the GLIB Charter) in respect of the GLIB Series A Preferred Stock.

“GLIB Merger” means the merger of Grizzly Merger Sub 2, Inc., a Delaware corporation, with and into GLIB pursuant to the GLIB Merger Agreement.

“GLIB Merger Agreement” means that certain Agreement and Plan of Merger made and entered into as of August 6, 2020, by and among the Corporation and GLIB (among others), as may be amended from time to time.

“GLIB Merger Effective Time” means the effective time of the Certificate of Merger filed with the Secretary of State of the State of Delaware in connection with the GLIB Merger.

“GLIB Series A Preferred Stock” means the Series A Cumulative Redeemable Preferred Stock of GLIB authorized by the Restated Certificate of Incorporation of GLIB attached as an Annex to a Certificate of Merger filed with the Secretary of State of the State of Delaware on May 10, 2018 (the “GLIB Charter”).

“GLIB Unpaid Dividends” means dividends accrued and unpaid on a share of GLIB Series A Preferred Stock prior to and as of the Dividend Accrual Commencement Date that, in accordance with the provisions of the GLIB Charter, have been added to the “Liquidation Price” (as defined, for purposes of this definition, in the GLIB Charter) of a share of the GLIB Series A Preferred Stock, and which remained unpaid and a part of the “Liquidation Price” as of the GLIB Merger Effective Time.

“Indebtedness” shall mean (i) any liability, contingent or otherwise, of the Corporation or any Subsidiary (x) for borrowed money (whether or not the recourse of the lender is to the whole of the assets of the Corporation or any Subsidiary or only to a portion thereof), (y) evidenced by a note, debenture or similar instrument (including a purchase money obligation) given other than in connection with the acquisition of inventory or similar property in the ordinary course of business, or (z) for the payment of money relating to indebtedness represented by obligations under a lease that is required to be capitalized for financial accounting purposes in accordance with generally accepted accounting principles; (ii) any liability of others described in the preceding clause (i) which the Corporation or any Subsidiary has guaranteed or which is otherwise its legal liability; (iii) any obligations secured by any mortgage, pledge, lien, encumbrance, charge or adverse claim affecting title or resulting in an encumbrance against any real or personal property, or a security interest of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction) to which the property or assets of the Corporation or any Subsidiary are subject whether or not the obligations secured thereby shall have been assumed by or shall otherwise be the Corporation’s or any Subsidiary’s legal liability; and (iv) any amendment, renewal, extension or refunding of any liability of the types referred to in clause (i), (ii) or (iii) above.

“Junior Stock” shall mean the Common Stock and any other class or series of Capital Stock now existing, or authorized after, the effective time of this Certificate of Designations other than the Series A Preferred Stock, any class or series of Parity Stock, and any class or series of Senior Stock.

“Liquidation Price” measured per share of the Series A Preferred Stock as of any date of determination shall mean the sum of (i) \$25, plus (ii) an amount equal to any unpaid dividends (whether or not declared) accrued with respect to such share which pursuant to Section 2(e) of this Certificate of Designations have been added to and then remain part of the Liquidation Price as of such date plus (iii) an amount equal to any GLIB Unpaid Dividends which remain part of the Liquidation Price as of such date.

“Parity Stock” means any class or series of Capital Stock that expressly ranks on a parity basis with the Series A Preferred Stock as to the dividend rights, rights of redemption and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“Penalty Rate” shall mean the Stated Rate plus two percent (2.00%) per annum of the Liquidation Price of each share of Series A Preferred Stock.

“Person” means any natural person, corporation, company, limited liability company, general or limited partnership, trust, estate, proprietorship, joint venture, association, organization or other entity.

“Publicly Traded” means, with respect to shares of capital stock or other securities, that such shares or other securities are traded on a U.S. national securities exchange or U.S. national securities market or quoted on the over-the-counter market.

“Record Date” for the dividends payable on any Dividend Payment Date shall mean the date fifteen (15) days immediately preceding such Dividend Payment Date; provided, that if such date is not a Business Day, the record date shall be the next succeeding Business Day after such date.

“Redemption Date” as to all shares of Series A Preferred Stock shall mean (i) the Scheduled Redemption Date, and (ii) any date following the Scheduled Redemption Date on which shares of Series A Preferred Stock are redeemed pursuant to Section 4(b) of this Certificate of Designations.

“Redemption Price” means the Liquidation Price plus all unpaid dividends (whether or not declared) accrued from the most recent Dividend Payment Date through the Redemption Date.

“Registrar” means the Transfer Agent acting in its capacity as registrar for the Series A Preferred Stock, and its successors and assigns.

“Restated Certificate” means the Restated Certificate of Incorporation of the Corporation, as amended from time to time.

“Scheduled Redemption Date” shall mean the first (1st) Business Day following March 8, 2039.

“Senior Stock” shall mean any class or series of Capital Stock that expressly ranks senior to the Series A Preferred Stock and has preference or priority over the Series A Preferred Stock as to dividend rights, rights of redemption and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“Series A Common Stock” means the Series A common stock, par value \$0.01 per share, of the Corporation.

“Series A Dividend Amount” means, for any Dividend Payment Date, the amount accrued and payable by the Corporation as a dividend per share of Series A Preferred Stock, as determined pursuant to Section 2(a) of this Certificate of Designations (and as such amount is subject to adjustment from time to time pursuant to Section 2(b) and 2(c) of this Certificate of Designations).

“Series A Preferred Stock” shall mean the Series A Cumulative Redeemable Preferred Stock of the Corporation.

“Series B Common Stock” means the Series B common stock, par value \$0.01 per share, of the Corporation.

“Series C Common Stock” means the Series C common stock, par value \$0.01 per share, of the Corporation.

“Stated Rate” shall mean seven percent (7.00%) per annum of the Liquidation Price of each share of Series A Preferred Stock.

“Subsidiary” shall mean any company or corporate entity for which a Person owns, directly or indirectly, an amount of the voting securities, other voting rights or voting partnership interests of which is sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, more than 50% of the equity interests of such company or corporate entity).

“Transfer Agent” means the Person acting as transfer agent, Registrar and paying agent for the Series A Preferred Stock, and its successors and assigns.

“Votes Per Share” means one-third (1/3) of a vote, as such number may be adjusted pursuant to Section 6(c) of this Certificate of Designations.

“Voting Power” means the aggregate voting power of the shares of Series A Preferred Stock outstanding as a percentage of the aggregate voting power of the outstanding shares of Common Stock, together with the shares of Series A Preferred Stock, which are entitled to vote on any matter on which the holders of the Common Stock and Series A Preferred Stock vote together as a single class.

2. Dividends.

(a) Subject to the prior preferences and other rights of any Senior Stock and the provisions of Section 2(g) of this Certificate of Designations, the holders of the Series A Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors, out of funds legally available therefor, preferential dividends that shall accrue and cumulate as provided herein. Dividends on each share of Series A Preferred Stock shall accrue on a daily basis at the Dividend Rate of the Stated Rate from and including the Dividend Accrual Commencement Date (which, for the avoidance of doubt, may be prior to the effective time of this Certificate of Designations and prior to the time any shares of Series A Preferred Stock have been issued) to and including the date on which the Liquidation Price or Redemption Price of such share is paid pursuant to Section 3 or Section 4 of this Certificate of Designations, respectively, whether or not such dividends have been declared and whether or not there are any funds of the Corporation legally available for the payment of dividends, and such dividends shall be cumulative; provided, however, if on the Dividend Accrual Commencement Date a Dividend Default exists, then the Dividend Rate shall accrue in accordance with the terms and subject to the conditions of Section 2(b) below, as applicable. Accrued dividends on the Series A Preferred Stock shall be payable, in accordance with the terms and conditions set forth in this Certificate of Designations, quarterly on each Dividend Payment Date, to the holders of record of the Series A Preferred Stock as of the close of business on the applicable Record Date; provided, however, if any such payment date is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, without any interest or other payment in respect of such delay. For purposes of determining the amount of dividends “accrued” (i) as of any date that is not a Dividend Payment Date, such amount shall be calculated on the basis of the foregoing rate per annum for actual days elapsed from the last preceding Dividend Payment Date (or in the event the first Dividend Payment Date has not yet occurred, the Dividend Accrual Commencement Date) to the date as of which such determination is to be made, based on a 365-day year, and (ii) as of any Dividend Payment Date, such amount shall be calculated on the basis of the foregoing rate per annum, based on a 360-day year of twelve 30-day months.

(b) If the Corporation fails to pay cash dividends on the Series A Preferred Stock in full for any four (4) consecutive or non-consecutive Dividend Periods, including, without limitation, any failure to pay as a result of Section 2(d) of this Certificate of Designations (a “Dividend Default”), then:

(i) the Dividend Rate shall increase to the Penalty Rate, commencing on the first day after the Dividend Payment Date on which a Dividend Default occurs and for each subsequent Dividend Period thereafter; provided, however, that the Dividend Rate will revert to the Stated Rate at such time as the Corporation has paid all GLIB Unpaid Dividends (if any) and all accrued and unpaid dividends (whether or not declared) which pursuant to Section 2(e) of this Certificate of Designations have been added to and then remain part of the Liquidation Price as of such date; and

(ii) when the Dividend Default is cured and the Dividend Rate reverts to the Stated Rate, each subsequent Dividend Default shall not occur until the Corporation has an additional four (4) failures to pay cash dividends on the Series A Preferred Stock, whether consecutive or non-consecutive after the prior Dividend Default has been cured.

For purposes of determining whether the first instance of a Dividend Default (if any) has occurred after the effective time of this Certificate of Designations (but not for any subsequent Dividend Default), any failure to pay cash dividends by GLIB on shares of the GLIB Series A Preferred Stock pursuant to the GLIB Charter on any GLIB Dividend Payment Date shall be considered to have been a failure to pay cash dividends on the Series A Preferred Stock on a Dividend Payment Date pursuant to this Certificate of Designations until such time as any GLIB Unpaid Dividends no longer remain part of the Liquidation Price when repaid in accordance with this Section 2 of this Certificate of Designations.

(c) If at any time or from time to time the Series A Preferred Stock fails to be Publicly Traded for ninety (90) consecutive days or longer (a “Listing Default”), then the Dividend Rate shall increase to the Penalty Rate, commencing on the day after the Listing Default and continuing until such time as the Corporation has cured the Listing Default by again causing the Series A Preferred Stock to be Publicly Traded, at which time the Dividend Rate shall revert to the Stated Rate.

(d) If, on any Dividend Payment Date, the Corporation, pursuant to applicable law or the terms of any Debt Instrument or Senior Stock, shall not have funds legally available to pay or otherwise be prohibited or restricted from paying to the holders of the Series A Preferred Stock the full Series A Dividend Amount to which such holders are entitled and to the holders of any Parity Stock then entitled to receive payment of a dividend the full amount to which such holders are entitled, the amount available for such payment pursuant to applicable law and which is not restricted or prohibited by the terms of any Debt Instrument or Senior Stock shall be distributed, when and as declared by the Board of Directors, among the holders of the Series A Preferred Stock and any Parity Stock to which dividends are then owed ratably in proportion to the full amounts to which they would otherwise be entitled.

(e) To the extent the Series A Dividend Amount is not paid in full on a Dividend Payment Date for any reason, all dividends (whether or not declared) that have accrued on a share of Series A Preferred Stock during the Dividend Period ending on such Dividend Payment Date and which are unpaid will be added to the Liquidation Price (as provided in the definition thereof) of such share and will remain a part thereof until such dividends are paid, together with all dividends that have accrued to the date of such payment with respect to that portion of the Liquidation Price which consists of such accrued and unpaid dividends. Such accrued and unpaid dividends, together with any GLIB Unpaid Dividends, and, collectively, with all unpaid dividends accrued thereon, may be declared and paid at any time (subject to the concurrent satisfaction of any dividend arrearages then existing with respect to any Parity Stock), without reference to any regular Dividend Payment Date, to holders of record as of the close of business on such date, not more than sixty (60) days preceding the payment date thereof, as may be fixed by the Board of Directors (the “Special Record Date”) and, to the extent GLIB Unpaid Dividends are so paid, they will no longer be a part of the Liquidation Price.

(f) Notice of each Special Record Date shall be mailed, first class, postage prepaid, to the holders of record of the Series A Preferred Stock at their respective addresses as the same appear on the books of the Corporation (which may include the records of the Transfer Agent) or are supplied by them in writing to the Corporation for the purpose of such notice.

(g) So long as any shares of Series A Preferred Stock shall be outstanding, the Corporation shall not declare or pay any dividend whatsoever with respect to any Junior Stock or any Parity Stock, whether in cash, property or otherwise, nor shall the Corporation declare or make any distribution on any Junior Stock or any Parity Stock, or set aside any cash or property for any such purposes, nor shall any Junior Stock or Parity Stock be purchased, redeemed or otherwise acquired by the Corporation or any of its Subsidiaries, nor shall any monies be paid, set aside for payment or made available for a sinking fund for the purchase or redemption of any Junior Stock or Parity Stock, unless and until (i) all dividends to which the holders of the Series A Preferred Stock shall have been entitled for all current and all previous Dividend Periods, and all GLIB Unpaid Dividends, shall have been paid or declared and the consideration sufficient for the payment thereof set aside so as to be available for the payment thereof and (ii) the Corporation shall have paid, in full, or set aside the consideration sufficient for the payment thereof, all redemption payments with respect to the Series A Preferred Stock that it is then obligated to pay; provided, however, that nothing contained in this Section 2(g) of this Certificate of Designations shall prevent (A) purchases, redemptions or other acquisitions of shares of Junior Stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants; (B) purchases of shares of Junior Stock pursuant to a contractually binding requirement to buy stock, including under a stock repurchase plan, provided that such contract or plan was entered into prior to the Corporation’s failure to pay dividends on the Series A Preferred Stock (or, in the case of GLIB Unpaid Dividends, prior to or on the date upon which GLIB failed to pay dividends on the GLIB Series A Preferred Stock pursuant to and in accordance with the GLIB Charter); (C) exchanges or conversions of shares of any class or series of Junior Stock, or the securities of another company, for any other class or series of Junior Stock; (D) the purchase of fractional interests in shares of Junior Stock pursuant to the conversion or exchange provisions of such Junior Stock or the security being converted or exchanged; (E) the payment of any dividends in respect of Junior Stock where the dividend is in the form of the same stock as that on which the dividend is being paid; (F) distributions of Junior Stock or rights to purchase Junior Stock; (G) direct or indirect distributions of equity interests of a Subsidiary or other Person (whether by redemption, dividend, share distribution, merger or otherwise) to all or substantially all of the holders of one or more classes or series of Common Stock, on a pro rata basis with respect to each such class or series (other than with respect to the payment of cash in lieu of fractional shares), or such equity interests of such Subsidiary or other Person are available to be acquired by such holders of one more classes or series of Common Stock (including through any rights offering, exchange offer, exercise of subscription rights or other offer made available to such holders), on a pro rata basis with respect to each such class or series (other than with respect to the payment of cash in lieu of fractional shares), whether voluntary or involuntary; (H) stock splits, stock dividends or other distributions, reclassifications, recapitalizations; or (I) the declaration and payment of dividends ratably on the Series A Preferred Stock and each class or series of Parity Stock as to which dividends are payable or in arrears so that the amount of dividends declared and paid per share of the Series A Preferred Stock and per share of each class or series of such Parity Stock are in proportion to the respective total amounts of accrued and unpaid dividends with respect to the Series A Preferred Stock and any GLIB Unpaid Dividends, on the one hand, and all such classes and series of Parity Stock, on the other hand.

3. Distributions Upon Liquidation, Dissolution or Winding Up.

Subject to the prior payment in full of the preferential amounts to which any Senior Stock is entitled, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of shares of the Series A Preferred Stock shall be entitled to receive from the assets of the Corporation available for distribution to the stockholders, before any payment or distribution shall be made to the holders of any Junior Stock, an amount in property or cash, as determined by the Board of Directors in good faith, or a combination thereof, per share, equal to the Liquidation Price plus all unpaid dividends (whether or not declared) accrued through the date of distribution of amounts payable to holders of Series A Preferred Stock in connection with such liquidation, dissolution or winding up of the Corporation since the immediately preceding Dividend Payment Date (or, if such date of distribution occurs prior to the first Dividend Payment Date, since the Dividend Accrual Commencement Date), which payment shall be made pari passu with any such payment made to the holders of any Parity Stock. The holders of the Series A Preferred Stock shall be entitled to no other or further distribution of or participation in any remaining assets of the Corporation after receiving in full the amount set forth in the immediately preceding sentence. If, upon distribution of the Corporation's assets in liquidation, dissolution or winding up, the assets of the Corporation to be distributed among the holders of the Series A Preferred Stock and to all holders of any Parity Stock shall be insufficient to permit payment in full to such holders of the preferential amounts to which they are entitled, then the entire assets of the Corporation to be distributed to holders of the Series A Preferred Stock and such Parity Stock shall be distributed pro rata to such holders based upon the aggregate of the full preferential amounts to which the shares of Series A Preferred Stock and such Parity Stock would otherwise respectively be entitled. Neither the consolidation or merger of the Corporation with or into any other corporation or corporations nor the sale, transfer or lease of all or substantially all the assets of the Corporation shall itself be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this Section 3 of this Certificate of Designations. Notice of the liquidation, dissolution or winding up of the Corporation shall be mailed, first class mail, postage prepaid, not less than twenty (20) days prior to the date on which such liquidation, dissolution or winding up is expected to take place or become effective, to the holders of record of the Series A Preferred Stock at their respective addresses as the same appear on the books of the Corporation or are supplied by them in writing to the Corporation for the purpose of such notice.

4. Mandatory Redemption.

(a) Redemption. On the Scheduled Redemption Date, the Corporation shall redeem all outstanding shares of Series A Preferred Stock out of funds legally available therefor at the Redemption Price per share, in cash. For the avoidance of doubt, any shares of Series A Preferred Stock that remain outstanding after the Scheduled Redemption Date shall continue to accrue dividends in accordance with the provisions in Section 2 of this Certificate of Designations for so long as such shares remain outstanding. The Corporation shall not redeem any shares of Series A Preferred Stock except as expressly authorized in this Section 4 of this Certificate of Designations.

(b) Partial Redemption. If on the Scheduled Redemption Date, the Corporation, pursuant to applicable law or the terms of any Debt Instrument or Senior Stock, shall not have funds legally available to redeem or otherwise be prohibited or restricted from redeeming all shares of Series A Preferred Stock, those funds that are legally available and not so restricted or prohibited will be used to redeem the maximum possible number of such shares of Series A Preferred Stock. At any time and from time to time thereafter when additional funds of the Corporation are legally available and not so restricted for such purpose, such funds shall be used in their entirety to redeem the shares of Series A Preferred Stock that the Corporation failed to redeem on the Scheduled Redemption Date until the balance of such shares has been redeemed. The shares of Series A Preferred Stock to be redeemed in accordance with this Section 4(b) shall be redeemed pro rata from among the holders of the outstanding shares of Series A Preferred Stock.

(c) Notice of Redemption and Certificates. The Corporation shall mail notice of such redemption to each holder (such notice, a “Notice of Redemption”) in accordance with Section 13 of this Certificate of Designations not later than twenty (20) days prior to the Redemption Date. Such Notice of Redemption shall contain: (A) the applicable Redemption Price, (B) the Redemption Date, (C) the instructions a holder must follow with respect to the redemption, including the method for surrendering the certificates for the shares of Series A Preferred Stock to be redeemed for payment of the Redemption Price and (D) any other matters required by law. On or before the applicable Redemption Date, each holder of shares of Series A Preferred Stock to be redeemed on such Redemption Date, shall, if a holder of shares in certificated form, surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Notice of Redemption, and thereupon the Redemption Price for such shares shall be payable to the order of the Person whose name appears on such certificate or certificates as the owner thereof in accordance with the terms and conditions set forth in this Certificate of Designations. In the event less than all of the shares of Series A Preferred Stock represented by a certificate are redeemed, a new certificate, instrument, or book entry representing the unredeemed shares of Series A Preferred Stock shall promptly be issued to such holder.

(d) Deposit of Redemption Price. If the Notice of Redemption shall have been mailed as provided in Section 4(c) of this Certificate of Designations, and if on or before the Redemption Date specified in such Notice of Redemption, the consideration necessary for such redemption shall have been set aside so as to be available therefor and only therefor, then on and after the close of business on the Redemption Date, the shares of Series A Preferred Stock called for redemption, notwithstanding that any certificate therefor shall not have been surrendered for cancellation, shall automatically be redeemed and no longer be deemed outstanding, and all rights with respect to such shares shall forthwith cease and terminate, except the right of the holders thereof to receive upon surrender of their certificates the consideration payable upon redemption thereof.

(e) Status of Redeemed Shares. Any shares of Series A Preferred Stock that are redeemed, purchased or otherwise acquired by the Corporation shall not be reissued as Series A Preferred Stock.

(f) Certain Restrictions. If and so long as the Corporation shall fail to redeem on the Scheduled Redemption Date all shares of Series A Preferred Stock required to be redeemed on such date, the Corporation shall not redeem, or discharge any sinking fund obligation with respect to, any Parity Stock or Junior Stock, and shall not purchase or otherwise acquire any shares of Series A Preferred Stock, Parity Stock or Junior Stock, unless and until all then outstanding shares of Series A Preferred Stock are redeemed pursuant to the terms hereof. Nothing contained in this Section 4(f) of this Certificate of Designations shall prevent (i) the purchase or acquisition by the Corporation of shares of Series A Preferred Stock and Parity Stock pursuant to a purchase or exchange offer or offers made to holders of all outstanding shares of Series A Preferred Stock and Parity Stock, provided that (A) as to holders of all outstanding shares of Series A Preferred Stock, the terms of the purchase or exchange offer for all such shares are identical, (B) as to holders of all outstanding shares of a particular series or class of Parity Stock, the terms of the purchase or exchange offer for all such shares are identical, and (C) as among holders of all outstanding shares of Series A Preferred Stock and Parity Stock, the terms of each purchase or exchange offer or offers are substantially identical relative to the liquidation price of the shares of Series A Preferred Stock and each series or class of Parity Stock, (ii) the purchase or acquisition by the Corporation of shares of Series A Preferred Stock, Parity Stock or Junior Stock in exchange for (together with a cash adjustment for fractional shares, if any), or through the application of the proceeds of the sale of, shares of Junior Stock, or (iii) the redemption, purchase or other acquisition of Junior Stock solely in exchange for shares of Junior Stock.

5. Protective Provisions.

(a) In addition to any vote required by this Certificate of Designations, the Restated Certificate or by applicable law, for so long as any of the shares of Series A Preferred Stock shall remain outstanding, the Corporation shall not, without the written consent or affirmative vote of the holders of at least a majority of the then outstanding shares of Series A Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be), separately as a series:

(i) amend, alter or repeal any provision of this Certificate of Designations, whether by merger, share exchange, consolidation or otherwise, in a manner that adversely affects the powers, preferences or rights of the Series A Preferred Stock set forth in the Restated Certificate (including this Certificate of Designations) (including, without limitation, any such amendment or alteration that would reduce the Liquidation Price or Dividend Rate of the Series A Preferred Stock), unless in each such case each share of Series A Preferred Stock (x) shall remain outstanding without a material and adverse change to the powers, or rights of the Series A Preferred Stock or (y) shall be converted into or exchanged for preferred stock of the surviving entity having powers, preferences and rights substantially identical to that of a share of Series A Preferred Stock (except for any changes to such powers, preferences or rights that do not materially and adversely affect the Series A Preferred Stock and, if permitted by law, the payment of cash in lieu of fractional shares); or

(ii) authorize, create or issue, or increase the authorized or issued amount of, any class of Senior Stock or reclassify any of the authorized Capital Stock into such shares of Senior Stock, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any such shares of Senior Stock.

(b) If the Corporation shall propose to take action specified in Section 5(a)(i) hereof, then the Corporation shall give notice of such proposed amendment, alteration or repeal to each holder of record of the shares of Series A Preferred Stock appearing on the stock books of the Corporation as of the date of such notice at the address of said holder shown therein and shall cause to be filed with the Transfer Agent a copy of such notice. Such notice shall specify the material terms of such amendment, alteration or repeal. Such notice shall be given at least twenty (20) Business Days prior to the effective date of such amendment, alteration or repeal. If at any time the Corporation shall abandon or cancel the proposed action for which notice has been given under this Section 5(b) of this Certificate of Designations prior to the effective date of such proposed action, the Corporation shall give prompt notice of such abandonment or cancellation to each holder of record of the shares of Series A Preferred Stock appearing on the stock books of the Corporation as of the date of such notice at the address of said holder shown therein.

(c) In any merger or consolidation, which merger or consolidation by its terms provides for the payment of only cash to the holders of shares of Series A Preferred Stock, each holder of shares of Series A Preferred Stock shall be entitled to receive an amount equal to the Liquidation Price of the shares of Series A Preferred Stock held by such holder, plus an amount equal to the accrued and unpaid dividends (whether or not declared) on such shares since the immediately preceding Dividend Payment Date (or if the first Dividend Payment Date has not occurred, since the Dividend Accrual Commencement Date), in exchange for such shares of Series A Preferred Stock.

6. Voting.

(a) The shares of Series A Preferred Stock are hereby designated as a “Voting Security” for purposes of the Restated Certificate. The holders of shares of Series A Preferred Stock shall be entitled to vote together as a class generally with the holders of the Series A Common Stock and Series B Common Stock on all matters submitted to a vote of the holders of the Series A Common Stock and Series B Common Stock (together with the holders of any class or series of Senior Stock, Parity Stock or Junior Stock then entitled to vote together as a class with the holders of the Series A Common Stock and Series B Common Stock), except as required in this Certificate of Designations or by applicable law. Each record holder of shares of Series A Preferred Stock shall be entitled to the Votes Per Share for each share of Series A Preferred Stock held by such holder as of the record date for determining stockholders entitled to vote in accordance with Delaware law. The holders of Series A Preferred Stock shall be entitled to notice of any meeting of holders of the Series A Common Stock and Series B Common Stock in accordance with the Bylaws of the Corporation.

(b) Each holder of Series A Preferred Stock will be entitled to the Votes Per Share on any matter on which holders of Series A Preferred Stock are entitled to vote separately as a class or series, whether at a meeting or by written consent.

(c) In the event of any stock split, stock dividend or other distribution, reclassification, recapitalization or similar event affecting the Common Stock and the aggregate number of votes that may be cast by the holders of the Series A Common Stock and Series B Common Stock, voting together as a separate class or series (each such event, an “Adjustment Event”), the Votes Per Share shall be adjusted, to the nearest tenth of a vote per share of Series A Preferred Stock, from and after such Adjustment Event such that the Voting Power immediately prior to such Adjustment Event shall be substantially equivalent to the Voting Power immediately following such Adjustment Event.

7. Preemptive Rights.

The holders of the Series A Preferred Stock will not have any preemptive right to subscribe for or purchase any Capital Stock or other securities which may be issued by the Corporation.

8. Creation of Capital Stock.

Notwithstanding anything set forth in the Restated Certificate or this Certificate of Designations, except as provided in Section 5(a)(ii) hereof, the Board of Directors, or any duly authorized committee thereof, without the vote of the holders of the Series A Preferred Stock, may authorize and issue additional shares of Capital Stock.

9. No Sinking Fund.

Shares of Series A Preferred Stock shall not be subject to or entitled to the operation of a retirement or sinking fund.

10. Exclusion of Other Rights.

Except as may otherwise be required by law and except for the equitable rights and remedies that may otherwise be available to holders of Series A Preferred Stock, the shares of Series A Preferred Stock shall not have any powers, designations, preferences, or relative, participating, optional or other rights, other than those specifically set forth in this Certificate of Designations.

11. Replacement Certificates.

If physical certificates representing shares of Series A Preferred Stock are issued, the Corporation shall replace any mutilated certificate at the holder's expense upon surrender of that certificate to the Transfer Agent. The Corporation shall replace certificates representing shares of Series A Preferred Stock that become destroyed, stolen or lost at the holder's expense upon delivery to the Corporation and the Transfer Agent of satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be required by the Transfer Agent and the Corporation.

12. Taxes.

(a) Transfer Taxes. The Corporation shall pay any and all stock transfer, documentary, stamp and similar taxes that may be payable in respect of any issuance or delivery of shares of Series A Preferred Stock or other securities issued on account of Series A Preferred Stock pursuant hereto or certificates representing such shares or securities. The Corporation shall not, however, be required to pay any such tax that may be payable in respect of any transfer involved in the issuance or delivery of shares of Series A Preferred Stock or other securities in a name other than that in which the shares of Series A Preferred Stock with respect to which such shares or other securities are issued or delivered were registered, or in respect of any payment to any Person other than a payment to the registered holder thereof, and shall not be required to make any such issuance, delivery or payment unless and until the Person otherwise entitled to such issuance, delivery or payment has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid or is not payable.

(b) Withholding. All payments and distributions (or deemed distributions) on the shares of Series A Preferred Stock shall be subject to withholding and backup withholding of tax to the extent required by applicable law, and amounts withheld, if any, shall be treated as received by holders.

13. Notices.

All notices referred to in this Certificate of Designations shall be in writing and, unless otherwise specified herein, all notices hereunder shall be deemed to have been given upon the earlier of (i) receipt thereof, (ii) three (3) Business Days after the mailing thereof if sent by registered or certified mail (unless first class mail shall be specifically permitted for such notice under the terms of this Certificate of Designations) with postage prepaid, or (iii) one (1) Business Day after the mailing thereof if sent by overnight courier, addressed: (x) if to the Corporation, to its principal place of business (Attention: Chief Legal Officer), (y) if to any holder of Series A Preferred Stock, to such holder at the address of such holder as listed in the stock record books of the Corporation (which may include the records of the Transfer Agent) or (z) to such other address as the Corporation or any such holder, as the case may be, shall have designated by notice similarly given.

14. Facts Ascertainable.

The Secretary of the Corporation shall also maintain a written record of (i) the number of shares of Series A Preferred Stock issued to a holder, and the date of each such issuance, and (ii) the Votes Per Share of the shares of Series A Preferred Stock (as may be adjusted pursuant to Section 6(c) of this Certificate of Designations) and the dates and descriptions of all Adjustment Events, and, in each case, shall furnish such written record without cost to any stockholder who so requests.

15. Waiver.

Notwithstanding any provision in this Certificate of Designations to the contrary, any provision contained in this Certificate of Designations and any right of the holders of Series A Preferred Stock granted hereunder may be waived as to all shares of Series A Preferred Stock (and the holders thereof) upon the written consent of the Board of Directors (or an authorized committee thereof) and the holders of a majority of the shares of Series A Preferred Stock then outstanding.

16. Information Rights.

During any period in which the Corporation is not subject to Section 13 or 15(d) of the Exchange Act and any shares of Series A Preferred Stock are outstanding, the Corporation will use its reasonable efforts to (a) transmit by mail (or other permissible means under the Exchange Act) to all holders of Series A Preferred Stock, as their names and addresses appear on the record books of the Corporation and without cost to such holders, copies of the annual reports on Form 10-K and quarterly reports on Form 10-Q that the Corporation would have been required to file with the Securities and Exchange Commission (the “SEC”) pursuant to Section 13 or 15(d) of the Exchange Act if it were subject thereto (other than any exhibits that would have been required); and (b) promptly, upon request, supply copies of such reports to any holders or prospective holder of Series A Preferred Stock. The Corporation will use its reasonable efforts to mail (or otherwise provide) the information to the holders of the Series A Preferred Stock within fifteen (15) days after the respective dates by which a periodic report on Form 10-K or Form 10-Q, as the case may be, in respect of such information would have been required to be filed with the SEC, if the Corporation were subject to Section 13 or 15(d) of the Exchange Act, in each case, based on the dates on which the Corporation would be required to file such periodic reports if it were a “non-accelerated filer” within the meaning of the Exchange Act.

17. Book Entry.

The Series A Preferred Stock shall be issued initially in the form of one or more fully registered global certificates ("Global Preferred Shares") to a custodian for a securities depository (the "Depository") that is a "clearing agency" under Section 17A of the Exchange Act (or with such other custodian as the Depository may direct), and registered in the name of the Depository or its nominee, duly executed by the Corporation and authenticated by the Transfer Agent. The number of shares of Series A Preferred Stock represented by Global Preferred Shares may from time to time be increased or decreased by adjustments made on the records of the Transfer Agent and the Depository as hereinafter provided. Members of, or participants in, the Depository ("Agent Members") shall have no rights under these terms of the shares of Series A Preferred Stock with respect to any Global Preferred Shares held on their behalf by the Depository or by the Transfer Agent as the custodian of the Depository or under such Global Preferred Shares, and the Depository may be treated by the Corporation, the Transfer Agent and any agent of the Corporation or the Transfer Agent as the absolute owner of such Global Preferred Shares for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Corporation, the Transfer Agent or any agent of the Corporation or the Transfer Agent from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair, as between the Depository and its Agent Members, the operation of customary practices of the Depository governing the exercise of the rights of a holder of a beneficial interest in any Global Preferred Shares.

IN WITNESS WHEREOF, this Certificate of Designations is executed on behalf of the Corporation this 18th day of December, 2020

LIBERTY BROADBAND CORPORATION

By: /s/Renee L. Wilm

Renee L. Wilm

Chief Legal Officer

Liberty Broadband and GCI Liberty Announce Closing of Combination

ENGLEWOOD, Colorado, December 18, 2020 –Liberty Broadband Corporation (“Liberty Broadband”) (NASDAQ: LBRDA, LBRDK, LBRDP) and GCI Liberty, Inc. (“GCI Liberty”) (NASDAQ: GLIBA, GLIBP) each announced that Liberty Broadband has closed its acquisition of GCI Liberty via a stock-for-stock merger (the “combination”).

“We are pleased to have closed Liberty Broadband’s acquisition of GCI Liberty. This process was driven by independent special committees of each company, and we are confident that the transaction will unlock value and benefit the shareholders of both companies,” said Greg Maffei, Liberty Broadband President and CEO.

At the effective time of the combination, (i) each share of GCI Liberty Series A common stock outstanding immediately prior to the effective time was converted into 0.580 of a share of Liberty Broadband Series C common stock, (ii) each share of GCI Liberty Series B common stock outstanding immediately prior to the effective time was converted into 0.580 of a share of Liberty Broadband Series B common stock and (iii) each share of GCI Liberty Series A Cumulative Redeemable Preferred Stock outstanding immediately prior to the effective time was converted into one share of newly issued Liberty Broadband Series A Cumulative Redeemable Preferred Stock. Cash will be paid in lieu of issuing fractional shares of Liberty Broadband Series C common stock and Liberty Broadband Series B common stock.

As a result of the completion of the combination, shares of GCI Liberty Series A common stock and GCI Liberty Series A Cumulative Redeemable Preferred Stock will no longer trade on Nasdaq, and shares of GCI Liberty Series B common stock will be removed from quotation on the OTC Markets. Shares of Liberty Broadband Series A Cumulative Redeemable Preferred Stock are expected to begin trading on the Nasdaq Global Select Market under the symbol “LBRDP” when the market opens on December 21, 2020.

The major assets and liabilities of Liberty Broadband as of the closing of the combination are:

- Assets
 - o 59.5 million shares of Charter Communications
 - o GCI Holdings, LLC (“GCI”)
 - o Skyhook
 - o Approximately \$1.5 billion cash & cash equivalents
- Liabilities
 - o \$825 million principal 1.25% exchangeable senior debentures
 - o \$575 million principal 2.75% exchangeable senior debentures
 - o \$15 million principal 1.75% exchangeable senior debentures
 - o \$180 million preferred stock (liquidation value)
 - o \$310 million indemnification obligation (amount as of September 30, 2020)
 - o \$2.0 billion principal margin loan (total capacity \$2.3 billion)
 - o \$1.4 billion GCI, LLC debt (principal amount, including finance leases and other)

As of December 15, 2020, the date of the special meetings of stockholders of GCI Liberty and Liberty Broadband to approve matters relating to the combination, the remaining repurchase authorization for Liberty Broadband was approximately \$694 million and can be applied to repurchases of Series A and Series C shares of Liberty Broadband common stock.

About Liberty Broadband

Liberty Broadband Corporation’s (NASDAQ: LBRDA, LBRDK, LBRDP) businesses consist of its subsidiaries GCI Holdings, LLC (“GCI”) and Skyhook and Liberty Broadband Corporation’s interest in Charter Communications. GCI is Alaska’s largest communications provider, providing data, wireless, video, voice and managed services to consumer and business customers throughout Alaska and nationwide. GCI has delivered services for nearly 40 years to some of the most remote communities and in some of the most challenging conditions in North America.

Forward-Looking Statements

This communication includes forward-looking statements. All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws. These forward-looking statements generally can be identified by phrases such as “expected” or other words or phrases of similar import or future or conditional verbs such as “will,” “may,” “might,” “should,” “would,” “could,” or similar variations. Similarly, statements about the combination and other statements that are not historical facts are also forward-looking statements. It is uncertain whether any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what impact they will have on the results of operations and financial condition of the combined companies or the price of Liberty Broadband stock. These forward-looking statements involve certain risks and uncertainties, many of which are beyond the parties’ control, that could cause actual results to differ materially from those indicated in such forward-looking statements, including, but not limited to, changes in laws or regulations and general market and economic conditions. These forward-looking statements speak only as of the date of this communication, and Liberty Broadband and GCI Liberty expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in Liberty Broadband’s or GCI Liberty’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Please refer to the publicly filed documents of Liberty Broadband and GCI Liberty, including the most recent Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, for additional information about Liberty Broadband and GCI Liberty and about the risks and uncertainties related to the businesses of Liberty Broadband and GCI Liberty which may affect the statements made in this communication.

Liberty Broadband Corporation
Courtnee Chun, 720-875-5420

December 21, 2020

Liberty Broadband Corporation Declares Quarterly Cash Dividend

ENGLEWOOD, Colo.--(BUSINESS WIRE)— Liberty Broadband Corporation (Nasdaq: LBRDA, LBRDK, LBRDP) today announced that its Board of Directors declared a quarterly cash dividend of \$0.43750001 per share of Series A Cumulative Redeemable Preferred Stock (the “Preferred Stock”), payable in cash on January 15, 2021 to stockholders of record of the Preferred Stock at the close of business on December 31, 2020 (the “Record Date”).

About Liberty Broadband Corporation

Liberty Broadband Corporation (Nasdaq: LBRDA, LBRDK, LBRDP) operates and owns interests in a broad range of communications businesses. Liberty Broadband’s principal assets consist of its interest in Charter Communications and its subsidiaries: Skyhook and GCI. GCI is Alaska’s largest communications provider, providing data, wireless, video, voice and managed services to consumer and business customers throughout Alaska and nationwide. GCI has delivered services for nearly 40 years to some of the most remote communities and in some of the most challenging conditions in North America.

Liberty Broadband Corporation

Courtnee Chun, 720-875-5420

Source: Liberty Broadband Corporation

Liberty Broadband Corporation**Unaudited Pro Forma Condensed Combined Financial Information****Introduction**

The following unaudited pro forma condensed combined financial information and related notes present the historical financial statements of Liberty Broadband Corporation (“Liberty Broadband”) and GCI Liberty, Inc. (“GCI Liberty”) as if the Combination (defined below) had occurred on the dates specified below.

On December 18, 2020, Liberty Broadband closed its acquisition of GCI Liberty via a stock-for-stock merger (the “Combination”). At the effective time of the Combination, (i) each share of GCI Liberty Series A common stock outstanding immediately prior to the effective time was converted into 0.580 of a share of Liberty Broadband Series C common stock, (ii) each share of GCI Liberty Series B common stock outstanding immediately prior to the effective time was converted into 0.580 of a share of Liberty Broadband Series B common stock and (iii) each share of GCI Liberty Series A Cumulative Redeemable Preferred Stock outstanding immediately prior to the effective time was converted into one share of newly issued Liberty Broadband Series A Cumulative Redeemable Preferred Stock, except, in each case, for certain excluded shares. Cash will be paid in lieu of issuing fractional shares of Liberty Broadband Series C common stock and Liberty Broadband Series B common stock.

Pro Forma Information

The unaudited condensed combined pro forma financial information related to the Combination was prepared using the acquisition method of accounting and is based on the assumption that the business combination of Liberty Broadband and GCI Liberty took place as of September 30, 2020 for purposes of the unaudited pro forma balance sheet and as of January 1, 2019 for purposes of the unaudited pro forma condensed combined statements of operations for the year ended December 31, 2019 and the nine months ended September 30, 2020.

In accordance with the acquisition method of accounting, the actual consolidated financial statements of Liberty Broadband will reflect the combination only from and after the date of the completion of the combination. Liberty Broadband has not yet undertaken a detailed analysis of the fair value of GCI Liberty’s assets and liabilities and will not finalize the purchase price allocation related to the combination until after the transaction is consummated. Accordingly, the unaudited pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information. Differences between these preliminary estimates and the final acquisition accounting may occur and these differences could be material. Additionally, the differences, if any, could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and Liberty Broadband’s future results of operation and financial position.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not purport to represent what the results of operations or financial position of Liberty Broadband would actually have been had the business combination occurred on the dates noted above, or to project the results of operations or financial position of Liberty Broadband for any future periods. The unaudited pro forma adjustments are based on available information and certain assumptions that Liberty Broadband’s management believes are reasonable. The unaudited pro forma adjustments are directly attributable to the business combination and are expected to have a continuing impact on the results of operations of Liberty Broadband. In the opinion of Liberty Broadband’s management, all adjustments necessary to present fairly the unaudited pro forma condensed combined financial information have been made.

The accompanying unaudited pro forma condensed combined financial information should be read in conjunction with the notes hereto.

Liberty Broadband Corporation
Pro Forma Condensed Combined Balance Sheet
As of September 30, 2020
(unaudited)

	Historical Liberty Broadband Corporation, as reported	Historical GCI Liberty, as reported	Eliminate GCI Liberty Investment in Liberty Broadband and Preferred Stock	Pro Forma Adjustments for the GCI Liberty Business Combination	Other Pro Forma Adjustments	Presentation Reclassifications	Pro Forma
amounts in thousands							
Assets							
Current assets:							
Cash and cash equivalents	\$ 400,268	552,604	—	—	—	—	952,872
Other current assets	2,224	345,280	—	—	—	—	347,504
Total current assets	402,492	897,884	—	—	—	—	1,300,376
Investment in Charter, accounted for using the equity method	12,450,425	—	—	—	—	3,345,464(m)	15,795,889
Investment in affiliates, accounted for using the equity method	—	157,484	—	900,299(c)	—	—	1,057,783
Investment in equity securities	—	3,350,749	—	—	—	(3,350,749)(m)	—
Investment in Liberty Broadband measured at fair value	—	6,097,955	(6,097,955)(a)	—	—	—	—
Property and equipment, net	—	1,045,585	—	108,621(d)	—	410(m)	1,154,616
Intangible assets not subject to amortization							
Goodwill	—	830,268	—	157,983(e)	—	6,497(m)	994,748
Other	—	342,500	—	139,698(e)	—	—	482,198
Intangible assets subject to amortization, net							
Tax sharing receivable	—	88,349	—	207,042(f)	—	11(m)	563,380
Other assets	8,772	192,741	—	—	—	(1,633)(m)	199,880
Total assets	\$ 12,861,689	13,359,842	(6,097,955)	1,513,643	—	—	21,637,219
Liabilities and Equity							
Current liabilities:							
Accounts payable and accrued liabilities	7,699	117,728	—	—	20,829(k)	—	146,256
Deferred revenue	—	26,748	—	(2,941)(g)	—	7,585(m)	31,392
Current portion of debt	—	823,166	—	—	—	—	823,166
Indemnification obligation	—	309,541	—	—	—	—	309,541
Other current liabilities	8,640	84,161	—	—	—	(7,585)(m)	85,216
Total current liabilities	16,339	1,361,344	—	(2,941)	20,829	—	1,395,571
Long-term debt	1,318,664	2,599,521	—	29,446(h)	—	—	3,947,631
Obligations under finance leases and tower obligations, excluding current portion							
Long-term deferred revenue	—	93,742	—	—	—	—	93,742
Deferred income tax liabilities	—	48,724	—	(18,024)(g)	—	1,020(m)	31,720
Deferred income tax liabilities	1,036,672	1,865,998	(998,448)(a)	333,231(i)	88,072(l)	—	2,325,525
Preferred stock	—	178,066	(178,066)(b)	204,155(j)	—	—	204,155
Derivative instrument	—	63,456	—	—	—	—	63,456
Other liabilities	2,764	116,301	—	—	—	(1,020)(m)	118,045
Total liabilities	\$ 2,374,439	6,327,152	(1,176,514)	545,867	108,901	—	8,179,845
Equity							
Preferred stock	—	—	—	—	—	—	—
Series A common stock	265	1,014	—	(1,014)	—	—	265
Series B common stock	25	45	—	(45)	—	—	25
Series C common stock	1,510	—	(427)(a)	614	—	—	1,697
Additional paid-in capital	7,587,627	3,231,926	(4,921,014)(a)(b)	4,759,203	—	—	10,657,742
Accumulated other comprehensive earnings, net of taxes							
Retained earnings	(3,394)	8,148	—	(8,148)	—	—	(3,394)
Retained earnings	2,901,217	3,782,834	—	(3,782,834)	(108,901)	—	2,792,316
Total stockholders equity	10,487,250	7,023,967	(4,921,441)	967,776	(108,901)	—	13,448,651
Non-controlling interests	—	8,723	—	—	—	—	8,723
Total equity	10,487,250	7,032,690	(4,921,441)	967,776	(108,901)	—	13,457,374
Commitments and contingencies							
Total liabilities and equity	\$ 12,861,689	13,359,842	(6,097,955)	1,513,643	—	—	21,637,219

See accompanying notes to unaudited pro forma condensed combined financial information

Broadband shareholders per common share					
Shares used in computing basic earnings per share					
Liberty Broadband	181,765	—	18,726(w)	—	200,491
Shares used in computing diluted earnings per share					
Liberty Broadband	182,718	—	19,188(w)	—	201,906(w)

See accompanying notes to unaudited pro forma condensed combined financial information

Liberty Broadband Corporation
Pro Forma Condensed Combined Statement of Operations
For the year ended December 31, 2019
(unaudited)

	Historical Liberty Broadband Corporation, as reported	Historical GCI Liberty, as reported	Remove Liberty Broadband Investment	Remove Historical Accounting for LendingTree and Charter amounts in thousands	Tax Adjustment to Historical Financials	Change to Liberty Broadband Accounting Policies	Pro Forma Adjustments for the Liberty Broadband Business Combination	Pro Forma
Revenue:								
Software sales	\$ 14,859	—	—	—	—	—	—	14,859
Service	—	894,733	—	—	—	—	(2,941)(r)	891,792
Total revenue	14,859	894,733	—	—	—	—	(2,941)	906,651
Operating costs and expenses								
Operating, including stock-based compensation	9,450	285,331	—	—	—	—	—	294,781
Selling, general and administrative, including stock-based compensation	32,811	399,286	—	—	—	—	(177)(s)	431,920
Depreciation and amortization	1,875	266,333	—	—	—	—	24,665(t)	292,873
Impairment of intangibles and long-lived assets	—	167,062	—	—	—	—	—	167,062
Insurance proceeds and restructuring, net	—	(5,758)	—	—	—	—	—	(5,758)
	44,136	1,112,254	—	—	—	—	24,488	1,180,878
Operating income (loss)	(29,277)	(217,521)	—	—	—	—	(27,429)	(274,227)
Other income (expense):								
Interest expense	(25,166)	(153,803)	—	—	—	—	10,398(u)	(168,571)
Share of earnings (losses) of affiliates	286,401	(2,629)	—	1,557(o)	—	42,566(q)	—	327,895
Gain (loss) on dilution of investment in affiliate	(79,329)	—	—	—	—	—	—	(79,329)
Realized and unrealized gains (losses) on financial instruments, net	1,170	3,002,400	(2,292,869)(n)	(1,072,270)(o)	—	288,847(q)	—	(72,722)
Tax sharing agreement	—	26,646	—	—	—	—	—	26,646
Other, net	1,359	13,172	—	6,001(o)	—	—	—	20,532
Net earnings (loss) before income taxes	155,158	2,668,265	(2,292,869)	(1,064,712)	—	331,413	(17,031)	(219,776)
Income tax benefit (expense)	(37,942)	(730,023)	619,075(n)	287,472(o)	(106,670)(p)	(87,824)(q)	4,899(r)(t)(u)	(51,013)
Net earnings (loss)	117,216	1,938,242	(1,673,794)	(777,240)	(106,670)	243,589	(12,132)	(270,789)
Less net earnings (loss) attributable to the non-controlling interests	—	(456)	—	—	—	—	—	(456)
Net earnings (loss) attributable to shareholders	\$ 117,216	1,938,698	(1,673,794)	(777,240)	(106,670)	243,589	(12,132)	(270,333)
Basic net earnings (loss) attributable to Series A, Series B and Series C Liberty Broadband shareholders per common share	\$ 0.65							(1.35)
Diluted net earnings (loss) attributable to Series A, Series B and Series C Liberty Broadband shareholders per common share	\$ 0.64							(1.35)(w)
Shares used in computing earnings per share Liberty	181,531						18,726(w)	200,257

Broadband			
Shares used in computing diluted earnings per share			
Liberty Broadband	182,784	19,010(w)	201,794(w)

See accompanying notes to unaudited pro forma condensed combined financial information

Liberty Broadband Corporation

Notes to Unaudited Pro Forma Condensed Combined Financial Information

(1) Basis of Pro Forma Presentation

The unaudited pro forma condensed combined balance sheet as of September 30, 2020 and the unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2020 and for the year ended December 31, 2019 are based on (i) the historical unaudited condensed consolidated financial statements of Liberty Broadband Corporation (“Liberty Broadband”) as of and for the nine month period ended September 30, 2020 contained in Liberty Broadband’s Quarterly Report on Form 10-Q filed with the SEC on November 4, 2020; (ii) the historical audited consolidated financial statements of Liberty Broadband as of and for the year ended December 31, 2019 contained in Liberty Broadband’s Annual Report on Form 10-K filed with the SEC on February 3, 2020; (iii) the historical unaudited condensed consolidated financial statements of GCI Liberty, Inc. (“GCI Liberty”) as of and for the nine month period ended September 30, 2020 contained in GCI Liberty’s Quarterly Report on Form 10-Q filed with the SEC on November 5, 2020; (iv) the historical audited consolidated financial statements of GCI Liberty as of and for the year ended December 31, 2019 contained in GCI Liberty’s Annual Report on Form 10-K filed with the SEC on February 27, 2020; and (v) other adjustments as detailed in note 3.

GCI Liberty’s historical financial information is adjusted in the unaudited condensed combined pro forma financial statements to give effect to unaudited pro forma adjustments that are (i) directly attributable to the business combination, (ii) factually supportable, and (iii) with respect to the unaudited pro forma statements of operations, expected to have a continuing impact on the combined results.

The unaudited pro forma condensed combined financial statements are presented solely for informational purposes and are not necessarily indicative of the combined results of operations or financial position that might have been achieved for the periods or dates indicated, nor is it necessarily indicative of the future results of the combined company.

Certain reclassifications were made to conform the presentation of Liberty Broadband and GCI Liberty’s historical financial statements.

(2) Estimated Consideration and Pro Forma Purchase Price Allocation

As required by acquisition accounting, an estimate of such consideration has been made at estimated fair value, which is further described in the table below. The final acquisition consideration may differ significantly from the amount determined as of December 18, 2020.

The following is the pro forma purchase consideration as of December 18, 2020 (amounts in thousands):

Fair value of newly issued Liberty Broadband Series C and B common stock ¹	\$ 9,695,184
Fair value of newly issued Liberty Broadband preferred shares ²	204,155
Fair value of share-based payment replacement awards ³	113,727
Total fair value of consideration	10,013,066
Less: Fair value of Liberty Broadband shares attributable to share repurchase ⁴	(6,738,609)
Total fair value of consideration attributable to business combination	3,274,457
Less: Fair value of newly issued Liberty Broadband preferred shares	(204,155)
Total fair value of acquisition consideration to be allocated	<u>\$ 3,070,302</u>

(1) The fair value of newly issued Series C and B Liberty Broadband common stock was calculated by multiplying (i) the outstanding GCI Liberty Series A and B common stock as of December 18, 2020, (ii) the Exchange Ratio, and (iii) the share price of Liberty Broadband Series C and B common stock on December 18, 2020.

(2) The fair value of the newly issued Liberty Broadband preferred shares was calculated by multiplying (i) the outstanding shares of GCI Liberty Preferred Stock as of December 18, 2020, and (ii) the share price of GCI Liberty Preferred Stock on December 18, 2020. Since the Liberty Broadband preferred stock is not currently outstanding and the terms of the “to-be issued” Liberty Broadband preferred stock will mirror those of the GCI Liberty Preferred Stock, we believe this is the best estimate of fair value.

(3) This amount represents the fair value of share-based payment replacement awards.

(4) This amount was calculated by multiplying (i) the number of Liberty Broadband Series C common stock owned by GCI Liberty as of December 18, 2020 and (ii) the share price of Liberty Broadband Series C common stock on December 18, 2020.

The following is a pro forma purchase price allocation as if the combination had occurred on September 30, 2020 (amounts in thousands):

Current assets	\$ 897,884
Investments	4,408,532
Property and equipment	1,154,206
Goodwill	988,251
Indefinite lived intangible assets	482,198
Definite lived intangible assets	563,369
Long term assets	281,090
Current liabilities	(1,358,403)
Long-term debt	(2,628,967)
Deferred tax liabilities, net	(1,200,781)
Other long term liabilities	(508,354)
Non-controlling interest	(8,723)
	<u>\$ 3,070,302</u>

The final determination of the allocation of the purchase price will be based on the fair value of such assets and liabilities as of the business combination date and may change significantly from the amounts determined in the pro forma purchase price allocation.

(3) Pro Forma Adjustments

The unaudited pro forma adjustments related to the combination included in the unaudited pro forma condensed combined financial statements are as follows:

(a) Eliminate GCI Liberty's investment in Liberty Broadband

As of September 30, 2020, GCI Liberty's investment in Liberty Broadband had a fair value of approximately \$6.1 billion, and was eliminated along with the related deferred tax liability through additional paid in capital in the condensed combined pro forma balance sheet, as the acquisition of Liberty Broadband shares held by GCI Liberty is accounted for as a share repurchase.

(b) Eliminate the preferred stock

This adjustment represents the elimination of the historical preferred stock at GCI Liberty through additional paid in capital, as a result of the replacement Liberty Broadband Series A preferred stock that will be issued as part of the Combination.

(c) *Investment in affiliates, accounted for using the equity method*

	September 30, 2020
	amounts in thousands
To eliminate the historical net book value of GCI Liberty's Investment in affiliates, accounted for using the equity method	\$ (157,484)
To record pro forma estimated fair value of Investment in affiliates, accounted for using the equity method	1,057,783
Total adjustment to Investment in affiliates, accounted for using the equity method	<u>\$ 900,299</u>

The pro forma fair value of GCI Liberty's investment in affiliates, accounted for using the equity method was estimated based on the fair value of publicly traded shares as of September 30, 2020. We believe such allocation is a reasonable estimate of fair value. Subsequent to September 30, 2020, GCI Liberty sold its investment in LendingTree for reasons unrelated to the Combination.

(d) *Property and equipment, net*

	September 30, 2020
	amounts in thousands
To eliminate the historical net book value of GCI Liberty's Property and equipment	\$ (1,045,585)
To record pro forma estimated fair value of Property and equipment	1,154,206
Total adjustment to Property and equipment	<u>\$ 108,621</u>

The pro forma fair value of GCI Liberty's property and equipment was estimated based on the percentage of similar assets allocated as part of business combinations within the industry. We believe such allocation is a reasonable estimate of fair value. The final allocation will be determined by independent appraisal and could be materially different.

(e) *Intangible assets not subject to amortization*

Goodwill

	September 30, 2020
	amounts in thousands
To eliminate the historical Goodwill of GCI Liberty	\$ (830,268)
To record pro forma Goodwill for the purchase consideration in excess of the estimated fair value of net assets acquired in connection with the combination	988,251
Total adjustment to Goodwill	<u>\$ 157,983</u>

Other

	September 30, 2020
	amounts in thousands
To eliminate the historical net book value of GCI Liberty's Other intangible assets not subject to amortization	\$ (342,500)
To record pro forma estimated fair value of Other intangible assets not subject to amortization	482,198
Total adjustment to Other intangible assets not subject to amortization	<u>\$ 139,698</u>

Other intangible assets not subject to amortization is comprised primarily of cable certificates. The pro forma fair value of GCI Liberty's cable certificates was estimated based on the percentage of similar assets allocated as part of our recent business combination and an understanding of others within the industry. We believe such allocation is a reasonable estimate of fair value. The final allocation will be determined by independent appraisal and could be materially different.

(f) *Intangible assets subject to amortization, net*

	September 30, 2020
	amounts in thousands
To eliminate the historical net book value of GCI Liberty's Intangible assets subject to amortization, net	\$ (356,327)
To record pro forma estimated fair value of Intangible assets subject to amortization, net	563,369
Total adjustment to Intangible assets subject to amortization, net	\$ 207,042

Intangible assets subject to amortization, net is comprised of customer relationships, software license fees, and rights to use agreements. The pro forma fair value of GCI Liberty's Intangible assets subject to amortization, net was estimated based on the percentage of similar assets allocated as part of our recent business combination and an understanding of others within the industry. We believe such allocation is a reasonable estimate of fair value. The final allocation will be determined by independent appraisal and could be materially different.

(g) *Deferred revenue*

GCI Liberty defers a portion of its revenue related to fiber capacity indefeasible right to use agreements, grants, roaming contracts and any prepayments received from its customers. The adjustment was calculated based on GCI Liberty management's understanding of these arrangements and based on previous acquisition transactions of GCI Liberty with similar arrangements.

(h) *Long-term debt*

GCI Liberty's debt was adjusted to its estimated fair value as of September 30, 2020. The amount was estimated based on the fair value disclosed in the GCI Liberty financial statements included on Form 10-Q as of September 30, 2020. This estimate of the fair value will change between September 30, 2020 and the time that the Combination closes due to market changes, and such changes may be material. Subsequent to September 30, 2020, GCI Liberty had several changes to its long-term debt that are not reflected in the pro forma condensed combined financial statements, as follows:

- i. On October 15, 2020, GCI, LLC, a wholly owned subsidiary of GCI Liberty, amended its revolving credit facility ("Senior Credit Facility") to, among other things, extend the maturity dates of the borrowings and commitments under the revolving credit facility and the \$240.7 million term loan ("Term Loan B") and increase the aggregate principal amount of the Term Loan B to \$400.0 million (the "Amended Credit Facilities"). The Amended Credit Facilities include a \$550 million revolving credit facility, with a \$25 million sub-limit for standby letters of credit, and a \$400 million Term Loan B.
 - ii. On October 7, 2020, GCI, LLC issued \$600.0 million of 4.750% senior notes due 2028 (the "2028 Notes"). The 2028 Notes are unsecured and the net proceeds of the offering, together with cash on hand and net proceeds from incremental borrowings under the Senior Credit Facility, were used to fund the redemption of all \$450 million aggregate outstanding principal amount of the 6.875% Senior Notes due 2025 and the redemption of all \$325 million aggregate outstanding principal amount of the 6.625% Senior Notes due 2024 on October 14, 2020 and October 23, 2020, respectively.
 - iii. On November 19, 2020, GCI Liberty repurchased approximately \$462.7 million principal amount of its 1.75% Exchangeable Senior Debentures due 2046 (the "Debentures"), leaving approximately \$14.6 million of the Debentures outstanding.
-

(i) Deferred income tax liabilities

The adjustment to deferred income taxes was calculated by applying Liberty Broadband and GCI Liberty's estimated combined effective tax rate of 26.5% to the historical GCI Liberty deferred tax amounts and to the taxable pro forma adjustments, such as investments in affiliates accounted for using the equity method, property and equipment, intangible assets not subject to amortization, intangible assets subject to amortization, net, deferred revenue and debt.

(j) Preferred stock

This adjustment represents the estimated fair value of the "to-be issued" Liberty Broadband preferred stock. The estimated fair value was determined using the publicly traded share price of the GCI Liberty preferred stock as of December 18, 2020 because Liberty Broadband will issue preferred stock with mirror terms to that of the GCI Liberty preferred stock. The final fair value could be different.

(k) Accounts payable and accrued liabilities

This adjustment represents the expected transaction costs related to the Combination that have not yet been incurred, but are expected to be non-recurring, direct, and incremental costs due to the Combination.

(l) Deferred income tax liabilities

The other adjustment to deferred income taxes was due to additional deferred tax liabilities expected to be recognized by Liberty Broadband as a result of an expected change to an estimated combined effective rate of 26.5%, which is an increase as compared to the historical Liberty Broadband effective rate used.

(m) Presentation Reclassifications

The presentation reclassifications are to change GCI Liberty's presentation of its investment in Charter Communications, Inc. ("Charter") to the equity method of accounting to conform to Liberty Broadband's presentation, and to break-out certain assets and liabilities that were historically included in other assets and other liabilities for Liberty Broadband, but that will be broken out going forward due to more material balances in those line items for GCI Liberty.

(n) Adjustment to remove GCI Liberty's investment in Liberty Broadband

Historically, GCI Liberty has accounted for its investment in Liberty Broadband as an equity method investment for which it elected to account for under the fair value option. Since the Combination will partially result in Liberty Broadband repurchasing its own common shares, this adjustment relates to the removal of GCI Liberty's historical accounting treatment of its investment in Liberty Broadband, and the related income tax impacts at GCI Liberty's historical effective tax rate.

(o) Removal of historical accounting for LendingTree and Charter

Historically, GCI Liberty accounted for its investment in Charter at fair value and its investment in LendingTree, Inc. ("LendingTree") as an equity method investment, and Liberty Broadband accounted for its investment in Charter as an equity method investment. Upon consummation of the Combination, Liberty Broadband expects to account for the combined investment in Charter under the equity method of accounting and as of September 30, 2020 expected to account for its investment in LendingTree as an equity method investment accounted for at fair value. Accordingly, GCI Liberty's historical accounting treatment for LendingTree and Charter has been removed. The related income tax impacts are reflected at GCI Liberty's historical effective tax rate. Subsequent to September 30, 2020, GCI Liberty sold its investment in LendingTree for reasons unrelated to the Combination.

(p) Income tax benefit (expense)

The adjustment to income tax benefit (expense) was due to the anticipated change in the estimated combined effective rate to 26.5%. The adjustment reflects the impact of the newly estimated combined effective tax rate on both the historical Liberty Broadband and GCI Liberty results.

(q) Change in accounting method

These adjustments are to record the impact to share of earnings of changing GCI Liberty's investment in Charter to the equity method of accounting due to Liberty Broadband's ability to exercise significant influence over Charter, and to record the unrealized gain (loss) on the investment in LendingTree that as of September 30, 2020 was expected to be accounted for as an equity method investment at fair value, as discussed above. The related income tax impacts are reflected at the estimated combined effective tax rate. As noted above, subsequent to September 30, 2020 GCI Liberty sold its investment in LendingTree.

(r) Revenue

The adjustment represents the reduction in revenue caused by the reduction in deferred revenue as further described in note (g) above. Such adjustment also factors in the time period over which revenue will be reduced and was determined by using the weighted average remaining time period over which deferred revenue is expected to be recognized in the condensed combined statement of operations. The related income tax impacts are reflected at the estimated combined effective tax rate.

(s) Selling, general and administrative, including stock-based compensation

Liberty Broadband is obligated to replace GCI Liberty's outstanding share-based payment awards as a result of the Combination. A portion of the fair value of the replacement share-based payment awards will be recognized as share-based payment compensation expense in the post-combination statement of operations. This adjustment reflects the estimated impact of the replacement share-based payment awards.

(t) Depreciation and amortization

The adjustment includes incremental depreciation for the fair value adjustment to property and equipment based on an estimated useful life of 10 years. The adjustment includes incremental amortization of pro forma definite lived intangible assets using the estimated weighted average useful life for GCI Liberty's definite lived intangible assets, 15 years. The actual impact of incremental depreciation and amortization may be materially different. The related income tax impacts are reflected at the estimated combined effective tax rate.

(u) Interest expense

The adjustment relates to amortization of (i) the premium associated with GCI Liberty's debt instruments that will be recorded at fair value upon consummation of the Combination and (ii) the premium associated with the Liberty Broadband preferred stock that is represented by the excess of the fair value over the liquidation preference. The related income tax impacts are reflected at the estimated combined effective tax rate related to the premium associated with GCI Liberty's debt instruments.

(v) Selling, general and administrative, including stock-based compensation

In connection with the Combination, Liberty Broadband and GCI Liberty incurred approximately \$22.7 million for financial advisory and legal services through September 30, 2020. As these fees are non-recurring, direct, incremental costs of the Combination, an adjustment has been made to exclude these costs in the unaudited pro forma condensed combined consolidated statement of operations for the corresponding period.

(w) Shares used in computing earnings per share

Under the terms of the merger agreement each holder of Series A and B common stock of GCI Liberty will receive 0.58 of a share of Series C common stock and Series B common stock, respectively, of Liberty Broadband, which based on the number of shares outstanding at GCI Liberty as of December 18, 2020, is calculated as 61.4 million shares. The shares of Liberty Broadband that GCI Liberty owned as of December 18, 2020 will be retired to additional paid in capital, and therefore 42.7 million shares were subtracted from the 61.4 million of newly issued shares. The shares used in computed basic earnings per share were adjusted by 18.7 million shares, which represents the net number of shares to be issued by Liberty Broadband as part of the Combination. Shares used in computing diluted earnings per share were further adjusted by multiplying (i) the potentially dilutive securities of GCI Liberty as of September 30, 2020 and December 31, 2019, and (ii) the Exchange Ratio, which resulted in adjustments of 462 thousand shares and 284 thousand shares for the periods ended September 30, 2020 and December 31, 2019, respectively. However, the calculation of diluted net earnings (loss) attributable to Series A, Series B and Series C Liberty Broadband shareholders per common share is calculated using the shares used in computing basic earnings per share due to the pro forma net loss position as of September 30, 2020 and December 31, 2019.
