

holders of Liberty Media Group Common Stock (except with respect to cash received by such holders in lieu of fractional shares). Any such redemption shall occur on a Redemption Date set forth in a notice to holders of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock and Convertible Securities convertible into or exercisable or exchangeable for shares of either such series (unless provision for notice is otherwise made pursuant to the terms of such Convertible Securities) pursuant to paragraph 5(d)(v) of this Part B of this Article Third. In effecting such a redemption, the corporation shall (i) if and to the extent practicable, redeem shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock in exchange for shares of separate classes or series of common stock of each Liberty Media Group Subsidiary with relative voting rights and related differences in designation, conversion, redemption and share distribution provisions not greater than the corresponding differences in voting rights, designation, conversion, redemption and share distribution provisions between the Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock, with holders of shares of Class B Liberty Media Group Common Stock receiving the class or series having the higher relative voting rights, and (ii) to the extent redemption in accordance with clause (i) above is not practicable, redeem shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock in exchange for shares of a single class of common stock of each Liberty Media Group Subsidiary without distinction between the shares distributed to the holders of the Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock.

**(b) Mandatory Dividend or Redemption in Case of Disposition of Liberty Media Group Assets.** In the event of the Disposition, in one transaction or a series of related transactions, by the corporation and its subsidiaries of all or substantially all of the properties and assets of the Liberty Media Group to one or more Persons or groups (other than (w) in connection with the Disposition by the corporation of all of the corporation's properties and assets in one transaction or a series of related transactions in connection with the liquidation, dissolution or winding up of the corporation within the meaning of paragraph 6 of this Part B of this Article Third, (x) a dividend, other distribution or redemption in accordance with any provision of paragraph 3, paragraph 4, paragraph 5(a) or paragraph 6 of this Part B of this Article Third, (y) to any Person or group which the Liberty Media Group, directly or indirectly, after giving effect to the Disposition, controls and which is included in the Liberty Media Group or (z) in connection with a Related Business Transaction), the corporation shall, on or prior to the 85th Trading Day following the consummation of such Disposition, either:

(i) subject to paragraph 3(b) of this Part B of this Article Third, declare and pay a dividend in cash and/or in securities or other property (determined as provided below) to the holders of the outstanding shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock equally on a share for share basis (subject to the last sentence of this paragraph 5(b) of this Part B of this Article Third), in an aggregate amount equal to the Liberty Media Group Net Proceeds of such Disposition (provided that if such Disposition involves all (not merely substantially all) of the properties and assets of the Liberty Media Group, then the aggregate amount of such dividend shall equal the product of the Liberty Media Group Full Dilution Fraction and the Liberty Media Group Net Proceeds of such Disposition and the difference between the aggregate amount of such dividend and such Liberty Media Group Net Proceeds shall be reserved by the corporation for payment or delivery to holders of Pre-Merger Convertible Securities on conversion, exercise or exchange thereof); or

(ii) provided that there are assets of the corporation legally available therefor and to the extent the Liberty Media Group Available Dividend Amount would have been sufficient to pay a dividend in lieu thereof pursuant to clause (i) of this paragraph 5(b) of this Part B of this Article Third, then:

(A) if such Disposition involves all (not merely substantially all) of the properties and assets of the Liberty Media Group, redeem all outstanding shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock in exchange for cash and/or securities or other property (determined as provided below) in an aggregate amount equal to the product of the Liberty Media Group Full Dilution Fraction and the Liberty Media Group Net Proceeds, such aggregate amount to be allocated (subject to the last sentence of this paragraph 5(b) of this Part B of this Article Third) to shares of Class A Liberty Media Group Common Stock and Class B Liberty

Media Group Common Stock in the ratio of the number of shares of each such series outstanding (so that the amount of consideration paid for the redemption of each share of Class A Liberty Media Group Common Stock and each share of Class B Liberty Media Group Common Stock is the same); or

(B) if such Disposition involves substantially all (but not all) of the properties and assets of the Liberty Media Group, apply an aggregate amount of cash and/or securities or other property (determined as provided below) equal to the Liberty Media Group Net Proceeds to the redemption of outstanding shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock, such aggregate amount to be allocated (subject to the last sentence of this paragraph 5(b) of this Part B of this Article Third) to shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock in the ratio of the number of shares of each such series outstanding, and the number of shares of each such series to be redeemed to equal the lesser of (x) the whole number nearest the number determined by dividing the aggregate amount so allocated to the redemption of such series by the average Market Value of one share of Class A Liberty Media Group Common Stock during the ten-Trading Day period beginning on the 16th Trading Day following the consummation of such Disposition and (y) the number of shares of such series outstanding (so that the amount of consideration paid for the redemption of each share of Class A Liberty Media Group Common Stock and each share of Class B Liberty Media Group Common Stock is the same);

such redemption to be effected in accordance with the applicable provisions of paragraph 5(d) of this Part B of this Article Third;

For purposes of this paragraph 5(b):

(x) as of any date, “substantially all of the properties and assets of the Liberty Media Group” shall mean a portion of such properties and assets that represents at least 80% of the then-current market value (as determined by the Board of Directors) of the properties and assets of the Liberty Media Group as of such date;

(y) in the case of a Disposition of properties and assets in a series of related transactions, such Disposition shall not be deemed to have been consummated until the consummation of the last of such transactions; and

(z) the corporation shall pay the dividend or redemption price referred to in clause (i) or (ii) of this paragraph 5(b) of this Part B of this Article Third in the same form as the proceeds of the Disposition were received. If the dividend or redemption price is paid in the form of securities of an issuer other than the corporation, the corporation shall (1) if more than one class or series of securities is to be distributed, if and to the extent practicable, pay the dividend or redemption price in the form of separate classes or series of securities, with one class or series of such securities to holders of Class A Liberty Media Group Common Stock and another class or series of securities to holders of Class B Liberty Media Group Common Stock, provided that such securities (and, if such securities are convertible into or exercisable or exchangeable for shares of another class or series of securities, the securities so issuable upon such conversion, exercise or exchange) do not differ in any respect other than their relative voting rights and related differences in designation, conversion, redemption and share distribution provisions, with holders of shares of Class B Liberty Media Group Common Stock receiving the class or series having the higher relative voting rights (without regard to whether such rights differ to a greater or lesser extent than the corresponding differences in voting rights, designation, conversion, redemption and share distribution provisions between the Class A Liberty Media Group Common Stock and the Class B Liberty Media Group Common Stock), provided that if such securities constitute capital stock of a Subsidiary of the corporation, such rights shall not differ to a greater extent than the corresponding differences in voting rights, designation, conversion, redemption and share distribution provisions between the Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock, and otherwise such securities shall be distributed on an equal per share basis, and (2) otherwise pay the dividend or

redemption price in the form of a single class of securities without distinction between the shares received by the holders of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock.

(c) **Certain Provisions Respecting Convertible Securities.** Unless the provisions of any class or series of Pre-Merger Convertible Securities provide specifically to the contrary, after any Redemption Date on which all outstanding shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock were redeemed, any share of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock that is issued on conversion, exercise or exchange of any Pre-Merger Convertible Securities shall, immediately upon issuance pursuant to such conversion, exercise or exchange and without any notice or any other action on the part of the corporation or its Board of Directors or the holder of such share of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock, be redeemed in exchange for the kind and amount of shares of capital stock, cash and/or other securities or property that a holder of such Pre-Merger Convertible Securities would have been entitled to receive pursuant to the terms of such securities had such terms provided that the conversion, exercise or exchange privilege in effect immediately prior to any such redemption of all outstanding shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock would be adjusted so that the holder of any such Pre-Merger Convertible Securities thereafter surrendered for conversion, exercise or exchange would be entitled to receive the kind and amount of shares of capital stock, cash and/or other securities or property such holder would have received as a result of such redemption had such securities been converted, exercised or exchanged immediately prior thereto. Unless the provisions of any class or series of Convertible Securities (other than Pre-Merger Convertible Securities) which are or become convertible into or exercisable or exchangeable for shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock provide specifically to the contrary, after any Redemption Date on which all outstanding shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock were redeemed, any share of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock that is issued on conversion, exercise or exchange of any such Convertible Securities shall, immediately upon issuance pursuant to such conversion, exercise or exchange and without any notice or any other action on the part of the corporation or its Board of Directors or the holder of such share of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock, be redeemed in exchange for, to the extent assets of the corporation are legally available therefor, the amount of \$.01 per share in cash.

(d) **General.**

(i) Not later than the 10th Trading Day following the consummation of a Disposition referred to in paragraph 5(b) of this Part B of this Article Third, the corporation shall announce publicly by press release (A) the Liberty Media Group Net Proceeds of such Disposition, (B) the number of outstanding shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock, (C) the number of shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock into or for which Convertible Securities are then convertible, exercisable or exchangeable and the conversion, exercise or exchange prices thereof (and stating which, if any, of such Convertible Securities constitute Pre-Merger Convertible Securities), and (D) if the Disposition is of all (not merely substantially all) of the properties and assets of the Liberty Media Group, the Liberty Media Group Full Dilution Fraction as of a recent date preceding the date of such notice. Not earlier than the 26th Trading Day and not later than the 30th Trading Day following the consummation of such Disposition, the corporation shall announce publicly by press release which of the actions specified in clauses (i) or (ii) of paragraph 5(b) of this Part B of this Article Third it has irrevocably determined to take.

(ii) If the corporation determines to pay a dividend pursuant to clause (i) of paragraph 5(b) of this Part B of this Article Third, the corporation shall, not later than the 30th Trading Day following the consummation of such Disposition, cause to be given to each holder of outstanding shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock, and to each holder of Convertible Securities convertible into or exercisable or exchangeable for shares of either such

series (unless provision for notice is otherwise made pursuant to the terms of such Convertible Securities), a notice setting forth (A) the record date for determining holders entitled to receive such dividend, which shall be not earlier than the 40th Trading Day and not later than the 50th Trading Day following the consummation of such Disposition, (B) the anticipated payment date of such dividend (which shall not be more than 85 Trading Days following the consummation of such Disposition), (C) the kind of shares of capital stock, cash and/or other securities or property to be distributed in respect of shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock, (D) the Liberty Media Group Net Proceeds of such Disposition, (E) if the Disposition is of all (not merely substantially all) the properties and assets of the Liberty Media Group, the Liberty Media Group Full Dilution Fraction as of a recent date preceding the date of such notice, (F) the number of outstanding shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock and the number of shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock into or for which outstanding Convertible Securities are then convertible, exercisable or exchangeable and the conversion, exercise or exchange prices thereof, (G) in the case of a notice to holders of Convertible Securities (other than Pre-Merger Convertible Securities, in the case of a Disposition of all (not merely substantially all) the properties and assets of the Liberty Media Group), a statement to the effect that holders of such Convertible Securities shall be entitled to receive such dividend only if they appropriately convert, exercise or exchange such Convertible Securities prior to the record date referred to in clause (A) of this sentence, and (H) if the Disposition is of all (not merely substantially all) the properties and assets of the Liberty Media Group, in the case of a notice to holders of Pre-Merger Convertible Securities, a statement to the effect that the holders of such Pre-Merger Convertible Securities shall be entitled to receive such dividend (without interest) upon conversion, exercise or exchange of such Pre-Merger Convertible Securities. Such notice shall be sent by first-class mail, postage prepaid, at such holder's address as the same appears on the transfer books of the corporation.

(iii) If the corporation determines to undertake a redemption of shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock following a Disposition of all (not merely substantially all) of the properties and assets of the Liberty Media Group pursuant to clause (ii) (A) of paragraph 5(b) of this Part B of this Article Third, the corporation shall cause to be given to each holder of outstanding shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock and to each holder of Convertible Securities convertible into or exercisable or exchangeable for shares of either such series (unless provision for notice is otherwise made pursuant to the terms of such Convertible Securities), a notice setting forth (A) a statement that all shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock outstanding on the Redemption Date shall be redeemed, (B) the Redemption Date (which shall not be more than 85 Trading Days following the consummation of such Disposition), (C) the kind of shares of capital stock, cash and/or other securities or property to be paid as a redemption price in respect of shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock outstanding on the Redemption Date, (D) the Liberty Media Group Net Proceeds of such Disposition, (E) the Liberty Media Group Full Dilution Fraction as of a recent date preceding the date of such notice, (F) the place or places where certificates for shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock, properly endorsed or assigned for transfer (unless the corporation waives such requirement), are to be surrendered for delivery of certificates for shares of such capital stock, cash and/or other securities or property, (G) the number of outstanding shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock and the number of shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock into or for which outstanding Convertible Securities are then convertible, exercisable or exchangeable and the conversion, exercise or exchange prices thereof (and stating which, if any, of such Convertible Securities constitute Pre-Merger Convertible Securities), and (H) in the case of a notice to holders of Convertible Securities (other than Pre-Merger Convertible Securities), a statement to the effect that holders of such Convertible Securities shall be entitled to participate in such redemption only if such holders appropriately convert, exercise or exchange such Convertible Securities on or prior to the Redemption Date referred to in clause

(B) of this sentence and a statement as to what, if anything, such holders shall be entitled to receive pursuant to the terms of such Convertible Securities or, if applicable, paragraph 5(c) of this Part B of this Article Third if such holders convert, exercise or exchange such Convertible Securities following such Redemption Date. Such notice shall be sent by first-class mail, postage prepaid, not less than 35 Trading Days nor more than 45 Trading Days prior to the Redemption Date, at such holder's address as the same appears on the transfer books of the corporation.

(iv) If the corporation determines to undertake a redemption of shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock following a Disposition of substantially all (but not all) of the properties and assets of the Liberty Media Group pursuant to clause (ii)(B) of paragraph 5(b) of Part B of this Article Third, the corporation shall, not later than the 30th Trading Day following the consummation of such Disposition, cause to be given to each holder of record of outstanding shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock, and to each holder of Convertible Securities convertible into or exercisable or exchangeable for shares of either such series (unless provision for notice is otherwise made pursuant to the terms of such Convertible Securities), a notice setting forth (A) a date not earlier than the 40th Trading Day and not later than the 50th Trading Day following the consummation of such Disposition which shall be the date on which shares of the Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock then outstanding shall be selected for redemption, (B) the anticipated Redemption Date (which shall not be more than 85 Trading Days following the consummation of such Disposition), (C) the kind of shares of capital stock, cash and/or other securities or property to be paid as a redemption price in respect of shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock selected for redemption, (D) the Liberty Media Group Net Proceeds of such Disposition, (E) the number of outstanding shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock and the number of shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock into or for which outstanding Convertible Securities are then convertible, exercisable or exchangeable and the conversion or exercise prices thereof, and (F) in the case of a notice to holders of Convertible Securities, a statement to the effect that holders of such Convertible Securities shall be entitled to participate in such selection for redemption only if such holders appropriately convert, exercise or exchange such Convertible Securities on or prior to the date referred to in clause (A) of this sentence and a statement as to what, if anything, such holders shall be entitled to receive pursuant to the terms of such Convertible Securities if such holders convert, exercise or exchange such Convertible Securities following such date. Promptly following the date referred to in clause (A) of the preceding sentence, but not earlier than the 40th Trading Day and not later than the 50th Trading Day following the consummation of such Disposition, the corporation shall cause to be given to each holder of shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock to be so redeemed, a notice setting forth (A) the number of shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock held by such holder to be redeemed, (B) a statement that such shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock shall be redeemed, (C) the Redemption Date (which shall not be more than 85 Trading Days following the consummation of such Disposition), (D) the kind and per share amount of shares of capital stock, cash and/or other securities or property to be received by such holder with respect to each share of such Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock to be redeemed, including details as to the calculation thereof, and (E) the place or places where certificates for shares of such Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock, properly endorsed or assigned for transfer (unless the corporation waives such requirement), are to be surrendered for delivery of certificates for shares of such capital stock, cash and/or other securities or property. The notices referred to in this clause (iv) shall be sent by first-class mail, postage prepaid, at such holder's address as the same appears on the transfer books of the corporation. The outstanding shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock to be redeemed shall be redeemed by the corporation pro rata among the holders of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock or by such other method as may be determined by the Board of Directors to be equitable.

(v) If the corporation determines to redeem shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock pursuant to paragraph 5(a) of this Part B of this Article Third, the corporation shall promptly cause to be given to each holder of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock and to each holder of Convertible Securities convertible into or exercisable or exchangeable for shares of either such series (unless provision for such notice is otherwise made pursuant to the terms of such Convertible Securities), a notice setting forth (A) a statement that all outstanding shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock shall be redeemed in exchange for shares of common stock of the Liberty Media Group Subsidiaries, (B) the Redemption Date, (C) the place or places where certificates for shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock, properly endorsed or assigned for transfer (unless the corporation shall waive such requirement), are to be surrendered for delivery of certificates for shares of common stock of the Liberty Media Group Subsidiaries, (D) the number of outstanding shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock and the number of shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock into or for which outstanding Convertible Securities are then convertible, exercisable or exchangeable and the conversion, exercise or exchange prices thereof (and stating which, if any, of such Convertible Securities constitute Pre-Merger Convertible Securities) and (E) in the case of a notice to holders of Convertible Securities (other than Pre-Merger Convertible Securities), a statement to the effect that holders of such Convertible Securities shall be entitled to participate in such redemption only if such holders appropriately convert, exercise or exchange such Convertible Securities on or prior to the Redemption Date referred to in clause (B) of this sentence and a statement as to what, if anything, such holders shall be entitled to receive pursuant to the terms of such Convertible Securities or, if applicable, paragraph 5(c) of this Part B of this Article Third if such holders convert, exercise or exchange such Convertible Securities following the Redemption Date. Such notice shall be sent by first-class mail, postage prepaid, not less than 35 Trading Days nor more than 45 Trading Days prior to the Redemption Date, at such holder's address as the same appears on the transfer books of the corporation.

(vi) Neither the failure to mail any notice required by this paragraph 5(d) to any particular holder of Class A Liberty Media Group Common Stock, Class B Liberty Media Group Common Stock or of Convertible Securities nor any defect therein shall affect the sufficiency thereof with respect to any other holder of outstanding shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock or of Convertible Securities, or the validity of any redemption.

(vii) The corporation shall not be required to issue or deliver fractional shares of any class of capital stock or any fractional securities to any holder of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock upon any redemption, dividend or other distribution pursuant to this paragraph 5. In connection with the determination of the number of shares of any class of capital stock that shall be issuable or the amount of securities that shall be deliverable to any holder of record upon any such redemption, dividend or other distribution (including any fractions of shares or securities), the corporation may aggregate the number of shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock held at the relevant time by such holder of record. If the number of shares of any class of capital stock or the amount of securities remaining to be issued or delivered to any holder of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock is a fraction, the corporation shall, if such fraction is not issued or delivered to such holder, pay a cash adjustment in respect of such fraction in an amount equal to the fair market value of such fraction on the fifth Trading Day prior to the date such payment is to be made (without interest). For purposes of the preceding sentence, "fair market value" of any fraction shall be (A) in the case of any fraction of a share of capital stock of the corporation, the product of such fraction and the Market Value of one share of such capital stock and (B) in the case of any other fractional security, such value as is determined by the Board of Directors.

(viii) No adjustments in respect of dividends shall be made upon the redemption of any shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock; *provided*,

*however*, that if the Redemption Date with respect to the Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock shall be subsequent to the record date for the payment of a dividend or other distribution thereon or with respect thereto, the holders of shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock at the close of business on such record date shall be entitled to receive the dividend or other distribution payable on or with respect to such shares on the date set for payment of such dividend or other distribution, notwithstanding the redemption of such shares or the corporation's default in payment of the dividend or distribution due on such date.

(ix) Before any holder of shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock shall be entitled to receive certificates representing shares of any kind of capital stock or cash and/or securities or other property to be received by such holder with respect to shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock pursuant to this paragraph 5 of this Part B of this Article Third, such holder shall surrender at such place as the corporation shall specify certificates for such shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock, properly endorsed or assigned for transfer (unless the corporation shall waive such requirement). The corporation shall as soon as practicable after such surrender of certificates representing shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock deliver to the person for whose account shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock were so surrendered, or to the nominee or nominees of such person, certificates representing the number of whole shares of the kind of capital stock or cash and/or securities or other property to which such person shall be entitled as aforesaid, together with any payment for fractional securities contemplated by paragraph 5(d)(vii) of this Part B of this Article Third. If less than all of the shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock represented by any one certificate are to be redeemed, the corporation shall issue and deliver a new certificate for the shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock not redeemed. The corporation shall not be required to register a transfer of any shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock selected or called for redemption.

(x) From and after any applicable Redemption Date, all rights of a holder of shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock that were redeemed shall cease except for the right, upon surrender of the certificates representing shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock, to receive certificates representing shares of the kind and amount of capital stock or cash and/or securities or other property for which such shares were redeemed, together with any payment for fractional securities contemplated by paragraph 5(d)(vii) of this Part B of this Article Third and such holder shall have no other or further rights in respect of the shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock so redeemed, including, but not limited to, any rights with respect to any cash, securities or other properties which are reserved or otherwise designated by the corporation as being held for the satisfaction of the corporation's obligations to pay or deliver any cash, securities or other property upon the conversion, exercise or exchange of any Convertible Securities that were convertible into or exercisable or exchangeable for Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock and outstanding as of the date of such redemption. No holder of a certificate that, immediately prior to the applicable Redemption Date for the Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock, represented shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock shall be entitled to receive any dividend or other distribution with respect to shares of any kind of capital stock into or in exchange for which the Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock was redeemed until surrender of such holder's certificate for a certificate or certificates representing shares of such kind of capital stock. Upon such surrender, there shall be paid to the holder the amount of any dividends or other distributions (without interest) which theretofore became payable with respect to a record date after the Redemption Date but that were not paid by reason of the foregoing, with respect to

the number of whole shares of the kind of capital stock represented by the certificate or certificates issued upon such surrender. From and after a Redemption Date for any shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock, the corporation shall, however, be entitled to treat the certificates for shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock that have not yet been surrendered for redemption as evidencing the ownership of the number of whole shares of the kind or kinds of capital stock for which the shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock represented by such certificates shall have been redeemed, notwithstanding the failure to surrender such certificates.

(xi) The corporation shall pay any and all documentary, stamp or similar issue or transfer taxes that may be payable in respect of the issue or delivery of any shares of capital stock and/or other securities on redemption of shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock pursuant to this Part B of this Article Third. The corporation shall not, however, be required to pay any tax that may be payable in respect of any transfer involved in the issue and delivery of any shares of capital stock in a name other than that in which the shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock so redeemed were registered and no such issue or delivery shall be made unless and until the person requesting such issue 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.

#### *6. Liquidation.*

In the event of a liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, after payment or provision for payment of the debts and other liabilities of the corporation and subject to the prior payment in full of the preferential amounts to which any class or series of Preferred Stock is entitled, (a) the holders of the shares of Common Stock and (on the basis that may be set forth in this Certificate with respect to any such shares) the holders of any other class of common shares (other than the Liberty Media Group Common Stock) shall share in the aggregate in a percentage of the funds of the corporation remaining for distribution to its common shareholders equal to 100% multiplied by the average daily ratio (expressed as a decimal) of  $X/Z$  for the 20-Trading Day period ending on the Trading Day prior to the date of the public announcement of such liquidation, dissolution or winding up, and (b) the holders of the shares of Class A Liberty Media Group Common Stock and the holders of the shares of Class B Liberty Media Group Common Stock shall share equally, on a share for share basis, in a percentage of the funds of the corporation remaining for distribution to its common shareholders equal to 100% multiplied by the average daily ratio (expressed as a decimal) of  $Y/Z$  for such 20-Trading Day period, where X is the aggregate Market Capitalization of the Common Stock and any other class of common shares (other than the Liberty Media Group Common Stock), Y is the aggregate Market Capitalization of the Class A Liberty Media Group Common Stock and the Class B Liberty Media Group Common Stock, and Z is the aggregate Market Capitalization of the Common Stock, any other class of common shares (other than the Liberty Media Group Common Stock), the Class A Liberty Media Group Common Stock and the Class B Liberty Media Group Common Stock. 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 of 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 paragraph 6 of this Part B of this Article Third. Notwithstanding the foregoing, any transaction or series of related transactions which results in all of the assets and liabilities included in the Liberty Media Group being held by one or more Liberty Media Group Subsidiaries, and the distribution of such Liberty Media Group Subsidiaries (and no other material assets or liabilities) to the holders of the outstanding Liberty Media Group Common Stock shall not constitute a voluntary or involuntary liquidation, dissolution or winding up of the corporation for purposes of this paragraph 6 of this Part B of this Article Third, but shall be subject to paragraph 5(a) of this Part B of this Article Third.

*7. Determinations by the Board of Directors.*

Any determinations made by the Board of Directors under any provision in this Part B of this Article Third shall be final and binding on all shareholders of the corporation, except as may otherwise be required by law. The corporation shall prepare a statement of any such determination by the Board of Directors respecting the fair market value of any properties, assets or securities and shall file such statement with the Secretary of the corporation.

*8. Relationship Between the Liberty Media Group and the Common Stock Group.*

(a) In furtherance and not in limitation of the provisions of Article Ninth, neither the Liberty Media Group on the one hand, nor the Common Stock Group on the other hand, shall have any duty, responsibility or obligation to refrain from (and none of the directors or officers of the corporation, the Liberty Media Group or the Common Stock Group shall have any duty, responsibility or obligation to cause the Liberty Media Group or the Common Stock Group to refrain from) (i) engaging in the same or similar activities or lines of business as any member of the other Group, (ii) doing business with any potential or actual supplier or customer of any member of any other Group or (iii) engaging in, or refraining from, any other activities whatsoever relating to any of the potential or actual suppliers or customers of any member of the other Group.

(b) In furtherance and not in limitation of the provisions of Article Ninth, neither the Liberty Media Group on the one hand, nor the Common Stock Group on the other hand, shall have any duty, responsibility or obligation (and none of the directors or officers of the corporation, the Liberty Media Group or the Common Stock Group shall have any duty, responsibility or obligation to cause the Liberty Media Group or the Common Stock Group) (i) to communicate or offer any business or other corporate opportunity to any other Person (including any business or other corporate opportunity which may arise which either Group may be financially able to undertake, and which is, from its nature, in the line of more than one Group's business and is of practical advantage to more than one Group), (ii) to provide financial support to the other Group (or any member thereof) or (iii) otherwise to assist the other Group.

(c) In furtherance and not in limitation of the provisions of Article Ninth, no director or officer of the corporation shall be liable to the corporation or any holder of any securities of the corporation in respect of any failure or alleged failure of such officer or director to offer to (or to cause the Liberty Media Group or the Common Stock Group to offer to) either Group any corporate opportunity of any kind or nature that is pursued by the other Group.

(d) Nothing in this paragraph 8 of this Part B of this Article Third shall prevent any members of the Liberty Media Group from entering into written agreements with the Common Stock Group to define or restrict any aspect of the relationship between the Groups.

*9. Certain Definitions.*

Unless the context otherwise requires, the terms defined in this Part B of this Article Third shall have, for all purposes of this Part B of this Article Third, the meanings herein specified:

“*Common Stock Group*” shall mean, as of any date, the interest of the corporation or any of its subsidiaries in all of the businesses in which the corporation or any of its subsidiaries (or any of their predecessors or successors) is or has been engaged, directly or indirectly, and the respective assets and liabilities of the corporation or any of its subsidiaries, other than any businesses, assets or liabilities of the Liberty Media Group.

“*Convertible Securities*” shall mean any securities of the corporation (other than the Liberty Media Group Common Stock) or any Subsidiary thereof that are convertible into, exchangeable for or evidence the right to purchase any shares of Common Stock or of any series of Liberty Media Group Common Stock, whether upon conversion, exercise, exchange, pursuant to antidilution provisions of such securities or otherwise.

*“Covered Disposition”* shall mean (x) any direct or indirect sale, transfer or conveyance by the corporation of any of its equity interest in Liberty Media Corporation or any Covered Entity or (y) any grant of any pledge or other security interest in the equity interest of the corporation in Liberty Media Corporation or any Covered Entity; *provided, however*, that the foregoing shall not apply to (i) any issuance or sale by the corporation of its own securities, (ii) any issuance or sale by Liberty Media Corporation of its own securities or any sale, transfer or conveyance by Liberty Media Corporation or any other Person included in the Liberty Media Group of any securities of any Person included in the Liberty Media Group, (iii) with respect to any Covered Entity, any transaction duly authorized by the board of directors of such Covered Entity, or (iv) any merger, consolidation, exchange of shares or other business combination transaction involving the corporation in which the corporation (or its successors) continues immediately following such transaction to hold the same direct or indirect interest in the business, assets and liabilities comprising the Liberty Media Group that it held immediately prior to such transaction (other than as a result of any action by any Person included in the Liberty Media Group). If a contribution of assets of Liberty Media Corporation to Liberty Media Group LLC occurs (other than the initial contribution made on formation thereof), then from and after the date of such contribution all references in the preceding sentence of this definition of Covered Disposition to Liberty Media Corporation shall be deemed to refer to Liberty Media Group LLC.

*“Covered Entity”* shall mean, as of any date of determination, each of the following Persons (and any successor to such Person, by merger, consolidation, sale of all or substantially all of its assets or otherwise, whether or not in connection with a Related Business Transaction) unless all of the Corporation’s equity interest in such Person or all of the assets of such Person are held by (i) Liberty Media Corporation, if such date of determination is prior to the contribution of assets of Liberty Media Corporation to Liberty Media Group LLC (other than the initial contribution made on formation thereof) or (ii) Liberty Media Group LLC, if such date of determination is after the contribution referred to in clause (i): Tele-Communications International, Inc., TCI Wireless Holdings, Inc., TCIP, Inc., Silver Spur Land and Cattle Co., and TCI Interactive, Inc.

*“Disposition”* shall mean the sale, transfer, assignment or other disposition (whether by merger, consolidation, sale or contribution of assets or stock or otherwise) by the corporation (or its successors) or any of its Subsidiaries of properties or assets. Disposition shall not include a merger, consolidation, exchange of shares or other business combination transaction involving the corporation in which the corporation (or its successors) continues immediately following such transaction to hold the same direct and indirect interest in the business, assets and liabilities comprising the Liberty Media Group that it held immediately prior to such transaction (other than as a result of any action by any Person included in the Liberty Media Group).

*“Group”* shall mean either the Common Stock Group or the Liberty Media Group.

*“Liberty Media Group”* shall mean, as of any date that any shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock have been issued and continue to be outstanding, each of the following, without duplication: (a) the proceeds of any issuances or sales of Class A Liberty Media Group Common Stock, Class B Liberty Media Group Common Stock or any Convertible Securities that are convertible into or exercisable or exchangeable for Liberty Media Group Common Stock or of any Preferred Stock that is attributed to the Liberty Media Group; (b) the interest of the corporation or any of its subsidiaries in the Associated Group, Inc., a Delaware corporation, and the proceeds of any disposition thereof; (c) the interest of the Corporation or any of its subsidiaries in each Covered Entity or any subsidiary of a Covered Entity and their respective properties and assets (including, without limitation, the Sprint PCS Investment) and the proceeds of any disposition thereof; and (d) the interest of the corporation or of any of its subsidiaries in Liberty Media Corporation or any of its subsidiaries (including any successor thereto by merger, consolidation or sale of all or substantially all of its assets, whether or not in connection with a Related Business Transaction) and their respective properties and assets and the proceeds of any disposition thereof; *provided, however*, that if a contribution of assets of Liberty Media Corporation to Liberty Media Group LLC occurs (other than the initial contribution made on formation thereof), then from and after the date of such contribution, the Liberty Media Group shall mean, as of any date that any shares of Class A Liberty Media

Group Common Stock or Class B Liberty Media Group Common Stock continue to be outstanding, in addition to the assets referred to in clauses (a), (b) and (c) above and in clause (e) below, the interest of the corporation or any of its subsidiaries in (i) the Retained Business and (ii) Liberty Media Group LLC or any of its subsidiaries (including any successor thereto by merger, consolidation or sale of all or substantially all of its assets, whether or not in connection with a Related Business Transaction) and their respective properties and assets and the proceeds of any disposition thereof; and (e) the interest of the corporation in all dividends and distributions from Liberty Media Group LLC to Liberty Media Corporation or any of its subsidiaries (including any such successor) or from Liberty Media Corporation (or any such successor) to its shareholders or from any Covered Entity to its shareholders. For purposes hereof, "Retained Businesses" means the businesses, assets and liabilities of Liberty Media Corporation immediately following the contribution referred to in the preceding sentence (or, if there is more than one such contribution after the initial contribution made on formation, then the first of such contributions).

"*Liberty Media Group Available Dividend Amount*," as of any date, shall mean the excess of (i) the amount by which the total assets of the Liberty Media Group exceed the total liabilities of the Liberty Media Group as of such date over (ii) the sum of (A) the par value of all issued shares of Liberty Media Group Common Stock and each class or series of Preferred Stock attributed to the Liberty Media Group, (B) the amount of the consideration received for any shares of Preferred Stock attributed to the Liberty Media Group without par value that have been issued, except such part of the consideration therefor as may have been allocated to surplus in a manner permitted by law, and (C) any amount not included in clauses (A) and (B) that the corporation (by appropriate action of its Board of Directors) has transferred to stated capital specifically in respect of Liberty Media Group Common Stock, minus (D) all reductions from such sums set forth in clauses (A), (B) and (C) as have been effected in a manner permitted by law; *provided, however*, that in the event that the law governing the corporation changes from that governing the corporation on the date of the adoption of the Amendment to this Certificate pursuant to which the Liberty Media Group Common Stock was authorized (whether because of amendment of the applicable law or because of a change in the jurisdiction of incorporation of the corporation through merger or otherwise), the Liberty Media Group Available Dividend Amount shall mean that amount of dividends, as determined by the Board of Directors, that could be paid by a corporation (governed under such applicable law) having the assets and liabilities of the Liberty Media Group, an amount of outstanding common stock (and having an aggregate par value) equal to the amount (and aggregate par value) of the outstanding Liberty Media Group Common Stock and of each class or series of Preferred Stock attributed to the Liberty Media Group and having an amount of earnings or loss or other relevant corporate attributes as reasonably determined by the Board of Directors in light of all factors deemed relevant by the Board.

"*Liberty Media Group Full Dilution Fraction*" shall mean, as of any date, a fraction the numerator of which is the aggregate number of shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock outstanding on such date and the denominator of which is the sum of (a) such aggregate number of shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock outstanding on such date and (b) the aggregate number of shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock issuable, determined as of such date, upon conversion, exercise or exchange of Pre-Merger Convertible Securities.

"*Liberty Media Group LLC*" shall mean Liberty Media Group LLC, a Delaware limited liability company, of which Liberty Media Corporation and Liberty Management LLC are the members, and any successor thereto (by merger, consolidation, sale of all or substantially all of its assets or otherwise, whether or not in connection with a Related Business Transaction).

"*Liberty Media Group Net Proceeds*" shall mean, as of any date, with respect to any Disposition of any of the properties and assets of the Liberty Media Group, an amount, if any, equal to the gross proceeds of such Disposition after any payment of, or reasonable provision for, (a) any taxes payable by the corporation in respect of such Disposition or in respect of any resulting dividend or redemption pursuant to clause (i) or (ii),

respectively, of paragraph 5(b) of this Part B of this Article Third (or which would have been payable but for the utilization of tax benefits attributable to the Common Stock Group) reduced by any offset to such liability of the Liberty Media Group allowed pursuant to the Tax Sharing Agreement entered into pursuant to the Merger Agreement, (b) any transaction costs borne by the Common Stock Group in connection with such Disposition, including, without limitation, any legal, investment banking and accounting fees and expenses borne by the Common Stock Group in connection with such Disposition, (c) any liabilities and other obligations (contingent or otherwise) of the Liberty Media Group borne by the Common Stock Group in connection with such Disposition, including, without limitation, any indemnity or guarantee obligations incurred by the Common Stock Group in connection with the Disposition or any liabilities assumed by the Common Stock Group for future purchase price adjustments, and (d) any preferential amounts, accumulated and unpaid dividends and other obligations (other than with respect to Pre-Merger Convertible Securities) in respect of Preferred Stock attributed to the Liberty Media Group; provided, however, that the net amount determined in accordance with the foregoing provisions of this sentence shall, without duplication, be increased by the net amount, if any, payable by the Common Stock Group to the Liberty Media Group, or decreased by the net amount, if any, payable by the Liberty Media Group to the Common Stock Group, pursuant to the Tax Sharing Agreement referred to above, as applicable, as a result of the deconsolidation of the properties and assets of the Liberty Media Group disposed of in such Disposition. For purposes of this definition, any properties and assets of the Liberty Media Group remaining after such Disposition shall constitute "reasonable provision" for such amount of taxes, costs and liabilities (contingent or otherwise) as can be supported by such properties and assets. To the extent the proceeds of any Disposition include any securities or other property other than cash, the Board of Directors shall determine the value of such securities or property.

*"Liberty Media Corporation"* shall mean Liberty Media Corporation, a Delaware corporation, and any successor thereto (by merger, consolidation, sale of all or substantially all of its assets or otherwise, whether or not in connection with a Related Business Transaction).

*"Market Capitalization"* of any class or series of capital stock of the corporation on any Trading Day shall mean the product of (i) the Market Value of one share of such class or series on such Trading Day and (ii) the number of shares of such class or series outstanding on such Trading Day.

*"Market Value"* of any class or series of capital stock of the corporation on any day shall mean the average of the high and low reported sales prices regular way of a share of such class or series on such day (if such day is a Trading Day, and if such day is not a Trading Day, on the Trading Day immediately preceding such day) or in case no such reported sale takes place on such Trading Day the average of the reported closing bid and asked prices regular way of a share of such class or series on such Trading Day, in either case on the New York Stock Exchange or, if the shares of such class or series are not quoted on the New York Stock Exchange on such Trading Day, on the Nasdaq National Market, or if the shares of such class or series are not quoted on the Nasdaq National Market on such Trading Day, the average of the closing bid and asked prices of a share of such class or series in the over-the-counter market on such Trading Day as furnished by any New York Stock Exchange member firm selected from time to time by the corporation, or if such closing bid and asked prices are not made available by any such New York Stock Exchange member firm on such Trading Day (including without limitation because such securities are not publicly held), the market value of a share of such class or series as determined by the Board of Directors; *provided* that for purposes of determining the ratios set forth in paragraph 6 of this Part B of this Article Third, (a) the "Market Value" of any share of Common Stock or of any class of Liberty Media Group Common Stock on any day prior to the "ex" date or any similar date for any dividend or distribution paid or to be paid with respect to the Common Stock or such class of Liberty Media Group Common Stock, as applicable, shall be reduced by the fair market value of the per share amount of such dividend or distribution as determined by the Board of Directors and (b) the "Market Value" of any share of Common Stock or of any class of Liberty Media Group Common Stock on any day prior to (i) the effective date of any subdivision (by stock split or otherwise) or combination (by reverse stock split or otherwise) of outstanding shares of Common Stock or of such class of Liberty Media Group Common Stock, as applicable, or (ii) the "ex" date or any similar date for any dividend or distribution with respect to the

Common Stock or any such class of Liberty Media Group Common Stock in shares of the Common Stock or such class of Liberty Media Group Common Stock, as applicable, shall be appropriately adjusted to reflect such subdivision, combination, dividend or distribution.

“*Person*” shall mean any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, government or agency or political subdivision thereof, or other entity, whether acting in an individual, fiduciary or other capacity.

“*Pre-Merger Convertible Securities*” shall mean Convertible Securities that were outstanding immediately following the Effective Time (as such term is defined in the Merger Agreement) and were, at such date convertible into or exercisable or exchangeable for shares of Class A Liberty Media Group Common Stock or Class B Liberty Media Group Common Stock.

“*Qualifying Subsidiary*” of a Person shall mean a Subsidiary of such Person in which such Person’s ownership and voting interest is sufficient to satisfy the ownership and voting requirements of the Internal Revenue Code and the regulations thereunder for a distribution of such Person’s interest in such Subsidiary to the holders of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock to be tax free to such holders.

“*Redemption Date*” shall mean any date fixed for a redemption or purchase of shares of Class A Liberty Media Group Common Stock and Class B Liberty Media Group Common Stock as set forth in a notice to holders of such series pursuant to this Certificate.

“*Related Business Transaction*” shall mean any Disposition of all or substantially all of the properties and assets of the Liberty Media Group in which the corporation receives as proceeds of such Disposition primarily equity securities (including, without limitation, capital stock, convertible securities, partnership or limited partnership interests, limited liability company membership interests and other types of equity securities, without regard to the voting power or contractual or other management or governance rights related to such equity securities) of the purchaser or acquiror of such assets and properties of the Liberty Media Group, any entity which succeeds (by merger, formation of a joint venture enterprise or otherwise) to such assets and properties of the Liberty Media Group, or a third party issuer, which purchaser, acquiror or other issuer is engaged or proposes to engage primarily in one or more businesses similar or complementary to the businesses conducted by the Liberty Media Group prior to such Disposition, as determined in good faith by the Board of Directors, and upon consummation of such transaction is included in the Liberty Media Group.

“*Sprint PCS Investment*” shall mean the common equity securities (and securities convertible into or exercisable or exchangeable for such common equity securities) of Sprint Corporation acquired by Tele-Communications, Inc. (“TCI”) and its affiliates pursuant to that certain Restructuring and Merger Agreement, dated as of May 26, 1998, among TCI, Sprint Corporation, Comcast Corporation and Cox Communications, Inc. (the “PCS Restructuring Agreement”) (as well as any indebtedness of Sprint Corporation or any of its affiliates to TCI or any of its affiliates remaining following the consummation of the transactions contemplated by the PCS Restructuring Agreement).

“*Subsidiary*” shall mean, with respect to any Person, any corporation, limited liability company or partnership 50% or more of whose outstanding voting securities or membership or partnership interests, as the case may be, are directly or indirectly owned by such Person.

“*Trading Day*” shall mean each weekday other than any day on which any relevant class or series of capital stock of the corporation is not traded on the New York Stock Exchange or the Nasdaq National Market or in the over-the-counter market.

## PART C—PREFERRED STOCK

The Preferred Stock may be issued from time to time in one or more series. All shares of Preferred Stock of all series shall rank equally and be identical in all respects except that the Board of Directors is authorized to fix the number of shares in each series, the designation thereof and, subject to the provisions of this Article Third, the relative rights, preferences and limitations of each series and the variations in such rights, preferences and limitations as between series and specifically is authorized to fix with respect to each series:

- (a) the dividend rate on the shares of such series and the date or dates from which dividends shall be cumulative;
- (b) the times when, the prices at which, and all other terms and conditions upon which, shares of such series shall be redeemable;
- (c) the amounts which the holders of shares of such series shall be entitled to receive upon the liquidation, dissolution or winding up of the corporation, which amounts may vary depending on whether such liquidation, dissolution or winding up is voluntary or involuntary and, if voluntary, may vary at different dates;
- (d) whether or not the shares of such series shall be subject to the operation of a purchase, retirement or sinking fund and, if so, the extent to and manner in which such purchase, retirement or sinking fund shall be applied to the purchase or redemption of the shares of such series for retirement or for other corporate purposes and the terms and provisions relative to the operation of the said fund or funds;
- (e) whether or not the shares of such series shall be convertible into or exchangeable for shares of any other class or series or for any class of common shares and, if so, the price of prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same;
- (f) the restrictions, if any, upon the payment of dividends or making of other distributions on, and upon the purchase or other acquisition of, common shares;
- (g) the restrictions, if any, upon the creation of indebtedness, and the restrictions, if any, upon the issue of any additional shares ranking on a parity with or prior to the shares of such series in addition to the restrictions provided for in this Article Third;
- (h) the voting powers, if any, of the shares of such series in addition to the voting powers provided for in this Article Third; and
- (i) such other rights, preferences and limitations as shall not be inconsistent with this Article Third.

All shares of any particular series shall rank equally and be identical in all respects except that shares of any one series issued at different times may differ as to the date from which dividends shall be cumulative.

Dividends on shares of Preferred Stock of each series shall be cumulative from the date or dates fixed with respect to such series and shall be paid or declared or set apart for payment for all past dividend periods and for the current dividend period before any dividends (other than dividends payable in common shares) shall be declared or paid or set apart for payment on common shares. Whenever, at any time, full cumulative dividends for all past dividend periods and for the current dividend period shall have been paid or declared and set apart for payment on all then outstanding shares of Preferred Stock and all requirements with respect to any purchase, retirement or sinking fund or funds for all series of Preferred Stock shall have been complied with, the Board of Directors may declare dividends on the common shares and the shares of Preferred Stock shall not be entitled to share therein.

Upon any liquidation, dissolution or winding up of the corporation, the holders of shares of Preferred Stock of such series shall be entitled to receive the amounts to which such holders are entitled as fixed with respect to such series, including all dividends accumulated to the date of final distribution, before any payment or distribution of assets of the corporation shall be made to or set apart for the holders of common shares and after such payments shall have been made in full to the holders of shares of Preferred Stock, the holders of common shares shall be entitled to receive any and all assets remaining to be paid or distributed to shareholders

and the holders of shares of Preferred Stock shall not be entitled to share therein. For the purposes of this paragraph, the voluntary sale, conveyance, lease, exchange or transfer of all or substantially all the property or assets of the corporation or a consolidation or merger of the corporation with one or more other corporations (whether or not the corporation is the corporation surviving such consolidation or merger) shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary.

The aggregate amount which all shares of Preferred Stock outstanding at any time shall be entitled to receive on involuntary liquidation, dissolution or winding up shall not exceed \$8,000,000,000.

So long as any shares of Preferred Stock are outstanding, the corporation will not (a) without the affirmative vote or consent of the holders of at least 66 $\frac{2}{3}$ % of all the shares of Preferred Stock at the time outstanding, (i) authorize shares of stock ranking prior to the shares of Preferred Stock, or (ii) change any provision of this Article Third so to affect adversely the shares of Preferred Stock; (b) without the affirmative vote or consent of the holders of at least 66 $\frac{2}{3}$ % of any series of Preferred Stock at the time outstanding, change any of the provisions of such series so as to affect adversely the shares of such series; (c) without the affirmative vote or consent of the holders of at least a majority of all the shares of Preferred Stock at the time outstanding, (i) increase the authorized number of shares of Preferred Stock or (ii) increase the authorized number of shares of any class of stock ranking on a parity with the Preferred Stock.

Whenever, at any time or times, dividends payable on shares of Preferred Stock shall be in default in an aggregate amount equivalent to six full quarterly dividends on any series of Preferred Stock at the time outstanding, the number of directors then constituting the Board of Directors of the corporation shall ipso facto be increased by two, and the outstanding shares of Preferred Stock shall, in addition to any other voting rights, have the exclusive right, voting separately as a class and without regard to series, to elect two directors of the corporation to fill such newly created directorships and such right shall continue until such time as all dividends accumulated on all shares of Preferred Stock to the latest dividend payment date shall have been paid or declared and set apart for payment.

No holder of shares of Preferred Stock of any series, irrespective of any voting or other right of shares of such series, shall have, as such holder, any preemptive right to purchase any other shares of the corporation or any securities convertible into or entitling the holder to purchase such other shares.

If in any case the amounts payable with respect to any requirements to retire shares of Preferred Stock are not paid in full in the case of all series with respect to which such requirements exist, the number of shares to be retired in each series shall be in proportion to the respective amounts which would be payable on account of such requirements if all amounts payable were paid in full.

**FORM OF BYLAW AMENDMENT FOR THE  
CAPITAL STOCK COMMITTEE**

**[Note: The Capital Stock Committee will be added to the Bylaw provisions establishing standing committees such as the Audit Committee and the Compensation Committee.]**

Section *Capital Stock Committee.* The Board of Directors shall form a Capital Stock Committee, which committee shall consist of one director elected pursuant to Section 7.15 of the Agreement and Plan of Restructuring and Merger, dated June 23, 1998, among the Corporation, Italy Merger Corp. and Tele-Communications, Inc. and two directors who are not current or former officers, directors or employees of the Corporation or any of its affiliates, or otherwise affiliated with the Corporation (other than as members of the Board of Directors or any committee thereof). The Board of Directors shall delegate to the Capital Stock Committee the authority to, and the Capital Stock Committee will have the authority to, (i) interpret, make determinations under, and oversee the implementation of the policies set forth in the Policy Statement Regarding Liberty Media Group Tracking Stock Matters and to (ii) to the extent permitted by law, take all actions required to be taken by the Board of Directors of the Corporation in connection with authorization of the issuance of shares of Liberty Media Group Common Stock.

**AT&T CORP.  
BOARD OF DIRECTORS**

**POLICY STATEMENT REGARDING LIBERTY MEDIA GROUP TRACKING STOCK MATTERS**

**1. General Policy.** It is the policy of the Board of Directors of AT&T Corp. (the "Board") that:

(i) all material matters as to which the holders of the Common Stock and the holders of the Liberty Media Group Common Stock may have potentially divergent interests shall be resolved in a manner that is in the best interests of AT&T Corp. and all of its common shareholders after giving fair consideration to the potentially divergent interests and all other relevant interests of the holders of the separate classes of common stock of AT&T Corp., and

(ii) a process of fair dealing shall govern the relationship between the Common Stock Group and the Liberty Media Group and the means by which the terms of any material transaction between them will be determined.

**2. Role of the Capital Stock Committee with Respect to these Policies.** The Capital Stock Committee of the Board shall have authority to interpret, make determinations under, and oversee the implementation of these policies.

**3. Fiduciary Obligations.** In making any and all determinations in connection with this policy, either directly or by appropriate delegation of authority, the members of the Capital Stock Committee shall act in accordance with their fiduciary duties as members of the Board.

**4. Dividend Policy.**

*4.1. Cash Dividends.*

The dividend policy of the Board with respect to the Liberty Media Group Common Stock shall be to declare and pay cash dividends on the Liberty Media Group Common Stock, subject to the limitations in the Charter, in an amount equal to the aggregate amount of any cash dividend payments received by AT&T Corp. or any of the non-Liberty Media Group subsidiaries from a member of the Liberty Media Group in respect of the interest of AT&T Corp. or any such subsidiary in such member of the Liberty Media Group.

*4.2. Non-Cash Dividends.*

The dividend policy of the Board with respect to non-cash dividends on the Liberty Media Group Common Stock shall be that in the event that any member of the Liberty Media Group makes any distribution (other than a cash dividend) to AT&T Corp. or any of its non-Liberty Media Group subsidiaries in respect of the interest in such member of the Liberty Media Group held by AT&T Corp. or any such subsidiary, subject to the limitations in the Charter, the Board shall declare and pay a dividend or make other provision with respect to a distribution on the Liberty Media Group Common Stock so that there shall be distributed to the holders of Liberty Media Group Common Stock, subject to the limitations in the Charter, the amount and type of the proceeds of such distribution in an aggregate amount equal to the proceeds of such distribution received from the applicable member of the Liberty Media Group.

*4.3. Declaration and Payment.*

The declaration and payment of all dividends and distributions by the Board on the Liberty Media Group Common Stock shall be made as promptly as practicable in connection with the declaration and payment of the corresponding dividend or distribution by the applicable member of the Liberty Media Group, *provided* that the payment of any such dividend or distribution shall be net of taxes incurred by the Common Stock Group as a result of such dividend or distribution and shall be reduced by any past due amounts owed to the Common Stock Group by the Liberty Media Group under the Tax Sharing Agreement.

## **5. Financial Reporting.**

### *5.1. Financial Reporting.*

AT&T Corp. will prepare and include in its filings with the Securities and Exchange Commission under the Securities Exchange Act of 1934 consolidated financial statements of AT&T Corp. and combined financial statements of the Liberty Media Group (for so long as the Liberty Media Group Common Stock is outstanding). The combined financial statements of the Liberty Media Group will reflect the combined financial position, results of operations and cash flows of the businesses attributed thereto and in the case of annual financial statements shall be audited.

**6. Definitions.** Capitalized terms not defined in this policy shall have the meanings set forth in the Charter. References throughout this policy to "ARTICLES," set in all capital letters, are references to ARTICLES in the Charter.

### *6.1. Charter.*

"Charter" means the Restated Certificate of Incorporation of AT&T Corp., as amended from time to time.

### *6.2. Group.*

"Group" means any of the Common Stock Group or the Liberty Media Group, as the context requires.

### *6.3. Common Stock Group.*

"Common Stock Group" has the meaning set forth in ARTICLE THIRD of the Charter (but shall include any other "tracking stock" group that AT&T Corp. may designate by future amendment to the Charter).

### *6.4. Common Stock.*

"Common Stock" means the Common Stock as defined in ARTICLE THIRD of the Charter.

### *6.5. Liberty Media Group.*

"Liberty Media Group" has the meaning set forth in ARTICLE THIRD of the Charter.

### *6.6. Liberty Media Group Common Stock.*

"Liberty Media Group Common Stock" means the Class A Liberty Media Group Common Stock and the Class B Liberty Group Common Stock, each as defined in ARTICLE THIRD of the Charter.

### *6.7. Tax Sharing Agreement.*

"Tax Sharing Agreement" means the Tax Sharing Agreement among AT&T Corp. and the "Liberty Group Entities" as defined therein, the principal terms of which are set forth in an exhibit to the Agreement and Plan of Restructuring and Merger, dated June 23, 1998, among the AT&T Corp., Italy Merger Corp. and Tele-Communications, Inc.

**7. Amendment and Modification of these Policies.** These policies and any resolution implementing the provisions hereof may at any time and from time to time be amended, modified or rescinded by the Board, and the Board may adopt additional or other policies or make exceptions with respect to the application of these policies in connection with particular facts and circumstances, all as the Board may determine, consistent with its fiduciary duties to AT&T and all of its shareholders; *provided* that the policies set forth in paragraph 4 of this Policy Statement shall not be amended, modified or rescinded without the unanimous consent of the Board.

**APPENDIX D**

June 23, 1998

Board of Directors  
AT&T Corp.  
295 North Maple Avenue  
Basking Ridge, New Jersey 07920

## Members of the Board:

You have asked us to advise you with respect to the fairness to AT&T Corp. from a financial point of view of the collective Exchange Ratio (as herein defined), taken as a whole, set forth in the Agreement and Plan of Restructuring and Merger dated as of June 23, 1998 (the "Merger Agreement"), among AT&T, Italy Merger Corp. ("Sub"), a wholly owned subsidiary of AT&T, and Tele-Communications, Inc. ("TCI"). The Merger Agreement provides for, among other things, the merger of Sub with and into TCI (the "Merger") pursuant to which each outstanding share of (i) TCI Group Class A Stock, par value \$1.00 per share, of TCI will be converted into the right to receive 0.7757 of a share of AT&T common stock, par value \$1.00 per share (the "AT&T Common Stock"), (ii) TCI Group Class B Stock, par value \$1.00 per share, of TCI will be converted into the right to receive 0.8533 of a share of AT&T Common Stock, (iii) Liberty Media Class A Stock, par value \$1.00 per share, of TCI will be converted into the right to receive one share of AT&T Liberty Class A Stock, par value \$1.00 per share (the "AT&T Liberty Class A Stock"), (iv) Liberty Media Class B Stock, par value \$1.00 per share, of TCI will be converted into the right to receive one share of AT&T Liberty Class B Stock, par value \$1.00 per share (the "AT&T Liberty Class B Stock" and, together with the AT&T Liberty Class A Stock, the "AT&T Liberty Tracking Shares"), (v) TCI Ventures Class A Stock, par value \$1.00 per share, of TCI will be converted into the right to receive 0.52 of a share of AT&T Liberty Class A Stock, and (vi) TCI Ventures Class B Stock, par value \$1.00 per share, of TCI will be converted into the right to receive 0.52 of a share of AT&T Liberty Class B Stock (such exchange ratios, taken as a whole, being collectively referred to herein as the "Exchange Ratio," and the shares of AT&T Common Stock and the AT&T Liberty Tracking Shares issuable in the Merger being collectively referred to herein as the "AT&T Shares").

In arriving at our opinion, we have reviewed the Merger Agreement and certain publicly available business and financial information relating to AT&T and TCI. We have also reviewed certain other information relating to AT&T and TCI, including financial forecasts, provided to or otherwise discussed with us by AT&T and TCI, and have met with the managements of AT&T and TCI to discuss the businesses and prospects of AT&T and TCI.

We have also considered certain financial and stock market data of AT&T and TCI, and we have compared those data with similar data for other publicly held companies in businesses similar to AT&T and TCI, and we have considered, to the extent publicly available, the financial terms of certain other business combinations and other transactions which have recently been effected. We also considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which we deemed relevant.

In connection with our review, we have not assumed any responsibility for independent verification of any of the foregoing information and have relied on its being complete and accurate in all material respects. With respect to the financial forecasts, you have informed us, and we have assumed, that

Board of Directors  
AT&T Corp.  
June 23, 1998  
Page 2

they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of AT&T and TCI as to the future financial performance of AT&T and TCI and the potential strategic benefits and synergies (including the amount, timing and achievability thereof) anticipated to result from the Merger. We have not been requested to make, and have not made, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of AT&T or TCI, nor have we been furnished with any such evaluations or appraisals. In addition, we have assumed with your consent that, with regard to the proposed issuance of the AT&T Liberty Tracking Shares and the governance arrangements and corporate structure relating to Parent Liberty Group (as defined in the Merger Agreement), the financial condition of AT&T will not be affected by the financial condition of Parent Liberty Group. Our opinion is necessarily based upon information available to us, and financial, economic, market and other conditions as they exist and can be evaluated, on the date hereof. We are not expressing any opinion as to the actual value of the AT&T Shares when issued pursuant to the Merger or the prices at which the AT&T Shares will trade subsequent to the Merger.

We have acted as financial advisor to AT&T in connection with the Merger and will receive a fee for our services, a portion of which is contingent upon the consummation of the Merger. In the past, we have provided financial services to AT&T, TCI and certain of their respective affiliates unrelated to the proposed Merger, for which services we have received compensation. In the ordinary course of business, Credit Suisse First Boston and its affiliates may actively trade the debt and equity securities of AT&T, TCI and their respective affiliates for their own accounts and for the accounts of customers and, accordingly, may at any time hold long or short positions in such securities.

It is understood that this letter is for the information of the Board of Directors of AT&T in connection with its evaluation of the Merger, does not constitute a recommendation to any stockholder as to how such stockholder should vote on any matter relating to the proposed Merger, and is not to be quoted or referred to, in whole or in part, in any registration statement, prospectus or proxy statement, or in any other document used in connection with the offering or sale of securities, nor shall this letter be used for any other purposes, without our prior written consent.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Exchange Ratio is fair to AT&T from a financial point of view.

Very truly yours,

CREDIT SUISSE FIRST BOSTON CORPORATION

Goldman, Sachs & Co. | 85 Broad Street | New York, New York 10004  
Tel: 212-902-1000

**Goldman  
Sachs**

**PERSONAL AND CONFIDENTIAL**

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June 23, 1998

Board of Directors  
AT&T Corp.  
295 North Maple Avenue  
Basking Ridge, NJ 07920

Ladies and Gentlemen:

You have requested our opinion as to the fairness from a financial point of view to AT&T Corp. ("AT&T") of the collective exchange ratios, taken as a whole (collectively, the "Exchange Ratio"), under the Agreement and Plan of Restructuring and Merger (the "Agreement"), dated as of June 23, 1998, among AT&T, Italy Merger Corp., a wholly owned subsidiary of AT&T, and Tele-Communications, Inc. ("TCI"), which provides for a merger (the "Merger") in which (a) each outstanding share of Series A TCI Group Common Stock, par value \$1.00 per share, of TCI will be converted into the right to receive 0.7757 shares of Common Stock, par value \$1.00 per share, of AT&T (the "AT&T Common Stock"), (b) each outstanding share of Series B TCI Group Common Stock, par value \$1.00 per share, of TCI will be converted into the right to receive 0.8533 shares of AT&T Common Stock, (c) each outstanding share of Series A Liberty Media Group Common Stock, par value \$1.00 per share, of TCI will be converted into the right to receive one share of AT&T Class A Liberty Group Common Stock, par value \$1.00 per share, of AT&T (the "AT&T Class A Liberty Group Common Stock"), (d) each outstanding share of Series B Liberty Media Group Common Stock, par value \$1.00 per share, of TCI will be converted into the right to receive one share of AT&T Class B Liberty Group Common Stock, par value \$1.00 per share, of AT&T (the "AT&T Class B Liberty Group Common Stock" and, together with the AT&T Class A Liberty Group Common Stock, the "AT&T Liberty Group Tracking Shares"), (e) each outstanding share of Series A TCI Ventures Group Common Stock, par value \$1.00 per share, of TCI will be converted into the right to receive 0.52 of a share of AT&T Class A Liberty Group Common Stock, and (f) each outstanding share of Series B TCI Ventures Group Common

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Miami | Milan | Montreal | Osaka | Paris | Philadelphia | San Francisco | Singapore | Sydney | Toronto | Vancouver | Zurich

Stock, par value \$1.00 per share, of TCI will be converted into the right to receive 0.52 of a share of AT&T Class B Liberty Group Common Stock.

Goldman, Sachs & Co., as part of its investment banking business, is continually engaged in the valuation of businesses and their securities in connection with, mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. We are familiar with AT&T, having acted as its financial advisor in connection with, and having participated in certain of the negotiations leading to, the Agreement. In addition, we have provided certain investment banking services to AT&T from time to time, including having acted as its financial advisor in connection with its pending acquisition of Teleport Communications Group, Inc. and as Joint Global Coordinator in the initial public offering of and subsequent spin-off of the common stock of Lucent Technologies Inc. in April 1996 and September 1996, respectively.

In connection with this opinion, we have reviewed, among other things, the Agreement; Annual Reports to Stockholders and Annual Reports on Form 10-K of AT&T and TCI for the five years ended December 31, 1997; certain interim reports to stockholders and Quarterly Reports on Form 10-Q of AT&T and TCI; certain other communications from AT&T and TCI to their respective stockholders; certain internal financial analyses and forecasts for AT&T and TCI prepared by their respective managements; and certain analyses and forecasts of cost savings and operating synergies anticipated to result from the Merger prepared by the management of AT&T (the "Synergies"). We have also held discussions with members of the senior management of AT&T and TCI regarding the strategic rationale for, and expected benefits of, the Merger; the possible combination of AT&T's consumer services business and certain businesses of TCI; and the past and current business operations, financial condition and future prospects of AT&T and TCI. In addition, we have reviewed the reported price and trading activity for AT&T Common Stock and the different classes of publicly traded common stock of TCI, compared certain financial and stock market information for AT&T and TCI with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the cable television and telecommunications services industries specifically and in other industries generally and performed such other studies and analyses as we considered appropriate.

We have relied upon the accuracy and completeness of all of the financial and other information reviewed by us and have assumed such accuracy and completeness for purposes of rendering this opinion. With respect to the financial forecasts for AT&T and TCI, you have informed us, and we have assumed, that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of AT&T and TCI as to the future financial performance of AT&T and TCI on a combined basis and the potential strategic benefits and Synergies (including the amount, timing and achievability thereof) anticipated to

AT&T Corp.  
June 23, 1998  
Page Three

result from the Merger. We have also assumed, with your consent, that, with regard to the proposed issuance of the AT&T Liberty Group Tracking Shares and the governance arrangements and corporate structure relating to the Parent Liberty Group (as defined in the Agreement), the financial condition of AT&T will not be affected by the financial condition of the Parent Liberty Group. In addition, we have not made an independent evaluation or appraisal of the assets and liabilities of AT&T or TCI or any of their subsidiaries and we have not been furnished with any such evaluation or appraisal. Our advisory services and the opinion expressed herein are provided for the information and assistance of the Board of Directors of AT&T in connection with its consideration of the Merger and such opinion does not constitute a recommendation as to how any holder of AT&T Common Stock should vote with respect to such transaction.

Based upon and subject to the foregoing and based upon such other matters as we consider relevant, it is our opinion that as of the date hereof the Exchange Ratio pursuant to the Agreement is fair to AT&T from a financial point of view.

Very truly yours,

A handwritten signature in cursive script, appearing to read "J. S. & Co.", is written above a horizontal line.

(GOLDMAN, SACHS & CO.)

# Donaldson, Lufkin & Jenrette

Donaldson, Lufkin & Jenrette, Inc.  
277 Park Avenue, New York, New York 10172 • (212) 892-3000

June 23, 1998

Board of Directors  
Tele-Communications, Inc.  
5619 DTC Parkway  
Englewood, Colorado 80111

Dear Sirs:

You have requested our opinion as to the fairness from a financial point of view to the holders of Liberty Stock and Ventures Stock (each as defined below) of Tele-Communications, Inc. (the "Company") (other than stockholders who are affiliates of the Company) of each Exchange Ratio (as defined below) as it relates to the relevant stockholders of Liberty A Stock, Liberty B Stock, Ventures A Stock and Ventures B Stock (each as defined below) pursuant to the terms of the share exchange (the "Share Exchange") referred to in the first sentence of paragraph 1 of Schedule 2.1(a) to the Agreement and Plan of Merger, dated as of June 23, 1998, among AT&T Corp. ("Parent"), Italy Merger Corp., a direct wholly owned subsidiary of Parent ("Merger Sub"), and the Company (the "Agreement"). Pursuant to the Agreement, Merger Sub will be merged with and into the Company upon the terms and subject to the conditions of the Agreement, and the Company will become a wholly owned subsidiary of Parent (the "Merger"). It is our understanding that the Share Exchange will occur prior to and whether or not the Merger takes place.

We understand that pursuant to the Share Exchange, (i) each share of the Company's Series A TCI Ventures Group Common Stock, par value \$1.00 per share ("Ventures A Stock"), will be converted into 0.52 shares (the "Ventures A Exchange Ratio") of the Company's Series A Liberty Media Group Common Stock, par value \$1.00 per share (the "Liberty A Stock" and after the consummation of the Share Exchange, the "LV A Stock"); and (ii) each share of the Company's Series B TCI Ventures Group Common Stock, par value \$1.00 per share ("Ventures B Stock"), will be converted into 0.52 shares (the "Ventures B Exchange Ratio") of the Company's Series B Liberty Media Group Common Stock, par value \$1.00 per share (the "Liberty B Stock" and after the consummation of the Share Exchange, the "LV B Stock"). References herein to the "Liberty Stock" shall mean the collective reference to the Liberty A Stock and the Liberty B Stock; references herein to the "Ventures Stock" shall mean the collective reference to the Ventures A Stock and the Ventures B Stock; references herein to the LV Stock shall mean the collective reference to the LV A Stock and the LV B Stock; references herein to each "Exchange Ratio" shall mean the Ventures A Exchange Ratio or the Ventures B Exchange Ratio, as the case may be; and references herein to the "Company Common Stock" shall mean the collective reference to the Liberty Stock and the Ventures Stock.

We understand that the LV Stock will track substantially the same assets of the Company as the Liberty Stock and Ventures Stock collectively track pursuant to the Company's Restated Certificate of Incorporation (as amended, the "Certificate of Incorporation").

June 23, 1998

In arriving at our opinion, we have discussed the Share Exchange with the Company and counsel to the Company. We also have reviewed financial and other information that was publicly available or furnished to us by the Company, including information provided during discussions with management of the Company. Included in the information provided during such discussions with management was certain financial analyses of the Company prepared by the management of the Company. In addition, we have reviewed the historical stock prices and trading volumes of each series of Company Common Stock and conducted such other financial studies, analyses and investigations as we deemed appropriate for purposes of this opinion. We were not requested to, nor did we, solicit the interest of any other party in acquiring all or any part of Liberty Media Group or TCI Ventures Group (each as defined in the Certificate of Incorporation).

In rendering our opinion, we have relied upon and assumed the accuracy, completeness and fairness of all the financial and other information that was available to us from public sources, that was provided to us by the Company or its representatives, or that was otherwise reviewed by us. With respect to the financial analyses supplied to us by the Company, we have assumed that they have been reasonably prepared on the basis reflecting the best currently available estimates and judgments of the management of the Company as to the operating and financial performance of the Company. We have not assumed any responsibility for making an independent evaluation of any of the Company's assets or liabilities or for making any independent verification of any of the information reviewed by us. We have further assumed that any transactions undertaken by the Company before or in connection with the consummation of the Share Exchange (including any part of the Restructuring (as defined in the Agreement)) will not affect the relative valuations of the Liberty Stock and the Ventures Stock. We have relied as to all legal matters, including that the Share Exchange will be free of federal tax to the Company and holders of each series of the Company Common Stock, on advice of counsel to the Company.

Our opinion is necessarily based on economic, market, financial and other conditions as they exist on, and on the information made available to us, as of the date of this letter. It should be understood that, although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. We are expressing no opinion herein as to the relative merits of the proposed transaction and any other business strategies being considered by the Company's Board of Directors, nor does it address the Board's decision to proceed with the proposed transaction. We are expressing no opinion as to the prices at which the LV A Stock or LV B Stock will actually trade at any time. Our opinion does not constitute a recommendation to any stockholder as to how such stockholder should vote on the proposed transaction.

Donaldson, Lufkin & Jenrette Securities Corporation ("DLJ"), as part of its investment banking services, is regularly engaged in the valuation of businesses and securities in connection with mergers, acquisitions, underwritings, sales and distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. DLJ has performed investment banking and other services for the Company in the past and has been compensated for such services.

June 23, 1998

Based upon the foregoing and such other factors as we deem relevant, we are of the opinion that, with respect to the holders of the Liberty Stock (other than stockholders who are affiliates of the Company), each Exchange Ratio is fair to such holders from a financial point of view and, with respect to the holders of each series of the Ventures Stock (other than stockholders who are affiliates of the Company), the Exchange Ratio relating to such series is fair to such holders from a financial point of view.

Very truly yours,

DONALDSON, LUFKIN & JENRETTE  
SECURITIES CORPORATION

By:   
Jill A. Greenthal  
Managing Director

# Donaldson, Lufkin & Jenrette

Donaldson, Lufkin & Jenrette, Inc.  
277 Park Avenue, New York, New York 10172 • (212) 892-3000

June 23, 1998

Board of Directors  
Tele-Communications, Inc.  
5619 DTC Parkway  
Englewood, Colorado 80111

Dear Sirs:

You have requested our opinion as to the fairness from a financial point of view to the stockholders of Tele-Communications, Inc. (the "Company") (other than stockholders who are affiliates of the Company) of each Exchange Ratio (as defined below) as it relates to the relevant stockholders of Group A Stock, Group B Stock, LV A Stock and LV B Stock (each as defined below) pursuant to the terms of the Agreement and Plan of Merger, dated as of June 23, 1998, among AT&T Corp. ("Parent"), Italy Merger Corp., a direct wholly owned subsidiary of Parent ("Merger Sub"), and the Company (the "Agreement"). Pursuant to the Agreement, Merger Sub will be merged with and into the Company upon the terms and subject to the conditions of the Agreement (the "Merger") and the Company will become a wholly owned subsidiary of Parent. In addition, the first sentence of paragraph 1 of Schedule 2.1(a) to the Agreement contemplates a share exchange (the "Share Exchange") involving certain series of common stock of the Company. It is our understanding that the Share Exchange will occur prior to and whether or not the Merger takes place.

We understand that pursuant to the Share Exchange, (i) each share of the Company's Series A TCI Ventures Group Common Stock, par value \$1.00 per share ("Ventures A Stock"), will be converted into 0.52 shares of the Company's Series A Liberty Media Group Common Stock, par value \$1.00 per share (the "Liberty A Stock" and after the consummation of the Share Exchange, the "LV A Stock"); and (ii) each share of the Company's Series B TCI Ventures Group Common Stock, par value \$1.00 per share ("Ventures B Stock"), will be converted into 0.52 shares of the Company's Series B Liberty Media Group Common Stock, par value \$1.00 per share (the "Liberty B Stock" and after the consummation of the Share Exchange, the "LV B Stock"). References herein to the "Liberty/Ventures Stock" shall mean the collective reference to the Liberty A Stock, the Liberty B Stock, the Ventures A Stock and the Ventures B Stock.

Pursuant to the Agreement, (i) each share of the Company's Series A TCI Group Common Stock, par value \$1.00 per share ("Group A Stock"), will be converted into the right to receive 0.7757 shares (the "Group A Exchange Ratio") of Parent's common stock, par value \$1.00 per share ("Parent Common Stock"); (ii) each share of the Company's Series B TCI Group Common Stock, par value \$1.00 per share ("Group B Stock"), will be converted into the right to receive 0.8533 shares (the "Group B Exchange Ratio") of Parent Common Stock; (iii) each share of the LV A Stock will be converted into one share (the "LV A Exchange Ratio") of Parent's Class A Liberty Group Common Stock, par value \$1.00 per share

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(“Parent LV A Stock”), and (iv) each share of LV B Stock will be converted into one share (the “LV B Exchange Ratio”) of Parent’s Class B Liberty Group Common Stock, par value \$1.00 per share (“Parent LV B Stock”), all as set forth more fully in the Agreement. References herein to each “Exchange Ratio” shall mean the Group A Exchange Ratio, the Group B Exchange Ratio, the LV A Exchange Ratio or the LV B Exchange Ratio, as the case may be; and references herein to the “Company Common Stock” shall mean the collective reference to the Group A Stock, Group B Stock, LV A Stock and LV B Stock.

In arriving at our opinion, we have reviewed the Agreement. We also have reviewed financial and other information that was publicly available or furnished to us by the Company and Parent, including information provided during discussions with management of the Company and of Parent. Included in the information provided during discussions with management were certain financial analyses of the Company and Parent, certain projections of the Company (relating solely to the business of the Company which is not tracked by the Liberty/Ventures Stock) for the period beginning January 1, 1998 and ending on December 31, 2002 prepared by the management of the Company and certain projections of Parent for the period beginning January 1, 1998 and ending on December 31, 2002 prepared by the management of Parent. In addition, we have compared certain financial and securities data of the Company and Parent with various other companies whose securities are traded in public markets, reviewed the historical stock prices and trading volumes of Group A Stock, Group B Stock, Ventures A Stock, Ventures B Stock, Liberty A Stock, Liberty B Stock and Parent Common Stock, reviewed prices and premiums paid in certain other business combinations and conducted such other financial studies, analyses and investigations as we deemed appropriate for purposes of this opinion. We were not requested to, nor did we, solicit the interest of any other party in acquiring the Company or any of its assets.

In rendering our opinion, we have relied upon and assumed the accuracy, completeness and fairness of all the financial and other information that was available to us from public sources, that was provided to us by the Company, Parent or their respective representatives, or that was otherwise reviewed by us. With respect to the financial analyses and projections supplied to us by the Company and Parent, we have assumed that they have been reasonably prepared on the basis reflecting the best currently available estimates and judgments of the management of the Company and Parent, respectively, as to the future operating and financial performance of the Company and Parent, respectively. Additionally, we have assumed that the Share Exchange and the Restructuring (as defined in the Agreement) will be completed prior to the consummation of the Merger. We have not assumed any responsibility for making an independent evaluation of the Company’s or Parent’s assets or liabilities or for making any independent verification of any of the information reviewed by us. We have relied as to all legal matters, including that the Share Exchange, the Restructuring and the Merger will be free of federal tax to the Company, Parent and holders of each series of the Company Common Stock, on advice of counsel to the Company.

In rendering our opinion, we have also assumed that obtaining the necessary regulatory and governmental approvals for the proposed Merger will not significantly delay consummation of the Merger, and that, in the course of obtaining such approvals, no restriction will be imposed that will have a material adverse effect on the contemplated benefits of the proposed Merger.

Our opinion is necessarily based on economic, market, financial and other conditions as they exist on, and on the information made available to us, as of the date of this letter. It should be understood that,

June 23, 1998

although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. We are expressing no opinion herein as to the relative merits of the proposed transaction and any other business strategies being considered by the Company's Board of Directors, nor does it address the Board's decision to proceed with the proposed transaction. We are expressing no opinion as to the prices at which the Parent Common Stock, Parent LV A Stock or Parent LV B Stock will actually trade at any time. Our opinion does not constitute a recommendation to any stockholder as to how such stockholder should vote on the proposed transaction.

Donaldson, Lufkin & Jenrette Securities Corporation ("DLJ"), as part of its investment banking services, is regularly engaged in the valuation of businesses and securities in connection with mergers, acquisitions, underwritings, sales and distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. DLJ has performed investment banking and other services for the Company in the past and has been compensated for such services.

Based upon the foregoing and such other factors as we deem relevant, we are of the opinion that, with respect to the holders of each series of Company Common Stock (other than stockholders who are affiliates of the Company), the Exchange Ratio relating to such series is fair to such holders from a financial point of view.

Very truly yours,

DONALDSON, LUFKIN & JENRETTE  
SECURITIES CORPORATION

By:

  
Jill A. Greenthal  
Managing Director

**THE GENERAL CORPORATION LAW  
OF  
THE STATE OF DELAWARE**

**SECTION 262 APPRAISAL RIGHTS.**—(a) Any stockholder of a corporation of this State who holds shares of stock on the date of the making of a demand pursuant to subsection (d) of this section with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) of this section and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to § 228 of this title shall be entitled to an appraisal by the Court of Chancery of the fair value of the stockholder's shares of stock under the circumstances described in subsections (b) and (c) of this section. As used in this section, the word "stockholder" means a holder of record of stock in a stock corporation and also a member of record of a nonstock corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words and also membership or membership interest of a member of a nonstock corporation; and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in one or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b) Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to § 251 (other than a merger effected pursuant to § 251(g) of this title, § 252, § 254, § 257, § 258, § 263 or § 264 of this title:

(1) Provided, however, that no appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of and to vote at the meeting of stockholders to act upon the agreement of merger or consolidation, were either (i) listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or (ii) held of record by more than 2,000 holders; and further provided that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in subsection (f) of § 251 of this title.

(2) Notwithstanding paragraph (1) of this subsection, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to §§ 251, 252, 254, 257, 258, 263 and 264 of this title to accept for such stock anything except:

a. Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof;

b. Shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or depository receipts in respect thereof) or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or held of record by more than 2,000 holders;

c. Cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs a. and b. of this paragraph; or

d. Any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs a., b. and c. of this paragraph.

(3) In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under § 253 of this title is not owned by the parent corporation immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Delaware corporation.

(c) Any corporation may provide in its certificate of incorporation that appraisal rights under this section shall be available for the shares of any class or series of its stock as a result of an amendment to its certificate of incorporation, any merger or consolidation in which the corporation is a constituent corporation or the sale of all or substantially all of the assets of the corporation. If the certificate of incorporation contains such a provision, the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as is practicable.

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for such meeting with respect to shares for which appraisal rights are available pursuant to subsection (b) or (c) hereof that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section. Each stockholder electing to demand the appraisal of such stockholder's shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of such stockholder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such stockholder's shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2) If the merger or consolidation was approved pursuant to § 228 or § 253 of this title, each constituent corporation, either before the effective date of the merger or consolidation or within ten days thereafter, shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section; provided that, if the notice is given on or after the effective date of the merger or consolidation, such notice shall be given by the surviving or resulting corporation to all such holders of any class or series of stock of a constituent corporation that are entitled to appraisal rights. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within twenty days after the date of mailing of such notice, demand in writing from the surviving or resulting corporation the appraisal of such holder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder's shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either (i) each such constituent corporation shall send a second notice before the effective date of the merger or consolidation notifying each of the holders of any class or series of stock of such constituent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation or (ii) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice, such second notice need only be sent to each stockholder who is entitled to appraisal rights and who has demanded appraisal of such holder's shares in accordance with this subsection. An affidavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constituent corporation may fix, in advance, a record date that shall be not more than 10 days prior to the date the notice is given, provided, that if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given

prior to the effective date, the record date shall be the close of business on the day next preceding the day on which the notice is given.

(e) Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) hereof and who is otherwise entitled to appraisal rights, may file a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder shall have the right to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of subsections (a) and (d) hereof, upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after such stockholder's written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d) hereof, whichever is later.

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting corporation, which shall within 20 days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The Register in Chancery, if so ordered by the Court, shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by 1 or more publications at least 1 week before the day of the hearing, in a newspaper of general circulation published in the City of Wilmington, Delaware or such publication as the Court deems advisable. The forms of the notices by mail and by publication shall be approved by the Court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g) At the hearing on such petition, the Court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Court may dismiss the proceedings as to such stockholder.

(h) After determining the stockholders entitled to an appraisal, the Court shall appraise the shares, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with a fair rate of interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Court shall take into account all relevant factors. In determining the fair rate of interest, the Court may consider all relevant factors, including the rate of interest which the surviving or resulting corporation would have had to pay to borrow money during the pendency of the proceeding. Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the Court may, in its discretion, permit discovery or other pretrial proceedings and may proceed to trial upon the appraisal prior to the final determination of the stockholder entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) of this section and who has submitted such stockholder's certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that such stockholder is not entitled to appraisal rights under this section.

(i) The Court shall direct the payment of the fair market value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. Interest may be simple or compound, as the Court may direct. Payment shall be so made to each such stockholder, in the case of holders of uncertified stock forthwith, and the case of holders of shares represented by certificates upon the surrender to the corporation of the certificates representing such stock. The Court's decree may be enforced as other decrees in the Court of Chancery may be enforced, whether such surviving or resulting corporation be a corporation of this State or of any state.

(j) The costs of the proceeding may be determined by the Court and taxed upon the parties as the Court deems equitable in the circumstances. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

(k) From and after the effective date of the merger or consolidation, no stockholder who has demanded appraisal rights as provided in subsection (d) of this section shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation); provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of this section, or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of such stockholder's demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) of this section or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just.

(l) The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation.

**PROPOSED AMENDMENTS  
TO THE  
RESTATED CERTIFICATE OF INCORPORATION  
OF  
TELE-COMMUNICATIONS, INC.  
(Implementing the Liberty/Ventures Combination Proposal)**

*Section E of Article IV of the Restated Certificate of Incorporation of the Corporation is proposed to be amended pursuant to the Liberty/Ventures Combination Proposal to read in its entirety as follows:*

**“SECTION E**

**SERIES A TCI GROUP COMMON STOCK, SERIES B TCI GROUP COMMON STOCK, SERIES A LIBERTY MEDIA GROUP COMMON STOCK AND SERIES B LIBERTY MEDIA GROUP COMMON STOCK**

One billion seven hundred fifty million (1,750,000,000) shares of Common Stock shall be of a series designated Tele-Communications, Inc. Series A TCI Group Common Stock (the “Series A TCI Group Common Stock”), one hundred fifty million (150,000,000) shares of Common Stock shall be of a series designated Tele-Communications, Inc. Series B TCI Group Common Stock (the “Series B TCI Group Common Stock”), one billion five hundred million (1,500,000,000) shares of Common Stock shall be of a series designated Tele-Communications, Inc. Series A Liberty Media Group Common Stock (the “Series A Liberty Media Group Common Stock”) and one hundred fifty million (150,000,000) shares of Common Stock shall be of a series designated Tele-Communications, Inc. Series B Liberty Media Group Common Stock (the “Series B Liberty Media Group Common Stock”).

*If both the Liberty/Ventures Combination Proposal and the Increased Authorization Proposal are approved by the shareholders, the first paragraph of Section E of Article IV of the Restated Certificate of Incorporation will instead be amended to read in its entirety as set forth in the final paragraph of Appendix H-2.*

Effective at the time of the filing with the Secretary of State of the State of Delaware of the Certificate of Amendment to the Restated Certificate of Incorporation, as amended, of the Corporation (the “Effective Time”) adding this paragraph thereto: (i) each share of the Corporation’s Series A TCI Ventures Group Common Stock, par value \$1.00 per share (“Series A TCI Ventures Group Common Stock”), issued and outstanding or held in treasury immediately prior to such time shall, without any action on the part of the respective holders thereof, be reclassified and converted into fifty-two hundredths (0.52) of a share of Series A Liberty Media Group Common Stock, and each stock certificate that, immediately prior to the time of such filing, represented shares of the Corporation’s Series A TCI Ventures Group Common Stock shall, from and after such time and without the necessity of presenting the same for exchange, represent the number of shares of Series A Liberty Media Group Common Stock into which the shares of Series A TCI Ventures Group Common Stock represented by such stock certificate were reclassified and converted pursuant hereto, and (ii) each share of the Corporation’s Series B TCI Ventures Group Common Stock, par value \$1.00 per share (“Series B TCI Ventures Group Common Stock” and together with the Series A TCI Ventures Group Common Stock, the “TCI Ventures Group Common Stock”), issued and outstanding or held in treasury immediately prior to such time shall, without any action on the part of the respective holders thereof, be reclassified and converted into fifty-two hundredths (0.52) of a share of Series B Liberty Media Group Common Stock (the Series A Liberty Media Group Common Stock and the Series B Liberty Media Group Common Stock sometimes hereinafter referred to collectively as the “Liberty Media Group Common Stock”), and each stock certificate that, immediately prior to the time of such filing, represented shares of the Corporation’s Series B TCI Ventures Group Common Stock shall, from and after such time and without the necessity of presenting the same for exchange, represent the number of shares of Series B Liberty Media Group

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Common Stock into which the shares of Series B TCI Ventures Group Common Stock represented by such stock certificate were reclassified and converted pursuant hereto (collectively, the "Reclassification"). Fractional shares of Liberty Media Group Common Stock will not be issued to any holder of TCI Ventures Group Common Stock or reflected on the stock transfer records of the Corporation by reason of the Reclassification. In lieu thereof, the Corporation will, as provided in the immediately following paragraph, pay a cash amount to the stockholders otherwise entitled to such fractional shares equal to the total fractional amount represented by such shares times the closing price of a share of the applicable series of Liberty Media Group Common Stock on the Nasdaq National Market tier of The Nasdaq Stock Market on the Trading Day immediately preceding the date on which the Effective Time occurs.

Each holder of a certificate representing issued and outstanding shares of TCI Ventures Group Common Stock at the Effective Time ("TCI Ventures Group Certificate") shall be entitled upon surrender of such certificate to the Corporation's transfer agent for cancellation, together with a properly completed letter of transmittal in the form prescribed by the Corporation, to receive new certificates representing the number of whole shares of Liberty Media Group Common Stock into which such shares of TCI Ventures Group Common Stock are reclassified and changed, together with a check for the cash amount to be paid in lieu of fractional shares of Liberty Media Group Common Stock that would otherwise have been issuable, each determined as provided in the immediately preceding paragraph.

Until the surrender of a TCI Ventures Group Certificate to the Corporation's transfer agent as provided herein, dividends or distributions, if any, in respect of the Liberty Media Group Common Stock the ownership of which is represented by such TCI Ventures Group Certificate will be accumulated and not paid or delivered, but (i) any such dividends or distributions that shall have become payable with respect to such Liberty Media Group Common Stock between the Effective Time and the time of such surrender will be paid upon surrender (without interest) to the person in whose name the surrendered TCI Ventures Group Certificate is registered and (ii) any such dividends or distributions the record date for which is prior to such surrender and the payment date for which is after such surrender will be paid on such payment date to the person in whose name the surrendered TCI Ventures Group Certificate is registered. After the Effective Time, the holder of record of a TCI Ventures Group Certificate on any record date for a meeting of stockholders of the Corporation will be entitled to vote the shares of Liberty Media Group Common Stock the ownership of which is evidenced by such TCI Ventures Group Certificate as of such record date on all matters submitted to a vote of the holders of Common Stock of the Corporation at such meeting.

Each share of Series A TCI Group Common Stock and each share of Series B TCI Group Common Stock shall, except as otherwise provided in this Section E, be identical in all respects and shall have equal rights, powers and privileges.

Each share of Series A Liberty Media Group Common Stock and each share of Series B Liberty Media Group Common Stock shall, except as otherwise provided in this Section E, be identical in all respects and shall have equal rights, powers and privileges.

*1. Voting Rights.*

Holders of Series A TCI Group Common Stock shall be entitled to one vote for each share of such stock held, holders of Series B TCI Group Common Stock shall be entitled to ten votes for each share of such stock held, holders of Series A Liberty Media Group Common Stock shall be entitled to one vote for each share of such stock held and holders of Series B Liberty Media Group Common Stock shall be entitled to ten votes for each share of such stock held, on all matters presented to such stockholders. Except as may otherwise be required by the laws of the State of Delaware or, with respect to any class of Preferred Stock or any series of such a class, in this Certificate (including any resolution or resolutions providing for the establishment of such class or series pursuant to authority vested in the Board of Directors by this Certificate), the holders of shares

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of Series A TCI Group Common Stock, the holders of shares of Series B TCI Group Common Stock, the holders of shares of Series A Liberty Media Group Common Stock, the holders of shares of Series B Liberty Media Group Common Stock and the holders of shares of each class or series of Preferred Stock, if any, entitled to vote thereon, shall vote as one class with respect to the election of directors and with respect to all other matters to be voted on by stockholders of the Corporation (including, without limitation, any proposed amendment to this Certificate that would increase the number of authorized shares of Common Stock or any series thereof or of any other class or series of stock or decrease the number of authorized shares of any class or series of stock (but not below the number of shares thereof then outstanding)), and no separate vote or consent of the holders of shares of Series A TCI Group Common Stock, the holders of shares of Series B TCI Group Common Stock, the holders of shares of Series A Liberty Media Group Common Stock, the holders of shares of Series B Liberty Media Group Common Stock or the holders of shares of any such class or series of Preferred Stock shall be required for the approval of any such matter.

2. *Conversion Rights.*

(a) **Conversion of Series B TCI Group Common Stock into Series A TCI Group Common Stock.** Each share of Series B TCI Group Common Stock shall be convertible, at the option of the holder thereof, into one share of Series A TCI Group Common Stock. Any such conversion may be effected by any holder of Series B TCI Group Common Stock by surrendering such holder's certificate or certificates for the Series B TCI Group Common Stock to be converted, duly endorsed, at the office of the Corporation or any transfer agent for the Series B TCI Group Common Stock, together with a written notice to the Corporation at such office that such holder elects to convert all or a specified number of shares of Series B TCI Group Common Stock represented by such certificate and stating the name or names in which such holder desires the certificate or certificates for Series A TCI Group Common Stock to be issued. If so required by the Corporation, any certificate for shares surrendered for conversion shall be accompanied by instruments of transfer, in form satisfactory to the Corporation, duly executed by the holder of such shares or the duly authorized representative of such holder. Promptly thereafter, the Corporation shall issue and deliver to such holder or such holder's nominee or nominees, a certificate or certificates for the number of shares of Series A TCI Group Common Stock to which such holder shall be entitled as herein provided. Such conversion shall be deemed to have been made at the close of business on the date of receipt by the Corporation or any such transfer agent of the certificate or certificates, notice and, if required, instruments of transfer referred to above, and the person or persons entitled to receive the Series A TCI Group Common Stock issuable on such conversion shall be treated for all purposes as the record holder or holders of such Series A TCI Group Common Stock on that date. A number of shares of Series A TCI Group Common Stock equal to the number of shares of Series B TCI Group Common Stock outstanding from time to time shall be set aside and reserved for issuance upon conversion of shares of Series B TCI Group Common Stock. Shares of Series A TCI Group Common Stock shall not be convertible into shares of Series B TCI Group Common Stock.

(b) **Conversion of Series B Liberty Media Group Common Stock into Series A Liberty Media Group Common Stock.** Each share of Series B Liberty Media Group Common Stock shall be convertible, at the option of the holder thereof, into one share of Series A Liberty Media Group Common Stock. Any such conversion may be effected by any holder of Series B Liberty Media Group Common Stock by surrendering such holder's certificate or certificates for the Series B Liberty Media Group Common Stock to be converted, duly endorsed, at the office of the Corporation or any transfer agent for the Series B Liberty Media Group Common Stock, together with a written notice to the Corporation at such office that such holder elects to convert all or a specified number of shares of Series B Liberty Media Group Common Stock represented by such certificate and stating the name or names in which such holder desires the certificate or certificates for Series A Liberty Media Group Common Stock to be issued. If so required by the Corporation, any certificate for shares surrendered for conversion shall be accompanied by instruments of transfer, in form satisfactory to the Corporation, duly executed by the holder of such shares or the duly authorized representative of such

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holder. Promptly thereafter, the Corporation shall issue and deliver to such holder or such holder's nominee or nominees, a certificate or certificates for the number of shares of Series A Liberty Media Group Common Stock to which such holder shall be entitled as herein provided. Such conversion shall be deemed to have been made at the close of business on the date of receipt by the Corporation or any such transfer agent of the certificate or certificates, notice and, if required, instruments of transfer referred to above, and the person or persons entitled to receive the Series A Liberty Media Group Common Stock issuable on such conversion shall be treated for all purposes as the record holder or holders of such Series A Liberty Media Group Common Stock on that date. A number of shares of Series A Liberty Media Group Common Stock equal to the number of shares of Series B Liberty Media Group Common Stock outstanding from time to time shall be set aside and reserved for issuance upon conversion of shares of Series B Liberty Media Group Common Stock. Shares of Series A Liberty Media Group Common Stock shall not be convertible into shares of Series B Liberty Media Group Common Stock.

**(c) Conversion of Series A Liberty Media Group Common Stock into Series A TCI Group Common Stock and Series B Liberty Media Group Common Stock into Series B TCI Group Common Stock at the Option of the Corporation.** (i) At the option of the Corporation by action of its Board of Directors, (A) all shares of Series A Liberty Media Group Common Stock shall be converted into a number (or fraction) of fully paid and nonassessable shares of Series A TCI Group Common Stock equal to the Liberty Media Group Optional Conversion Ratio, and (B) all shares of Series B Liberty Media Group Common Stock shall be converted into a number (or fraction) of fully paid and nonassessable shares of Series B TCI Group Common Stock equal to the Liberty Media Group Optional Conversion Ratio.

(ii) For purposes of this paragraph 2(c), the "Liberty Media Group Optional Conversion Ratio" shall mean the quotient (calculated to the nearest five decimal places) obtained by dividing (A) the Liberty Media Group Common Stock Per Share Value by (B) the average Market Value of one share of Series A TCI Group Common Stock over the 20-Trading Day period ending on the Trading Day preceding the Appraisal Date.

(iii) In the event that the Corporation determines to establish the Liberty Media Group Private Market Value, the Corporation shall designate the First Appraiser, and the Independent Committee shall designate the Second Appraiser. Not later than 20 days after the Selection Date, the First Appraiser and the Second Appraiser shall each determine its initial view as to the private market value of the Liberty Media Group as of the Appraisal Date and shall consult with one another with respect thereto. Not later than the 30th day after the Selection Date, the First Appraiser and the Second Appraiser shall each have determined its final view as to such private market value. If the Higher Appraised Amount is not more than 120% of the Lower Appraised Amount, the Liberty Media Group Private Market Value (subject to any adjustment provided in subparagraph (iv) of this paragraph 2(c)) shall be the average of those two amounts. If the Higher Appraised Amount is more than 120% of the Lower Appraised Amount, the First Appraiser and the Second Appraiser shall agree upon and jointly designate the Mutually Designated Appraiser to determine such private market value. The Mutually Designated Appraiser shall not be provided with any of the work of the First Appraiser and Second Appraiser. The Mutually Designated Appraiser shall, no later than the 20th day after the date the Mutually Designated Appraiser is designated, determine the Mutually Appraised Amount, and the Liberty Media Group Private Market Value (subject to any adjustment provided in subparagraph (iv) of this paragraph 2(c)) shall be (A) if the Mutually Appraised Amount is between the Lower Appraised Amount and the Higher Appraised Amount, (I) the average of (1) the Mutually Appraised Amount and (2) the Lower Appraised Amount or the Higher Appraised Amount, whichever is closer to the Mutually Appraised Amount, or (II) the Mutually Appraised Amount, if neither the Lower Appraised Amount nor the Higher Appraised Amount is closer to the Mutually Appraised Amount, or (B) if the Mutually Appraised Amount is greater than the Higher Appraised Amount or less than the Lower Appraised Amount, the average of the Higher Appraised Amount and the Lower Appraised Amount. For these purposes, if any such Appraiser expresses its final view of the private market value of the Liberty Media Group as a range of values, such Appraiser's final view of such private market value shall be deemed to be the midpoint of such range of values.

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(iv) Following the determination of the Liberty Media Group Private Market Value, the Appraiser or Appraisers whose final views of the private market value of the Liberty Media Group were used in the calculation of the Liberty Media Group Private Market Value shall determine the Adjusted Outstanding Shares of Liberty Media Group Common Stock together with any further appropriate adjustments to the Liberty Media Group Private Market Value resulting from such determination. The "Adjusted Outstanding Shares of Liberty Media Group Common Stock" shall mean a number, as determined by such Appraiser(s) as of the Appraisal Date, equal to the sum of the number of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock outstanding, the Number of Shares Issuable with Respect to the Liberty Media Group Inter-Group Interest, the number of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock issuable upon the conversion, exercise or exchange of all Pre-Existing Convertible Securities that continue to be outstanding and the number of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock issuable upon the conversion, exercise or exchange of those Convertible Securities (other than Pre-Existing Convertible Securities) the holders of which would derive an economic benefit from conversion, exercise or exchange of such Convertible Securities which exceeds the economic benefit of not converting, exercising or exchanging such Convertible Securities. The "Liberty Media Group Common Stock Per Share Value" shall mean the quotient obtained by dividing the Liberty Media Group Private Market Value by the Adjusted Outstanding Shares of Liberty Media Group Common Stock, provided that if such Appraiser(s) do not agree on the determinations provided for in this subparagraph (iv), the Liberty Media Group Common Stock Per Share Value shall be the average of the quotients so obtained on the basis of the respective determinations of such firms.

(v) If the Corporation determines to convert shares of Series A Liberty Media Group Common Stock into Series A TCI Group Common Stock and shares of Series B Liberty Media Group Common Stock into Series B TCI Group Common Stock at the Liberty Media Group Optional Conversion Ratio, such conversion shall occur on a Conversion Date on or prior to the 120th day following the Appraisal Date. If the Corporation determines not to undertake such conversion, the Corporation may at any time thereafter undertake to reestablish the Liberty Media Group Common Stock Per Share Value as of a subsequent date.

(vi) The Corporation shall not convert shares of Series A Liberty Media Group Common Stock into shares of Series A TCI Group Common Stock without converting shares of Series B Liberty Media Group Common Stock into shares of Series B TCI Group Common Stock, and the Corporation shall not convert shares of Series B Liberty Media Group Common Stock into shares of Series B TCI Group Common Stock without converting shares of Series A Liberty Media Group Common Stock into shares of Series A TCI Group Common Stock. The Series A Liberty Media Group Common Stock and the Series B Liberty Media Group Common Stock shall also be convertible at the option of the Corporation in accordance with paragraph 5(b)(iii) of this Section E.

*3. Dividends.*

(a) **Dividends on Series A TCI Group Common Stock and Series B TCI Group Common Stock.** Dividends on the Series A TCI Group Common Stock and the Series B TCI Group Common Stock may be declared and paid only out of the lesser of (i) assets of the Corporation legally available therefor and (ii) the TCI Group Available Dividend Amount. Subject to paragraph 4 of this Section E, whenever a dividend is paid to the holders of Series A TCI Group Common Stock, the Corporation shall also pay to the holders of Series B TCI Group Common Stock a dividend per share equal to the dividend per share paid to the holders of Series A TCI Group Common Stock, and whenever a dividend is paid to the holders of Series B TCI Group Common Stock, the Corporation shall also pay to the holders of Series A TCI Group Common Stock a dividend per share equal to the dividend per share paid to the holders of Series B TCI Group Common Stock.

(b) **Dividends on Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock.** Dividends on the Series A Liberty Media Group Common Stock and the Series B Liberty

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Media Group Common Stock may be declared and paid only out of the lesser of (i) assets of the Corporation legally available therefor and (ii) the Liberty Media Group Available Dividend Amount. Subject to paragraph 4 and the last sentence of paragraph 5(b) of this Section E, whenever a dividend is paid to the holders of Series A Liberty Media Group Common Stock, the Corporation shall also pay to the holders of Series B Liberty Media Group Common Stock a dividend per share equal to the dividend per share paid to the holders of Series A Liberty Media Group Common Stock, and whenever a dividend is paid to the holders of Series B Liberty Media Group Common Stock, the Corporation shall also pay to the holders of Series A Liberty Media Group Common Stock a dividend per share equal to the dividend per share paid to the holders of Series B Liberty Media Group Common Stock.

(c) **Discrimination Between or Among Series of Common Stock.** The Board of Directors, subject to the provisions of paragraph 3(a) and 3(b) of this Section E, shall have the authority and discretion to declare and pay dividends on (i) the Series A TCI Group Common Stock and Series B TCI Group Common Stock or (ii) the Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock, in equal or unequal amounts, notwithstanding the relationship between the TCI Group Available Dividend Amount and the Liberty Media Group Available Dividend Amount, the respective amounts of prior dividends declared on, or the liquidation rights of, the Series A TCI Group Common Stock and Series B TCI Group Common Stock or the Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock, or any other factor.

4. *Share Distributions.*

The Corporation may declare and pay a distribution consisting of shares of Series A TCI Group Common Stock, Series B TCI Group Common Stock, Series A Liberty Media Group Common Stock, Series B Liberty Media Group Common Stock or any other securities of the Corporation or any other Person (hereinafter sometimes called a “share distribution”) to holders of the Common Stock only in accordance with the provisions of this paragraph 4.

(a) **Distributions on Series A TCI Group Common Stock and Series B TCI Group Common Stock.** If at any time a share distribution is to be made with respect to the Series A TCI Group Common Stock or Series B TCI Group Common Stock, such share distribution may be declared and paid only as follows:

(i) a share distribution consisting of shares of Series A TCI Group Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series A TCI Group Common Stock) to holders of Series A TCI Group Common Stock and Series B TCI Group Common Stock, on an equal per share basis; or consisting of shares of Series B TCI Group Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series B TCI Group Common Stock) to holders of Series A TCI Group Common Stock and Series B TCI Group Common Stock, on an equal per share basis; or consisting of shares of Series A TCI Group Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series A TCI Group Common Stock) to holders of Series A TCI Group Common Stock and, on an equal per share basis, shares of Series B TCI Group Common Stock (or like Convertible Securities convertible into or exercisable or exchangeable for shares of Series B TCI Group Common Stock) to holders of Series B TCI Group Common Stock;

(ii) a share distribution consisting of shares of Series A Liberty Media Group Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series A Liberty Media Group Common Stock) to holders of Series A TCI Group Common Stock and Series B TCI Group Common Stock, on an equal per share basis; or consisting of shares of Series B Liberty Media Group Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series B Liberty Media Group Common Stock) to holders of Series A TCI Group Common Stock and

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Series B TCI Group Common Stock, on an equal per share basis; or consisting of shares of Series A Liberty Media Group Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series A Liberty Media Group Common Stock) to holders of Series A TCI Group Common Stock and, on an equal per share basis, shares of Series B Liberty Media Group Common Stock (or like Convertible Securities convertible into or exercisable or exchangeable for shares of Series B Liberty Media Group Common Stock) to holders of Series B TCI Group Common Stock; provided that the sum of (A) the aggregate number of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock to be so distributed (or the number of such shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock which would be issuable upon conversion, exercise or exchange of any Convertible Securities to be so distributed) and (B) the number of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock that are subject to issuance upon conversion, exercise or exchange of any Convertible Securities then outstanding that are attributed to the TCI Group (other than Pre-Existing Convertible Securities), is less than or equal to the Number of Shares Issuable with Respect to the Liberty Media Group Inter-Group Interest;

(iii) a share distribution consisting of any class or series of securities of the Corporation or any other Person other than Series A TCI Group Common Stock, Series B TCI Group Common Stock, Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series A TCI Group Common Stock, Series B TCI Group Common Stock, Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock), either on the basis of a distribution of identical securities, on an equal per share basis, to holders of Series A TCI Group Common Stock and Series B TCI Group Common Stock or on the basis of a distribution of one class or series of securities to holders of Series A TCI Group Common Stock and another class or series of securities to holders of Series B TCI Group Common Stock, provided that the securities so distributed (and, if the distribution consists of Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) do not differ in any respect other than their relative voting rights and related differences in designation, conversion, redemption and share distribution provisions, with holders of shares of Series B TCI Group Common Stock receiving the class or series having the higher relative voting rights (without regard to whether such rights differ to a greater or lesser extent than the corresponding differences in voting rights, designation, conversion, redemption and share distribution provisions between the Series A TCI Group Common Stock and the Series B TCI Group Common Stock), provided that if the securities so distributed constitute capital stock of a Subsidiary of the Corporation, such rights shall not differ to a greater extent than the corresponding differences in voting rights, designation, conversion, redemption and share distribution provisions between the Series A TCI Group Common Stock and the Series B TCI Group Common Stock, and provided in each case that such distribution is otherwise made on an equal per share basis.

The Corporation shall not reclassify, subdivide or combine the Series A TCI Group Common Stock without reclassifying, subdividing or combining the Series B TCI Group Common Stock, on an equal per share basis, and the Corporation shall not reclassify, subdivide or combine the Series B TCI Group Common Stock without reclassifying, subdividing or combining the Series A TCI Group Common Stock, on an equal per share basis.

**(b) Distributions on Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock.** If at any time a share distribution is to be made with respect to the Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock, such share distribution may be declared and paid only as follows (or as permitted by paragraph 5 of this Section E with respect to the redemptions and other distributions referred to therein):

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(i) a share distribution consisting of shares of Series A Liberty Media Group Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series A Liberty Media Group Common Stock) to holders of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock, on an equal per share basis; or consisting of shares of Series B Liberty Media Group Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series B Liberty Media Group Common Stock) to holders of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock, on an equal per share basis; or consisting of shares of Series A Liberty Media Group Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series A Liberty Media Group Common Stock) to holders of Series A Liberty Media Group Common Stock and, on an equal per share basis, shares of Series B Liberty Media Group Common Stock (or like Convertible Securities convertible into or exercisable or exchangeable for shares of Series B Liberty Media Group Common Stock) to holders of Series B Liberty Media Group Common Stock; and

(ii) a share distribution consisting of any class or series of securities of the Corporation or any other Person other than as described in clause (i) of this paragraph 4(b) and other than Series A TCI Group Common Stock or Series B TCI Group Common Stock (or Convertible Securities convertible into or exercisable or exchangeable for shares of Series A TCI Group Common Stock or Series B TCI Group Common Stock ) either on the basis of a distribution of identical securities, on an equal per share basis, to holders of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock or on the basis of a distribution of one class or series of securities to holders of Series A Liberty Media Group Common Stock and another class or series of securities to holders of Series B Liberty Media Group Common Stock, provided that the securities so distributed (and, if the distribution consists of Convertible Securities, the securities into which such Convertible Securities are convertible or for which they are exercisable or exchangeable) do not differ in any respect other than their relative voting rights and related differences in designation, conversion, redemption and share distribution provisions, with holders of shares of Series B Liberty Media Group Common Stock receiving the class or series having the higher relative voting rights (without regard to whether such rights differ to a greater or lesser extent than the corresponding differences in voting rights, designation, conversion, redemption and share distribution provisions between the Series A Liberty Media Group Common Stock and the Series B Liberty Media Group Common Stock), provided that if the securities so distributed constitute capital stock of a Subsidiary of the Corporation, such rights shall not differ to a greater extent than the corresponding differences in voting rights, designation, conversion, redemption and share distribution provisions between the Series A Liberty Media Group Common Stock and the Series B Liberty Media Group Common Stock, and provided in each case that such distribution is otherwise made on an equal per share basis.

The Corporation shall not reclassify, subdivide or combine the Series A Liberty Media Group Common Stock without reclassifying, subdividing or combining the Series B Liberty Media Group Common Stock, on an equal per share basis, and the Corporation shall not reclassify, subdivide or combine the Series B Liberty Media Group Common Stock without reclassifying, subdividing or combining the Series A Liberty Media Group Common Stock, on an equal per share basis.

*5. Redemption and Other Provisions Relating to the Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock*

(a) **Redemption in Exchange for Stock of Liberty Media Group Qualifying Subsidiaries.** At any time at which all of the assets and liabilities attributed to the Liberty Media Group have become and continue to be held directly or indirectly by any one or more Liberty Media Group Qualifying Subsidiaries, the Board of Directors may, subject to the availability of assets of the Corporation legally available therefor, redeem, on a pro rata basis, all of the outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock in exchange for an aggregate number of outstanding fully paid and

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nonassessable shares of common stock of each Liberty Media Group Qualifying Subsidiary equal to the product of the Adjusted Liberty Media Group Outstanding Interest Fraction and the number of outstanding shares of common stock of such Liberty Media Group Qualifying Subsidiary held by the Corporation. Any such redemption shall occur on a Redemption Date set forth in a notice to holders of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock and Convertible Securities convertible into or exercisable or exchangeable for shares of either such series (unless provision for notice is otherwise made pursuant to the terms of such Convertible Securities) pursuant to paragraph 5(d)(vi). In effecting such a redemption, the Board of Directors may determine either to (i) redeem shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock in exchange for shares of separate classes or series of common stock of each Liberty Media Group Qualifying Subsidiary with relative voting rights and related differences in designation, conversion, redemption and share distribution provisions not greater than the corresponding differences in voting rights, designation, conversion, redemption and share distribution provisions between the Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock, with holders of shares of Series B Liberty Media Group Common Stock receiving the class or series having the higher relative voting rights, or (ii) redeem shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock in exchange for shares of a single class of common stock of each Liberty Media Group Qualifying Subsidiary without distinction between the shares distributed to the holders of the Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock.

**(b) Mandatory Dividend, Redemption or Conversion in Case of Disposition of Liberty Media Group Assets.** In the event of the Disposition, in one transaction or a series of related transactions, by the Corporation and its subsidiaries of all or substantially all of the properties and assets of the Liberty Media Group to one or more persons, entities or groups (other than (w) in connection with the Disposition by the Corporation of all of the Corporation's properties and assets in one transaction or a series of related transactions in connection with the liquidation, dissolution or winding up of the Corporation within the meaning of paragraph 6 of this Section E, (x) a dividend, other distribution or redemption in accordance with any provision of paragraph 3, paragraph 4, paragraph 5(a) or paragraph 6 of this Section E, (y) to any person, entity or group which the Corporation, directly or indirectly, after giving effect to the Disposition, controls or (z) in connection with a Related Business Transaction), the Corporation shall, on or prior to the 85th Trading Day following the consummation of such Disposition, either:

(i) subject to paragraph 3(b) of this Section E, declare and pay a dividend in cash and/or in securities or other property (other than a dividend or distribution of Common Stock) to the holders of the outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock equally on a share for share basis (subject to the last sentence of this Section 5(b)), in an aggregate amount equal to the product of the Liberty Media Group Outstanding Interest Fraction as of the record date for determining the holders entitled to receive such dividend and the Liberty Media Group Net Proceeds of such Disposition; or

(ii) provided that there are assets of the Corporation legally available therefor and the Liberty Media Group Available Dividend Amount would have been sufficient to pay a dividend in lieu thereof pursuant to clause (i) of this paragraph 5(b), then:

(A) if such Disposition involves all (not merely substantially all) of the properties and assets of the Liberty Media Group, redeem all outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock in exchange for cash and/or securities or other property (other than Common Stock) in an aggregate amount equal to the product of the Adjusted Liberty Media Group Outstanding Interest Fraction as of the date of such redemption and the Liberty Media Group Net Proceeds, such aggregate amount to be allocated (subject to the last sentence of this paragraph 5(b)) to shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock in the ratio of the number of shares of each such

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series outstanding (so that the amount of consideration paid for the redemption of each share of Series A Liberty Media Group Common Stock and each share of Series B Liberty Media Group Common Stock is the same); or

(B) if such Disposition involves substantially all (but not all) of the properties and assets of the Liberty Media Group, apply an aggregate amount of cash and/or securities or other property (other than Common Stock) equal to the product of the Liberty Media Group Outstanding Interest Fraction as of the date shares are selected for redemption and the Liberty Media Group Net Proceeds to the redemption of outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock, such aggregate amount to be allocated (subject to the last sentence of this paragraph 5(b)) to shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock in the ratio of the number of shares of each such series outstanding, and the number of shares of each such series to be redeemed to equal the lesser of (x) the whole number nearest the number determined by dividing the aggregate amount so allocated to the redemption of such series by the average Market Value of one share of Series A Liberty Media Group Common Stock during the ten-Trading Day period beginning on the 16th Trading Day following the consummation of such Disposition and (y) the number of shares of such series outstanding (so that the amount of consideration paid for the redemption of each share of Series A Liberty Media Group Common Stock and each share of Series B Liberty Media Group Common Stock is the same);

such redemption to be effected in accordance with the applicable provisions of paragraph 5(d) of this Section E; or

(iii) convert (A) each outstanding share of Series A Liberty Media Group Common Stock into a number (or fraction) of fully paid and nonassessable shares of Series A TCI Group Common Stock and (B) each outstanding share of Series B Liberty Media Group Common Stock into a number (or fraction) of fully paid and nonassessable shares of Series B TCI Group Common Stock, in each case equal to 110% of the average daily ratio (calculated to the nearest five decimal places) of the Market Value of one share of Series A Liberty Media Group Common Stock to the Market Value of one share of Series A TCI Group Common Stock during the ten-Trading Day period referred to in clause (ii)(B) of this paragraph 5(b).

For purposes of this paragraph 5(b):

(x) as of any date, “substantially all of the properties and assets of the Liberty Media Group” shall mean a portion of such properties and assets that represents at least 80% of the then-current market value (as determined by the Board of Directors) of the properties and assets of the Liberty Media Group as of such date;

(y) in the case of a Disposition of properties and assets in a series of related transactions, such Disposition shall not be deemed to have been consummated until the consummation of the last of such transactions; and

(z) the Corporation may pay the dividend or redemption price referred to in clause (i) or (ii) of this subparagraph 5(b) either in the same form as the proceeds of the Disposition were received or in any other combination of cash or securities or other property (other than Common Stock) that the Board of Directors determines will have an aggregate market value on a fully distributed basis, of not less than the amount of the Liberty Media Group Net Proceeds. If the dividend or redemption price is paid in the form of securities of an issuer other than the Corporation, the Board of Directors may determine either to (1) pay the dividend or redemption price in the form of separate classes or series of securities, with one class or series of such securities to holders of Series A Liberty Media Group Common Stock and another class or series of securities to holders of Series B Liberty Media Group Common Stock, provided that such securities (and, if such securities are convertible into or exercisable or exchangeable for shares of another class or series of securities, the securities so issuable upon such conversion, exercise or exchange) do not

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differ in any respect other than their relative voting rights and related differences in designation, conversion, redemption and share distribution provisions, with holders of shares of Series B Liberty Media Group Common Stock receiving the class or series having the higher relative voting rights (without regard to whether such rights differ to a greater or lesser extent than the corresponding differences in voting rights, designation, conversion, redemption and share distribution provisions between the Series A Liberty Media Group Common Stock and the Series B Liberty Media Group Common Stock), provided that if such securities constitute capital stock of a Subsidiary of the Corporation, such rights shall not differ to a greater extent than the corresponding differences in voting rights, designation, conversion, redemption and share distribution provisions between the Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock, and otherwise such securities shall be distributed on an equal per share basis, or (2) pay the dividend or redemption price in the form of a single class of securities without distinction between the shares received by the holders of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock.

(c) **Certain Provisions Respecting Convertible Securities.** Unless the provisions of any class or series of Pre-Existing Convertible Securities provide specifically to the contrary, after any Conversion Date or Redemption Date on which all outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock were converted or redeemed, any share of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock that is issued on conversion, exercise or exchange of any Pre-Existing Convertible Securities shall, immediately upon issuance pursuant to such conversion, exercise or exchange and without any notice or any other action on the part of the Corporation or its Board of Directors or the holder of such share of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock, be converted into (in case all such outstanding shares were converted) or redeemed in exchange for (in case all such outstanding shares were redeemed) the kind and amount of shares of capital stock, cash and/or other securities or property that a holder of such Pre-Existing Convertible Securities would have been entitled to receive pursuant to the terms of such securities had such terms provided that the conversion, exercise or exchange privilege in effect immediately prior to any such conversion or redemption of all outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock would be adjusted so that the holder of any such Pre-Existing Convertible Securities thereafter surrendered for conversion, exercise or exchange would be entitled to receive the kind and amount of shares of capital stock, cash and/or other securities or property such holder would have received as a result of such action had such securities been converted, exercised or exchanged immediately prior thereto. Unless the provisions of any class or series of Convertible Securities (other than Pre-Existing Convertible Securities), which are or become convertible into or exercisable or exchangeable for shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock, provide specifically to the contrary, following any Conversion Date or Redemption Date on which all outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock were converted or redeemed, any share of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock that is issued on conversion, exercise or exchange of any such Convertible Securities shall, immediately upon issuance pursuant to such conversion, exercise or exchange and without any notice or any other action on the part of the Corporation or its Board of Directors or the holder of such share of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock, be redeemed in exchange for, to the extent assets of the Corporation are legally available therefor, the amount of \$.01 per share in cash.

(d) **General.**

(i) Not later than the 10th Trading Day following the consummation of a Disposition referred to in subparagraph 5(b) of this Section E, the Corporation shall announce publicly by press release (A) the Liberty Media Group Net Proceeds of such Disposition, (B) the number of outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock, (C) the number of shares of

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Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock into or for which Convertible Securities are then convertible, exercisable or exchangeable and the conversion, exercise or exchange prices thereof (and stating which, if any, of such Convertible Securities constitute Pre-Existing Convertible Securities), (D) the Liberty Media Group Outstanding Interest Fraction as of a recent date preceding the date of such notice and (E) the Adjusted Liberty Media Group Outstanding Interest Fraction as of a recent date preceding the date of such notice. Not earlier than the 26th Trading Day and not later than the 30th Trading Day following the consummation of such Disposition, the Corporation shall announce publicly by press release which of the actions specified in clauses (i), (ii) or (iii) of paragraph 5(b) of this Section E it has irrevocably determined to take.

(ii) If the Corporation determines to pay a dividend pursuant to clause (i) of subparagraph 5(b) of this Section E, the Corporation shall, not later than the 30th Trading Day following the consummation of such Disposition, cause to be given to each holder of outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock, and to each holder of Convertible Securities convertible into or exercisable or exchangeable for shares of either such series (unless provision for notice is otherwise made pursuant to the terms of such Convertible Securities), a notice setting forth (A) the record date for determining holders entitled to receive such dividend, which shall be not earlier than the 40th Trading Day and not later than the 50th Trading Day following the consummation of such Disposition, (B) the anticipated payment date of such dividend (which shall not be more than 85 Trading Days following the consummation of such Disposition), (C) the kind of shares of capital stock, cash and/or other securities or property to be distributed in respect of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock, (D) the Liberty Media Group Net Proceeds of such Disposition, (E) the Liberty Media Group Outstanding Interest Fraction as of a recent date preceding the date of such notice, (F) the number of outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock and the number of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock into or for which outstanding Convertible Securities are then convertible, exercisable or exchangeable and the conversion, exercise or exchange prices thereof and (G) in the case of a notice to holders of Convertible Securities, a statement to the effect that holders of such Convertible Securities shall be entitled to receive such dividend only if they appropriately convert, exercise or exchange such Convertible Securities prior to the record date referred to in clause (A) of this sentence. Such notice shall be sent by first-class mail, postage prepaid, at such holder's address as the same appears on the transfer books of the Corporation.

(iii) If the Corporation determines to undertake a redemption of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock following a Disposition of all (not merely substantially all) of the properties and assets of the Liberty Media Group pursuant to clause (ii) (A) of paragraph 5(b) of this Section E, the Corporation shall cause to be given to each holder of outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock and to each holder of Convertible Securities convertible into or exercisable or exchangeable for shares of either such series (unless provision for notice is otherwise made pursuant to the terms of such Convertible Securities), a notice setting forth (A) a statement that all shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock outstanding on the Redemption Date shall be redeemed, (B) the Redemption Date (which shall not be more than 85 Trading Days following the consummation of such Disposition), (C) the kind of shares of capital stock, cash and/or other securities or property to be paid as a redemption price in respect of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock outstanding on the Redemption Date, (D) the Liberty Media Group Net Proceeds of such Disposition, (E) the Adjusted Liberty Media Group Outstanding Interest Fraction as of a recent date preceding the date of such notice, (F) the place or places where certificates for shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock, properly endorsed or assigned for transfer (unless the Corporation waives such requirement), are to be surrendered for delivery of

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certificates for shares of such capital stock, cash and/or other securities or property, (G) the number of outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock and the number of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock into or for which outstanding Convertible Securities are then convertible, exercisable or exchangeable and the conversion, exercise or exchange prices thereof (and stating which, if any, of such Convertible Securities constitute Pre-Existing Convertible Securities), and (H) in the case of a notice to holders of Convertible Securities (other than Pre-Existing Convertible Securities), a statement to the effect that holders of such Convertible Securities shall be entitled to participate in such redemption only if such holders appropriately convert, exercise or exchange such Convertible Securities on or prior to the Redemption Date referred to in clause (B) of this sentence and a statement as to what, if anything, such holders shall be entitled to receive pursuant to the terms of such Convertible Securities or, if applicable, paragraph 5(c) of this Section E if such holders convert, exercise or exchange such Convertible Securities following such Redemption Date. Such notice shall be sent by first-class mail, postage prepaid, not less than 35 Trading Days nor more than 45 Trading Days prior to the Redemption Date, at such holder's address as the same appears on the transfer books of the Corporation.

(iv) If the Corporation determines to undertake a redemption of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock following a Disposition of substantially all (but not all) of the properties and assets of the Liberty Media Group pursuant to clause (ii)(B) of paragraph 5(b) of this Section E, the Corporation shall, not later than the 30th Trading Day following the consummation of such Disposition, cause to be given to each holder of record of outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock, and to each holder of Convertible Securities convertible into or exercisable or exchangeable for shares of either such series (unless provision for notice is otherwise made pursuant to the terms of such Convertible Securities), a notice setting forth (A) a date not earlier than the 40th Trading Day and not later than the 50th Trading Day following the consummation of such Disposition which shall be the date on which shares of the Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock then outstanding shall be selected for redemption, (B) the anticipated Redemption Date (which shall not be more than 85 Trading Days following the consummation of such Disposition), (C) the kind of shares of capital stock, cash and/or other securities or property to be paid as a redemption price in respect of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock selected for redemption, (D) the Liberty Media Group Net Proceeds of such Disposition, (E) the Liberty Media Group Outstanding Interest Fraction as of a recent date preceding the date of such notice, (F) the number of outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock and the number of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock into or for which outstanding Convertible Securities are then convertible, exercisable or exchangeable and the conversion or exercise prices thereof, (G) in the case of a notice to holders of Convertible Securities, a statement to the effect that holders of such Convertible Securities shall be entitled to participate in such selection for redemption only if such holders appropriately convert, exercise or exchange such Convertible Securities on or prior to the date referred to in clause (A) of this sentence and a statement as to what, if anything, such holders shall be entitled to receive pursuant to the terms of such Convertible Securities if such holders convert, exercise or exchange such Convertible Securities following such date and (H) a statement that the Corporation will not be required to register a transfer of any shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock for a period of 15 Trading Days next preceding the date referred to in clause (A) of this sentence. Promptly following the date referred to in clause (A) of the preceding sentence, but not earlier than the 40th Trading Day and not later than the 50th Trading Day following the consummation of such Disposition, the Corporation shall cause to be given to each holder of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock to be so redeemed, a notice setting forth (A) the number of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock held by such holder to be redeemed, (B) a statement that such shares of Series A Liberty

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Media Group Common Stock and Series B Liberty Media Group Common Stock shall be redeemed, (C) the Redemption Date (which shall not be more than 85 Trading Days following the consummation of such Disposition), (D) the kind and per share amount of shares of capital stock, cash and/or other securities or property to be received by such holder with respect to each share of such Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock to be redeemed, including details as to the calculation thereof, and (E) the place or places where certificates for shares of such Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock, properly endorsed or assigned for transfer (unless the Corporation waives such requirement), are to be surrendered for delivery of certificates for shares of such capital stock, cash and/or other securities or property. The notices referred to in this clause (iv) shall be sent by first-class mail, postage prepaid, at such holder's address as the same appears on the transfer books of the Corporation. The outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock to be redeemed shall be redeemed by the Corporation pro rata among the holders of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock or by such other method as may be determined by the Board of Directors to be equitable.

(v) In the event of any conversion pursuant to paragraph 2(c) of this Section E or pursuant to this paragraph 5 (other than pursuant to paragraph 5(c)), the Corporation shall cause to be given to each holder of outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock and to each holder of Convertible Securities convertible into or exercisable or exchangeable for shares of either such series (unless provision for such notice is otherwise made pursuant to the terms of such Convertible Securities), a notice setting forth (A) a statement that all outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock shall be converted, (B) the Conversion Date (which shall not be more than 85 Trading Days following the consummation of such Disposition in the event of a conversion pursuant to paragraph 5(b) and which shall not be more than 120 days after the Appraisal Date in the event of a conversion pursuant to paragraph 2(c)), (C) the per share number of shares of Series A TCI Group Common Stock or Series B TCI Group Common Stock, as applicable, to be received with respect to each share of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock, including details as to the calculation thereof, (D) the place or places where certificates for shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock, properly endorsed or assigned for transfer (unless the Corporation shall waive such requirement), are to be surrendered, (E) the number of outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock and the number of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock into or for which outstanding Convertible Securities are then convertible, exercisable or exchangeable and the conversion, exercise or exchange prices thereof and (F) in the case of a notice to holders of Convertible Securities, a statement to the effect that holders of such Convertible Securities shall be entitled to participate in such conversion only if such holders appropriately convert, exercise or exchange such Convertible Securities on or prior to the Conversion Date referred to in clause (B) of this sentence and a statement as to what, if anything, such holders shall be entitled to receive pursuant to the terms of such Convertible Securities or, if applicable, paragraph 5(c) of this Section E if such holders convert, exercise or exchange such Convertible Securities following such Conversion Date. Such notice shall be sent by first-class mail, postage prepaid, not less than 35 Trading Days nor more than 45 Trading Days prior to the Conversion Date, at such holder's address as the same appears on the transfer books of the Corporation.

(vi) If the Corporation determines to redeem shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock pursuant to subparagraph (a) of this paragraph 5, the Corporation shall promptly cause to be given to each holder of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock and to each holder of Convertible Securities convertible into or exercisable or exchangeable for shares of either such series (unless provision for such notice is otherwise made pursuant to the terms of such Convertible Securities), a notice setting forth (A) a statement that all

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outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock shall be redeemed in exchange for shares of common stock of the Liberty Media Group Qualifying Subsidiaries, (B) the Redemption Date, (C) the Adjusted Liberty Media Group Outstanding Interest Fraction as of a recent date preceding the date of such notice, (D) the place or places where certificates for shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock, properly endorsed or assigned for transfer (unless the Corporation shall waive such requirement), are to be surrendered for delivery of certificates for shares of common stock of the Liberty Media Group Qualifying Subsidiaries, (E) the number of outstanding shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock and the number of shares of Series A Liberty Media Group Common Stock and Series B Liberty Media Group Common Stock into or for which outstanding Convertible Securities are then convertible, exercisable or exchangeable and the conversion, exercise or exchange prices thereof (and stating which, if any, of such Convertible Securities constitute Pre-Existing Convertible Securities), and (F) in the case of a notice to holders of Convertible Securities (other than Pre-Existing Convertible Securities), a statement to the effect that holders of such Convertible Securities shall be entitled to participate in such redemption only if such holders appropriately convert, exercise or exchange such Convertible Securities on or prior to the Redemption Date referred to in clause (B) of this sentence and a statement as to what, if anything, such holders shall be entitled to receive pursuant to the terms of such Convertible Securities or, if applicable, paragraph 5(c) of this Section E if such holders convert, exercise or exchange such Convertible Securities following the Redemption Date. Such notice shall be sent by first-class mail, postage prepaid, not less than 35 Trading Days nor more than 45 Trading Days prior to the Redemption Date, at such holder's address as the same appears on the transfer books of the Corporation.

(vii) Neither the failure to mail any notice required by this paragraph 5(d) to any particular holder of Series A Liberty Media Group Common Stock, Series B Liberty Media Group Common Stock or of Convertible Securities nor any defect therein shall affect the sufficiency thereof with respect to any other holder of outstanding shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock or of Convertible Securities, or the validity of any conversion or redemption.

(viii) The Corporation shall not be required to issue or deliver fractional shares of any class of capital stock or any fractional securities to any holder of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock upon any conversion, redemption, dividend or other distribution pursuant to paragraph 2(c) of this Section E or pursuant to this paragraph 5. In connection with the determination of the number of shares of any class of capital stock that shall be issuable or the amount of securities that shall be deliverable to any holder of record upon any such conversion, redemption, dividend or other distribution (including any fractions of shares or securities), the Corporation may aggregate the number of shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock held at the relevant time by such holder of record. If the number of shares of any class of capital stock or the amount of securities remaining to be issued or delivered to any holder of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock is a fraction, the Corporation shall, if such fraction is not issued or delivered to such holder, pay a cash adjustment in respect of such fraction in an amount equal to the fair market value of such fraction on the fifth Trading Day prior to the date such payment is to be made (without interest). For purposes of the preceding sentence, "fair market value" of any fraction shall be (A) in the case of any fraction of a share of capital stock of the Corporation, the product of such fraction and the Market Value of one share of such capital stock and (B) in the case of any other fractional security, such value as is determined by the Board of Directors.

(ix) No adjustments in respect of dividends shall be made upon the conversion or redemption of any shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock; *provided, however*, that if the Conversion Date or the Redemption Date with respect to the Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock shall be subsequent to the

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record date for the payment of a dividend or other distribution thereon or with respect thereto, the holders of shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock at the close of business on such record date shall be entitled to receive the dividend or other distribution payable on or with respect to such shares on the date set for payment of such dividend or other distribution, notwithstanding the conversion or redemption of such shares or the Corporation's default in payment of the dividend or distribution due on such date.

(x) Before any holder of shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock shall be entitled to receive certificates representing shares of any kind of capital stock or cash and/or securities or other property to be received by such holder with respect to shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock pursuant to paragraph 2(c) of this Section E or pursuant to this paragraph 5, such holder shall surrender at such place as the Corporation shall specify certificates for such shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock, properly endorsed or assigned for transfer (unless the Corporation shall waive such requirement). The Corporation shall as soon as practicable after such surrender of certificates representing shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock deliver to the person for whose account shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock were so surrendered, or to the nominee or nominees of such person, certificates representing the number of whole shares of the kind of capital stock or cash and/or securities or other property to which such person shall be entitled as aforesaid, together with any payment for fractional securities contemplated by paragraph 5(d)(viii). If less than all of the shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock represented by any one certificate are to be redeemed, the Corporation shall issue and deliver a new certificate for the shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock not redeemed. The Corporation shall not be required to register a transfer of (1) any shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock for a period of 15 Trading Days next preceding any selection of shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock to be redeemed or (2) any shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock selected or called for redemption. Shares selected for redemption may not thereafter be converted pursuant to paragraph 2(b) of this Section E.

(xi) From and after any applicable Conversion Date or Redemption Date, all rights of a holder of shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock that were converted or redeemed shall cease except for the right, upon surrender of the certificates representing shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock, to receive certificates representing shares of the kind and amount of capital stock or cash and/or securities or other property for which such shares were converted or redeemed, together with any payment for fractional securities contemplated by paragraph 5(d)(viii) of this Section E and such holder shall have no other or further rights in respect of the shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock so converted or redeemed, including, but not limited to, any rights with respect to any cash, securities or other properties which are reserved or otherwise designated by the Corporation as being held for the satisfaction of the Corporation's obligations to pay or deliver any cash, securities or other property upon the conversion, exercise or exchange of any Convertible Securities outstanding as of the date of such conversion or redemption. No holder of a certificate that, immediately prior to the applicable Conversion Date or Redemption Date for the Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock, represented shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock shall be entitled to receive any dividend or other distribution with respect to shares of any kind of capital stock into or in exchange for which the Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock was converted or redeemed until surrender of such holder's certificate for a certificate or certificates representing shares of such kind of capital stock. Upon such surrender, there shall be

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paid to the holder the amount of any dividends or other distributions (without interest) which theretofore became payable with respect to a record date after the Conversion Date or Redemption Date, as the case may be, but that were not paid by reason of the foregoing, with respect to the number of whole shares of the kind of capital stock represented by the certificate or certificates issued upon such surrender. From and after a Conversion Date or Redemption Date, as the case may be, for any shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock, the Corporation shall, however, be entitled to treat the certificates for shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock that have not yet been surrendered for conversion or redemption as evidencing the ownership of the number of whole shares of the kind or kinds of capital stock for which the shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock represented by such certificates shall have been converted or redeemed, notwithstanding the failure to surrender such certificates.

(xii) The Corporation shall pay any and all documentary, stamp or similar issue or transfer taxes that may be payable in respect of the issue or delivery of any shares of capital stock and/or other securities on conversion or redemption of shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock pursuant to this Section E. The Corporation shall not, however, be required to pay any tax that may be payable in respect of any transfer involved in the issue and delivery of any shares of capital stock in a name other than that in which the shares of Series A Liberty Media Group Common Stock or Series B Liberty Media Group Common Stock so converted or redeemed were registered and no such issue or delivery shall be made unless and until the person requesting such issue 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.

*6. Liquidation.*

In the event of a liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment or provision for payment of the debts and other liabilities of the Corporation and subject to the prior payment in full of the preferential amounts to which any class or series of Preferred Stock is entitled, (a) the holders of the shares of Series A TCI Group Common Stock and the holders of the shares of Series B TCI Group Common Stock shall share equally, on a share for share basis, in a percentage of the funds of the Corporation remaining for distribution to its common stockholders equal to 100% multiplied by the average daily ratio (expressed as a decimal) of  $X/Z$  for the 20-Trading Day period ending on the Trading Day prior to the date of the public announcement of such liquidation, dissolution or winding up, and (b) the holders of the shares of Series A Liberty Media Group Common Stock and the holders of the shares of Series B Liberty Media Group Common Stock shall share equally, on a share for share basis, in a percentage of the funds of the Corporation remaining for distribution to its common stockholders equal to 100% multiplied by the average daily ratio (expressed as a decimal) of  $Y/Z$  for such 20-Trading Day period, where X is the aggregate Market Capitalization of the Series A TCI Group Common Stock and the Series B TCI Group Common Stock, Y is the aggregate Market Capitalization of the Series A Liberty Media Group Common Stock and the Series B Liberty Media Group Common Stock, and Z is the aggregate Market Capitalization of the Series A TCI Group Common Stock, the Series B TCI Group Common Stock, the Series A Liberty Media Group Common Stock and the Series B Liberty Media Group Common Stock. 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 of 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 paragraph 6.

*7. Determinations by the Board of Directors.*

Any determinations made by the Board of Directors under any provision in this Section E shall be final and binding on all stockholders of the Corporation, except as may otherwise be required by law. The Corporation shall prepare a statement of any such determination by the Board of Directors respecting the fair market value of any properties, assets or securities and shall file such statement with the Secretary of the Corporation.