

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**  
**Form 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended**                      **June 30, 2019**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to**

**Commission file number: 001-38335**



**LIBERTY**  
**LATIN AMERICA**

**Liberty Latin America Ltd.**

*(Exact name of Registrant as specified in its charter)*

**Bermuda**

*(State or Other Jurisdiction of Incorporation or Organization)*

**98-1386359**

*(I.R.S. Employer Identification No.)*

**2 Church Street,**

**Hamilton**

*(Address of Principal Executive Offices)*

**HM 11**

*(Zip Code)*

Registrant's telephone number, including area code: **(441) 295-5950 or (303) 925-6000**

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

Title of Each Class	Trading Symbols	Name of Each Exchange on Which Registered
Class A Shares, par value \$0.01 per share	LILA	The NASDAQ Stock Market LLC
Class C Shares, par value \$0.01 per share	LILAK	The NASDAQ Stock Market LLC

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>	Non-Accelerated Filer	<input type="checkbox"/>
Smaller Reporting Company	<input type="checkbox"/>	Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of outstanding common shares of Liberty Latin America Ltd. as of July 31, 2019 was: 48,685,739 Class A; 1,935,226 Class B; and 130,948,890 Class C.

**LIBERTY LATIN AMERICA LTD.**

**TABLE OF CONTENTS**

	<u>Page Number</u>
<b>PART I - FINANCIAL INFORMATION</b>	
Item 1.	FINANCIAL STATEMENTS
	Condensed Consolidated Balance Sheets as of June 30, 2019 and December 31, 2018 (unaudited) <a href="#">1</a>
	Condensed Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2019 and 2018 (unaudited) <a href="#">3</a>
	Condensed Consolidated Statements of Comprehensive Loss for the Three and Six Months Ended June, 30, 2019 and 2018 (unaudited) <a href="#">4</a>
	Condensed Consolidated Statements of Equity for the Three and Six Months Ended June 30, 2019 and 2018 (unaudited) <a href="#">5</a>
	Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2019 and 2018 (unaudited) <a href="#">7</a>
	Notes to Condensed Consolidated Financial Statements (unaudited) <a href="#">8</a>
Item 2.	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS <a href="#">40</a>
Item 3.	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK <a href="#">63</a>
Item 4.	CONTROLS AND PROCEDURES <a href="#">65</a>
<b>PART II - OTHER INFORMATION</b>	
Item 6.	EXHIBITS <a href="#">66</a>

---

**LIBERTY LATIN AMERICA LTD.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(unaudited)

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
<b>in millions</b>		
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 957.4	\$ 631.0
Trade receivables, net of allowances of \$141.4 million and \$144.4 million, respectively	699.8	607.3
Prepaid expenses	65.0	73.2
Other current assets, net	257.0	333.3
Total current assets	1,979.2	1,644.8
Goodwill	5,182.8	5,133.3
Property and equipment, net	4,361.6	4,236.9
Intangible assets subject to amortization, net	1,068.4	1,165.7
Intangible assets not subject to amortization	563.0	562.5
Other assets, net	752.0	703.4
Total assets	\$ 13,907.0	\$ 13,446.6

The accompanying notes are an integral part of these condensed consolidated financial statements.

**LIBERTY LATIN AMERICA LTD.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS – (Continued)**  
(unaudited)

	June 30, 2019	December 31, 2018
	in millions	
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 352.1	\$ 297.4
Current portion of deferred revenue	169.1	161.7
Current portion of debt and finance lease obligations	172.4	302.5
Accrued capital expenditures	57.1	75.0
Accrued interest	108.1	118.7
Accrued income taxes	12.9	29.8
Other accrued and current liabilities	753.6	623.6
Total current liabilities	1,625.3	1,608.7
Long-term debt and finance lease obligations	6,860.6	6,379.6
Deferred tax liabilities	440.4	543.0
Deferred revenue	226.0	239.0
Other long-term liabilities	750.8	552.9
Total liabilities	9,903.1	9,323.2
Commitments and contingencies		
Equity:		
Liberty Latin America shareholders:		
Class A, \$0.01 par value; 500,000,000 shares authorized; 48,683,914 and 48,501,803 shares issued and outstanding, respectively	0.5	0.5
Class B, \$0.01 par value; 50,000,000 shares authorized; 1,935,226 and 1,935,949 shares issued and outstanding, respectively	—	—
Class C, \$0.01 par value; 500,000,000 shares authorized; 130,930,642 and 130,526,158 shares issued and outstanding, respectively	1.3	1.3
Undesignated preference shares, \$0.01 par value; 50,000,000 shares authorized; nil shares issued and outstanding at each period	—	—
Additional paid-in capital	4,549.3	4,494.1
Accumulated deficit	(1,524.7)	(1,367.0)
Accumulated other comprehensive loss, net of taxes	(47.2)	(16.3)
Total Liberty Latin America shareholders	2,979.2	3,112.6
Noncontrolling interests	1,024.7	1,010.8
Total equity	4,003.9	4,123.4
Total liabilities and equity	\$ 13,907.0	\$ 13,446.6

The accompanying notes are an integral part of these condensed consolidated financial statements.

**LIBERTY LATIN AMERICA LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
in millions, except per share amounts				
Revenue	\$ 982.9	\$ 922.1	\$ 1,925.6	\$ 1,832.0
Operating costs and expenses (exclusive of depreciation and amortization, shown separately below):				
Programming and other direct costs of services	226.4	218.4	454.2	434.2
Other operating	175.5	168.7	341.9	337.0
Selling, general and administrative (SG&A)	209.0	190.3	406.4	381.8
Depreciation and amortization	222.0	207.6	439.3	409.9
Impairment, restructuring and other operating items, net	6.5	12.9	27.0	46.6
	839.4	797.9	1,668.8	1,609.5
Operating income	143.5	124.2	256.8	222.5
Non-operating income (expense):				
Interest expense	(119.8)	(109.4)	(235.5)	(211.9)
Realized and unrealized gains (losses) on derivative instruments, net	(79.0)	115.1	(148.0)	73.6
Foreign currency transaction gains (losses), net	(19.5)	(120.6)	12.7	(104.7)
Losses on debt modification and extinguishment	(9.5)	—	(9.5)	(13.0)
Other income, net	2.6	4.8	5.0	10.1
	(225.2)	(110.1)	(375.3)	(245.9)
Earnings (loss) before income taxes	(81.7)	14.1	(118.5)	(23.4)
Income tax expense	(29.5)	(41.6)	(33.9)	(58.4)
Net loss	(111.2)	(27.5)	(152.4)	(81.8)
Net earnings attributable to noncontrolling interests	(4.8)	(14.7)	(5.3)	(4.9)
Net loss attributable to Liberty Latin America shareholders	\$ (116.0)	\$ (42.2)	\$ (157.7)	\$ (86.7)
Basic and diluted net loss per share attributable to Liberty Latin America shareholders	\$ (0.64)	\$ (0.25)	\$ (0.87)	\$ (0.51)

The accompanying notes are an integral part of these condensed consolidated financial statements.

**LIBERTY LATIN AMERICA LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
**(unaudited)**

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
	in millions			
Net loss	\$ (111.2)	\$ (27.5)	\$ (152.4)	\$ (81.8)
Other comprehensive loss, net of taxes:				
Foreign currency translation adjustments	(38.0)	(12.0)	(25.7)	(43.8)
Reclassification adjustments included in net loss	(2.2)	1.1	(3.5)	2.7
Pension-related adjustments and other, net	(0.9)	7.5	(1.9)	8.4
Other comprehensive loss	(41.1)	(3.4)	(31.1)	(32.7)
Comprehensive loss	(152.3)	(30.9)	(183.5)	(114.5)
Comprehensive earnings attributable to noncontrolling interests	(4.3)	(13.3)	(5.1)	(3.0)
Comprehensive loss attributable to Liberty Latin America shareholders	\$ (156.6)	\$ (44.2)	\$ (188.6)	\$ (117.5)

The accompanying notes are an integral part of these condensed consolidated financial statements.

**LIBERTY LATIN AMERICA LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
(unaudited)

	Liberty Latin America shareholders								
	Common shares			Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss, net of taxes	Total Liberty Latin America shareholders	Non- controlling interests	Total equity
	Class A	Class B	Class C						
	in millions								
Balance at April 1, 2018	\$ 0.5	\$ —	\$ 1.2	\$ 4,397.5	\$ (1,066.3)	\$ (86.2)	\$ 3,246.7	\$ 1,350.2	\$ 4,596.9
Net loss	—	—	—	—	(42.2)	—	(42.2)	14.7	(27.5)
Other comprehensive loss	—	—	—	—	—	(2.0)	(2.0)	(1.4)	(3.4)
C&W Jamaica NCI Acquisition	—	—	—	(1.7)	—	0.4	(1.3)	(0.2)	(1.5)
Capital contribution from noncontrolling interest owner	—	—	—	—	—	—	—	8.0	8.0
Distribution to noncontrolling interest owners	—	—	—	—	—	—	—	(19.8)	(19.8)
Shared-based compensation	—	—	—	5.6	—	—	5.6	1.1	6.7
Other	—	—	—	2.8	—	—	2.8	(0.8)	2.0
<b>Balance at June 30, 2018</b>	<b>\$ 0.5</b>	<b>\$ —</b>	<b>\$ 1.2</b>	<b>\$ 4,404.2</b>	<b>\$ (1,108.5)</b>	<b>\$ (87.8)</b>	<b>\$ 3,209.6</b>	<b>\$ 1,351.8</b>	<b>\$ 4,561.4</b>
Balance at January 1, 2018, before effect of accounting change	\$ 0.5	\$ —	\$ 1.2	\$ 4,402.8	\$ (1,010.7)	\$ (64.2)	\$ 3,329.6	\$ 1,361.0	\$ 4,690.6
Accounting change	—	—	—	—	(11.1)	—	(11.1)	3.6	(7.5)
Balance at January 1, 2018, as adjusted for accounting change	0.5	—	1.2	4,402.8	(1,021.8)	(64.2)	3,318.5	1,364.6	4,683.1
Net loss	—	—	—	—	(86.7)	—	(86.7)	4.9	(81.8)
Other comprehensive loss	—	—	—	—	—	(30.8)	(30.8)	(1.9)	(32.7)
C&W Jamaica NCI Acquisition	—	—	—	(13.7)	—	7.2	(6.5)	(15.1)	(21.6)
Capital contribution from noncontrolling interest owner	—	—	—	—	—	—	—	18.0	18.0
Distribution to noncontrolling interest owners	—	—	—	—	—	—	—	(19.8)	(19.8)
Shared-based compensation	—	—	—	13.0	—	—	13.0	1.1	14.1
Other	—	—	—	2.1	—	—	2.1	—	2.1
<b>Balance at June 30, 2018</b>	<b>\$ 0.5</b>	<b>\$ —</b>	<b>\$ 1.2</b>	<b>\$ 4,404.2</b>	<b>\$ (1,108.5)</b>	<b>\$ (87.8)</b>	<b>\$ 3,209.6</b>	<b>\$ 1,351.8</b>	<b>\$ 4,561.4</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**LIBERTY LATIN AMERICA LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY – (Continued)**  
(unaudited)

	Liberty Latin America shareholders								
	Common shares			Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss, net of taxes	Total Liberty Latin America shareholders	Non- controlling interests	Total equity
	Class A	Class B	Class C						
	in millions								
Balance at April 1, 2019	\$ 0.5	\$ —	\$ 1.3	\$ 4,508.6	\$ (1,408.7)	\$ (6.6)	\$ 3,095.1	\$ 1,023.2	\$ 4,118.3
Net loss	—	—	—	—	(116.0)	—	(116.0)	4.8	(111.2)
Other comprehensive loss	—	—	—	—	—	(40.6)	(40.6)	(0.5)	(41.1)
Distributions to noncontrolling interest owners	—	—	—	—	—	—	—	(2.5)	(2.5)
Conversion Option, net	—	—	—	77.3	—	—	77.3	—	77.3
Capped Calls	—	—	—	(45.6)	—	—	(45.6)	—	(45.6)
Share-based compensation	—	—	—	9.7	—	—	9.7	—	9.7
Other	—	—	—	(0.7)	—	—	(0.7)	(0.3)	(1.0)
Balance at June 30, 2019	<u>\$ 0.5</u>	<u>\$ —</u>	<u>\$ 1.3</u>	<u>\$ 4,549.3</u>	<u>\$ (1,524.7)</u>	<u>\$ (47.2)</u>	<u>\$ 2,979.2</u>	<u>\$ 1,024.7</u>	<u>\$ 4,003.9</u>
Balance at January 1, 2019	\$ 0.5	\$ —	\$ 1.3	\$ 4,494.1	\$ (1,367.0)	\$ (16.3)	\$ 3,112.6	\$ 1,010.8	\$ 4,123.4
Net loss	—	—	—	—	(157.7)	—	(157.7)	5.3	(152.4)
Other comprehensive loss	—	—	—	—	—	(30.9)	(30.9)	(0.2)	(31.1)
Impact of the UTS Acquisition	—	—	—	—	—	—	—	11.6	11.6
Distributions to noncontrolling interest owners	—	—	—	—	—	—	—	(2.5)	(2.5)
Conversion Option, net	—	—	—	77.3	—	—	77.3	—	77.3
Capped Calls	—	—	—	(45.6)	—	—	(45.6)	—	(45.6)
Share-based compensation	—	—	—	24.2	—	—	24.2	—	24.2
Other	—	—	—	(0.7)	—	—	(0.7)	(0.3)	(1.0)
Balance at June 30, 2019	<u>\$ 0.5</u>	<u>\$ —</u>	<u>\$ 1.3</u>	<u>\$ 4,549.3</u>	<u>\$ (1,524.7)</u>	<u>\$ (47.2)</u>	<u>\$ 2,979.2</u>	<u>\$ 1,024.7</u>	<u>\$ 4,003.9</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.



**LIBERTY LATIN AMERICA LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited)

	Six months ended June 30,	
	2019	2018
in millions		
Cash flows from operating activities:		
Net loss	\$ (152.4)	\$ (81.8)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Share-based compensation expense	30.1	15.2
Depreciation and amortization	439.3	409.9
Impairment	0.1	5.3
Amortization of debt financing costs, premiums and discounts, net	2.0	(1.1)
Realized and unrealized losses (gains) on derivative instruments, net	148.0	(73.6)
Foreign currency transaction losses (gains), net	(12.7)	104.7
Losses on debt modification and extinguishment	9.5	13.0
Deferred income tax benefit	(24.9)	(29.5)
Changes in operating assets and liabilities, net of the effect of an acquisition	(7.6)	35.9
Net cash provided by operating activities	<u>431.4</u>	<u>398.0</u>
Cash flows from investing activities:		
Capital expenditures	(295.4)	(425.1)
Cash paid in connection with an acquisition, net of cash acquired	(160.4)	—
Recovery on damaged or destroyed property and equipment	33.9	—
Other investing activities, net	0.5	0.6
Net cash used by investing activities	<u>(421.4)</u>	<u>(424.5)</u>
Cash flows from financing activities:		
Borrowings of debt	1,321.2	525.7
Repayments of debt and finance lease obligations	(926.0)	(273.2)
Capped Calls	(45.6)	—
Payment of financing costs and debt premiums	(25.0)	(8.0)
Distributions to noncontrolling interest owners	(2.5)	(19.8)
Capital contribution from noncontrolling interest owner	—	18.0
Cash payment related to the C&W Jamaica NCI Acquisition	—	(19.7)
Other financing activities, net	(1.7)	0.3
Net cash provided by financing activities	<u>320.4</u>	<u>223.3</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>2.5</u>	<u>(15.3)</u>
Net increase in cash, cash equivalents and restricted cash	332.9	181.5
Cash, cash equivalents and restricted cash:		
Beginning of period	642.0	568.2
End of period	<u>\$ 974.9</u>	<u>\$ 749.7</u>
Cash paid for interest	<u>\$ 232.6</u>	<u>\$ 202.5</u>
Net cash paid for taxes	<u>\$ 59.6</u>	<u>\$ 83.8</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements**  
**June 30, 2019**  
**(unaudited)**

**(1) Basis of Presentation**

*General*

Liberty Latin America Ltd. (**Liberty Latin America**) is a registered company in Bermuda that primarily includes (i) Cable & Wireless Communications Limited (**C&W**) and its subsidiaries, (ii) VTR Finance B.V. (**VTR Finance**) and its subsidiaries, which include VTR.com SpA (**VTR**), (iii) LiLAC Communications and its subsidiaries, which include Liberty Cablevision of Puerto Rico LLC (**Liberty Puerto Rico**), an entity that, effective October 2018, is a wholly-owned subsidiary, and (iv) LBT CT Communications, S.A. (an 80.0%-owned entity) and its subsidiary, Cabletica (as defined in note 4).

C&W owns less than 100% of certain of its consolidated subsidiaries, including The Bahamas Telecommunications Company Limited (a 49.0%-owned entity that owns all of our operations in the Bahamas), Cable & Wireless Jamaica Limited (**C&W Jamaica**) (a 92.3%-owned entity that owns the majority of our operations in Jamaica), Cable & Wireless Panama, S.A. (**C&W Panama**) (a 49.0%-owned entity that owns most of our operations in Panama), and United Telecommunications Services N.V. (**UTS**) (an 87.5%-owned entity, as further described in note 4).

We are an international provider of fixed, mobile and subsea telecommunications services. We provide residential and business-to-business (**B2B**) services in (i) 24 countries, primarily in Latin America and the Caribbean, through C&W, (ii) Chile and Costa Rica, through VTR/Cabletica, and (iii) Puerto Rico, through Liberty Puerto Rico. C&W also provides (i) B2B services in certain other countries in Latin America and the Caribbean and (ii) wholesale communication services over its subsea and terrestrial fiber optic cable networks that connect over 40 markets in that region.

In these notes, the terms “we,” “our,” “our company” and “us” may refer, as the context requires, to Liberty Latin America or collectively to Liberty Latin America and its subsidiaries. Unless otherwise indicated, ownership percentages and convenience translations into United States (**U.S.**) dollars are calculated as of June 30, 2019.

The accompanying condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (**U.S. GAAP**) and with the instructions to the Quarterly Report on Form 10-Q and Article 10 of Regulation S-X for interim financial information. Accordingly, these financial statements do not include all of the information required by U.S. GAAP or Securities and Exchange Commission rules and regulations for complete financial statements. In the opinion of management, these financial statements reflect all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the results of operations for the interim periods presented. The results of operations for any interim period are not necessarily indicative of results for the full year. These condensed consolidated financial statements should be read in conjunction with our consolidated financial statements and notes thereto included in our 2018 Annual Report on Form 10-K (the **2018 Form 10-K**).

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are used in accounting for, among other things, the valuation of acquisition-related assets and liabilities, allowances for uncollectible accounts, programming and copyright expenses, deferred income taxes and related valuation allowances, loss contingencies, fair value measurements, impairment assessments, capitalization of internal costs associated with construction and installation activities, useful lives of long-lived assets and actuarial liabilities associated with certain benefit plans. Actual results could differ from those estimates.

Certain prior period amounts have been reclassified to conform to the current period presentation.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

**(2) Accounting Changes and Recent Accounting Pronouncements**

*Accounting Changes*

*ASU 2016-02*

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (ASU 2016-02)*, as amended by ASU No. 2018-11, *Targeted Improvements*, which provides an option to use one of two modified retrospective approaches in the adoption of ASU 2016-02. ASU 2016-02, for most leases, results in lessees recognizing right-of-use assets and lease liabilities on the balance sheet and additional disclosures. We adopted ASU 2016-02 effective January 1, 2019 using the effective date transition method. A number of optional practical expedients were applied in transition, as further described below.

The main impact of the adoption of this standard was the recognition of right-of-use assets and lease liabilities in our condensed consolidated balance sheet as of January 1, 2019 for those leases classified as operating leases under ASU 2016-02. We did not recognize right-of-use assets or lease liabilities for leases with a term of 12 months or less, as permitted by the short-term lease practical expedient in the standard. In transition, we applied the practical expedients that permit us not to reassess (i) whether expired or existing contracts are or contain a lease under the new standard, (ii) the lease classification for expired or existing leases, (iii) whether previously-capitalized initial direct costs would qualify for capitalization under the new standard and (iv) whether existing or expired land easements that were not previously accounted for as leases are or contain a lease. We also applied the practical expedient that permits us to account for customer service revenue contracts that include both non-lease and lease components as a single component in all instances where the non-lease component is the predominant component of the arrangement and the other applicable criteria are met. In addition, we did not use hindsight during the transition.

We implemented internal controls to ensure we adequately evaluate our contracts and properly assessed the impact of ASU 2016-02 on our condensed consolidated financial statements. We do not believe such controls represent significant changes to our internal control over financial reporting.

For information regarding changes to our accounting policies following the adoption of ASU 2016-02, see note 3.

The cumulative effect of the changes made to our condensed consolidated balance sheet as of January 1, 2019 is as follows:

	Balance at December 31, 2018	Cumulative catch up adjustments upon adoption	Balance at January 1, 2019
	in millions		
<b>Assets:</b>			
Other assets, net	\$ 703.4	\$ 141.6	\$ 845.0
<b>Liabilities:</b>			
Other accrued and current liabilities	\$ 623.6	\$ 33.9	\$ 657.5
Other long-term liabilities	\$ 552.9	\$ 107.7	\$ 660.6

*ASU 2018-13*

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13)*. ASU 2018-13 modifies certain disclosure requirements on fair value measurements, including (i) clarifying narrative disclosure regarding measurement uncertainty from the use of unobservable inputs, if those inputs reasonably could have been different as of the reporting date, (ii) adding certain quantitative disclosures, including (a) changes in unrealized gains and losses for the period included in other comprehensive income for recurring Level 3 fair value measurements held at the end of the reporting period and (b) the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and (iii) removing certain fair value measurement disclosure requirements, including (a) the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, (b) the policy for timing of transfers between levels of the fair value hierarchy and (c) the valuation processes for Level 3 fair value measurements. The amendments in ASU 2018-13 are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. We are permitted to early adopt any removed or modified disclosures and delay

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

adoption of the additional disclosures until their effective date. As of December 31, 2018, we early adopted the portion of ASU 2018-13 that allows for the removal of certain fair value measurement disclosures from our consolidated financial statements. We do not expect the remaining disclosure requirements of ASU 2018-13 will have a material effect on our consolidated financial statements.

***Recent Accounting Pronouncements***

*ASU 2018-14*

In August 2018, the FASB issued ASU No. 2018-14, *Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans (ASU 2018-14)*, which removes and modifies certain existing disclosure requirements and adds new disclosure requirements related to employer sponsored defined benefit pension or other postretirement plans. ASU 2018-14 is effective for annual reporting periods after December 15, 2020, including interim periods within those fiscal years, with early adoption permitted. We are currently evaluating the effect that ASU 2018-14 will have on our disclosures.

*ASU 2018-15*

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software—Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (ASU 2018-15)*. ASU 2018-15 provides additional guidance on ASU No. 2015-05, *Intangibles—Goodwill and Other—Internal-Use Software—Customer’s Accounting for Fees Paid in a Cloud Computing Arrangement*, which was issued to help entities evaluate the accounting for fees paid by a customer in a cloud computing arrangement (hosting arrangement) by providing guidance for determining when the arrangement includes a software license. ASU 2018-15 aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The guidance (i) provides criteria for determining which implementation costs to capitalize as an asset related to the service contract and which costs to expense, (ii) requires an entity (customer) to expense the capitalized implementation costs of a hosting arrangement that is a service contract over the term of the hosting arrangement and (iii) clarifies the presentation requirements for reporting such costs in the entity’s financial statements. ASU 2018-15 is effective for annual reporting periods beginning after December 15, 2019, including interim periods within those fiscal years, with early adoption permitted. ASU 2018-15 should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. We expect to apply ASU 2018-15 prospectively and are currently evaluating the effect that ASU 2018-15 will have on our consolidated financial statements and related disclosures.

**(3) Summary of Significant Accounting Policies**

The following accounting policy reflects an update to the *Summary of Significant Accounting Policies* included in our 2018 Form 10-K resulting from the adoption of ASU 2016-02. For additional information regarding the adoption of ASU 2016-02, see note 2.

*Leases*

We classify leases with a term of greater than 12 months where substantially all risks and rewards incidental to ownership are retained by the third-party lessors as operating leases. We record a right-of-use asset and an operating lease liability at inception of the lease at the present value of the lease payments plus certain other payments, including variable lease payments and amounts probable of being owed by us under residual value guarantees. Payments made under operating leases, net of any incentives received from the lessors, are recognized to expense on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging operating leases are recognized to expense when incurred. Contingent rental payments are recognized to expense when incurred. Our right-of-use assets are included in other assets, net, in our condensed consolidated balance sheet. Our current and non-current operating lease liabilities are included in other accrued and current liabilities and other long-term liabilities, respectively, in our condensed consolidated balance sheet.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

Our operating leases primarily consist of (i) property leases for mobile tower locations that generally have initial terms of five to ten years with one or more renewal options and (ii) lease commitments for (a) retail stores, offices and facilities, (b) other network assets and (c) other equipment. It is expected that in the normal course of business, operating leases that expire generally will be renewed or replaced by similar leases.

The following table provides details of our operating lease expense:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018 (a)	2019	2018 (a)
	in millions			
<b>Operating lease expense:</b>				
Operating lease cost	\$ 10.5	\$ 11.7	\$ 21.2	\$ 23.8
Short-term lease cost	1.9	—	4.0	—
Total operating lease expense	\$ 12.4	\$ 11.7	\$ 25.2	\$ 23.8

(a) Amounts reflect operating lease expense recorded under Accounting Standards Codification (ASC) 840, *Leases (ASC 840)*, prior to adoption of ASU 2016-02 on January 1, 2019. Accordingly, amounts are not necessarily comparable.

For information regarding certain related-party lease arrangements, see note 13.

The following table provides certain other details of our operating leases at June 30, 2019:

<b>For the six months ended June 30, 2019 (in millions):</b>	
Operating cash flows from operating leases	\$ 22.9
Right-of-use assets obtained in exchange for new operating lease liabilities (a)	\$ 9.1
Weighted-average remaining lease term (in years)	5.9 years
Weighted-average discount rate (b)	6.7%

(a) Represents non-cash transactions associated with operating leases entered into during six months ended June 30, 2019.

(b) We use a credit-adjusted discount rate to measure our operating lease liabilities. We derive the discount rates associated with each of our borrowing groups starting with a risk free rate, generally the U.S. Treasury Bill rate. To determine credit risk, we create an industry benchmark credit default swap (CDS) curve from an observable high-yield debt index using comparable telecommunication companies as a proxy. We then determine the maximum curve shift against this CDS curve derived from our own tradable debt within each borrowing group, and make adjustments to correct for the collateralized interest rate spread by comparing unsecured debt to asset-backed securities (secured debt) trades, which is based on the spread between the BB- and B+ industrial curves. We determine the discount factor from this adjusted curve for each borrowing group.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

***Maturities of Operating Leases***

Maturities of our operating lease liabilities on an undiscounted basis as of June 30, 2019 are presented below along with the current and noncurrent operating lease liabilities on a discounted basis. Such amounts represent U.S. dollar equivalents (in millions) based on June 30, 2019 exchange rates.

Years ending December 31:		
	2019 (remainder of year) \$	20.2
	2020	35.3
	2021	28.3
	2022	23.0
	2023	18.4
	2024	15.5
Thereafter		27.4
Total operating lease liabilities on an undiscounted basis		168.1
Amount representing interest		(31.7)
Present value of operating lease liabilities	\$	136.4
Current portion	\$	31.3
Noncurrent portion	\$	105.1

The following table sets forth the U.S. dollar equivalents (in millions) of our operating lease commitments under ASC 840 as of December 31, 2018, which is required pursuant to ASU 2016-02 when using the effective date transition method.

Years ending December 31:		
2019	\$	40.4
2020		34.5
2021		27.8
2022		22.7
2023		17.2
Thereafter		34.5
Total	\$	177.1

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

**(4) Acquisitions**

**2019 Acquisition**

UTS. Effective March 31, 2019, we completed the acquisition of an 87.5% interest in UTS for a cash purchase price of \$161 million, subject to certain potential post-closing adjustments, based on an enterprise value of \$189 million (the **UTS Acquisition**). UTS provides fixed and mobile services to the island nations of Curaçao, St. Maarten, St. Martin, Bonaire, St. Barths, St. Eustatius and Saba. The UTS Acquisition was funded through a \$170 million draw on the C&W Revolving Credit Facility. For further information on the draw of the C&W Revolving Credit Facility, see note 9.

We have accounted for the UTS Acquisition as a business combination using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of UTS based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. The preliminary opening balance sheet is subject to adjustment based on our final assessment of the fair values of the acquired identifiable assets and liabilities. The valuation process remains open and our opening balance sheet will change as we finalize our valuation. The items with the highest likelihood to change upon finalization of the valuation process include property and equipment, goodwill, intangible assets and income taxes. A summary of the purchase price and preliminary opening balance sheet of UTS at the effective March 31, 2019 acquisition date is presented in the following table (in millions):

Cash	\$	0.9
Trade receivables		11.1
Other current assets		3.2
Property and equipment		148.8
Goodwill		50.4
Long-term deferred tax assets		31.3
Other assets		2.6
Accounts payable		(28.2)
Other accrued and current liabilities		(33.0)
Other long-term liabilities		(14.2)
Noncontrolling interest (a)		(11.6)
Total purchase price (b)	\$	<u>161.3</u>

- (a) Amount represents the estimated aggregate fair value of the noncontrolling interest in UTS as of the effective March 31, 2019 acquisition date.
- (b) Excludes \$3 million of direct acquisition costs, including \$1 million incurred during 2018. Direct acquisition costs are included in impairment, restructuring and other operating items, net, in our condensed consolidated statements of operations.

Our condensed consolidated statements of operations for each of the three and six months ended June 30, 2019 include revenue of \$33 million and net earnings of \$3 million attributable to UTS.

**2018 Acquisition**

*Cabletica*. On February 12, 2018, we entered into a definitive agreement to acquire certain assets and liabilities related to Televisora de Costa Rica S.A.'s (**Televisora**) cable operations in Costa Rica ("**Cabletica**") based on an enterprise value of \$252 million, subject to certain customary adjustments. As part of the agreement, the owners of Televisora retained a 20% ownership interest in Cabletica. On October 1, 2018, we completed the acquisition of our 80% interest (the **Cabletica Acquisition**) for an effective purchase price of \$226 million, after working capital adjustments and deducting the value of Televisora's retained equity interest. The Cabletica Acquisition was financed through a combination of debt and existing cash.

We have accounted for the Cabletica Acquisition as a business combination using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of Cabletica based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

goodwill. The preliminary opening balance sheet is subject to adjustment based on our final assessment of the fair values of the acquired identifiable assets and liabilities. Although most items in the valuation process remain open, the items with the highest likelihood to change upon finalization of the valuation process include property and equipment, goodwill, intangible assets and income taxes. A summary of the purchase price and preliminary opening balance sheet of Cabletica at the October 1, 2018 acquisition date is presented in the following table (in millions):

Other current assets	\$ 6.3
Property and equipment	63.8
Goodwill (a)	152.5
Intangible assets subject to amortization (b)	61.9
Other assets	0.1
Other accrued and current liabilities	(13.8)
Non-current deferred tax liabilities	(18.6)
Other long-term liabilities	(0.7)
Noncontrolling interest (c)	(25.1)
Total purchase price (d)	<u>\$ 226.4</u>

- (a) The goodwill recognized in connection with the Cabletica Acquisition is primarily attributable to the ability to take advantage of Cabletica's existing advanced broadband communications network as a base on which to expand our footprint in the region, and to gain immediate access to potential customers.
- (b) Amount primarily includes intangible assets related to customer relationships. As of October 1, 2018, the weighted average useful life of Cabletica's intangible assets was approximately six years.
- (c) Amount represents the fair value of Televisora's interest in Cabletica as of the October 1, 2018 acquisition date.
- (d) Excludes \$5 million of direct acquisition costs, including \$3 million incurred during 2018.

**(5) Derivative Instruments**

In general, we seek to enter into derivative instruments to protect against (i) increases in the interest rates on our variable-rate debt and (ii) foreign currency movements, particularly with respect to borrowings that are denominated in a currency other than the functional currency of the borrowing entity. In this regard, through our subsidiaries, we have entered into various derivative instruments to manage interest rate exposure and foreign currency exposure with respect to the U.S. dollar (**\$**), the Chilean peso (**CLP**), the Colombian peso (**COP**) and the Jamaican dollar (**JMD**). With the exception of certain foreign currency forward contracts, we do not apply hedge accounting to our derivative instruments. Accordingly, changes in the fair values of most of our derivative instruments are recorded in realized and unrealized gains or losses on derivative instruments in our condensed consolidated statements of operations.



**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

The following table provides details of the fair values of our derivative instrument assets and liabilities:

	June 30, 2019			December 31, 2018		
	Current (a)	Long-term (a)	Total	Current (a)	Long-term (a)	Total
in millions						
<b>Assets:</b>						
Cross-currency and interest rate derivative contracts (b)	\$ 6.8	\$ 12.1	\$ 18.9	\$ 30.7	\$ 82.1	\$ 112.8
Foreign currency forward contracts and other	11.2	—	11.2	14.1	—	14.1
<b>Total</b>	<b>\$ 18.0</b>	<b>\$ 12.1</b>	<b>\$ 30.1</b>	<b>\$ 44.8</b>	<b>\$ 82.1</b>	<b>\$ 126.9</b>
<b>Liabilities:</b>						
Cross-currency and interest rate derivative contracts (b)	\$ 32.3	\$ 94.7	\$ 127.0	\$ 23.9	\$ 41.4	\$ 65.3
Foreign currency forward contracts	0.4	—	0.4	—	—	—
<b>Total</b>	<b>\$ 32.7</b>	<b>\$ 94.7</b>	<b>\$ 127.4</b>	<b>\$ 23.9</b>	<b>\$ 41.4</b>	<b>\$ 65.3</b>

- (a) Our current derivative assets, current derivative liabilities, long-term derivative assets and long-term derivative liabilities are included in other current assets, other accrued and current liabilities, other assets, net, and other long-term liabilities, respectively, in our condensed consolidated balance sheets.
- (b) We consider credit risk relating to our and our counterparties' nonperformance in the fair value assessment of our derivative instruments. In all cases, the adjustments take into account offsetting liability or asset positions within each of our primary borrowing groups (see note 9). The changes in the credit risk valuation adjustments associated with our cross-currency and interest rate derivative contracts resulted in net gains (losses) of \$4 million and (\$9 million) during the three months ended June 30, 2019 and 2018, respectively, and \$6 million and (\$21 million) during the six months ended June 30, 2019 and 2018, respectively. These amounts are included in realized and unrealized gains (losses) on derivative instruments, net, in our condensed consolidated statements of operations. For further information regarding our fair value measurements, see note 6.

The details of our realized and unrealized gains (losses) on derivative instruments, net, are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
in millions				
Cross-currency and interest rate derivative contracts	\$ (75.8)	\$ 94.2	\$ (145.8)	\$ 55.3
Foreign currency forward contracts and other	(3.2)	20.9	(2.2)	18.3
<b>Total</b>	<b>\$ (79.0)</b>	<b>\$ 115.1</b>	<b>\$ (148.0)</b>	<b>\$ 73.6</b>

The following table sets forth the classification of the net cash inflows (outflows) of our derivative instruments:

	Six months ended June 30,	
	2019	2018
in millions		
Operating activities	\$ 17.1	\$ (17.0)
Investing activities	3.8	(3.1)
Financing activities	(0.3)	—
<b>Total</b>	<b>\$ 20.6</b>	<b>\$ (20.1)</b>

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

**Counterparty Credit Risk**

We are exposed to the risk that the counterparties to the derivative instruments of our borrowing groups will default on their obligations to us. We manage these credit risks through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties. In this regard, credit risk associated with our derivative instruments is spread across a relatively broad counterparty base of banks and financial institutions. Collateral has not been posted by either party under the derivative instruments of our borrowing groups. At June 30, 2019, our exposure to counterparty credit risk included derivative assets with an aggregate fair value of \$9 million.

Each of our borrowing groups has entered into derivative instruments under agreements with each counterparty that contain master netting arrangements that are applicable in the event of early termination by either party to such derivative instrument. The master netting arrangements under each of these master agreements are limited to the derivative instruments governed by the relevant master agreement within each individual borrowing group and are independent of similar arrangements of our other subsidiary borrowing groups.

**Details of our Derivative Instruments**

**Cross-currency Derivative Contracts**

As noted above, we are exposed to foreign currency exchange rate risk in situations where our debt is denominated in a currency other than the functional currency of the operations whose cash flows support our ability to service, repay or refinance such debt. Although we generally seek to match the denomination of our borrowings with the functional currency of the operations that are supporting the respective borrowings, market conditions or other factors may cause us to enter into borrowing arrangements that are not denominated in the functional currency of the underlying operations (unmatched debt). Our policy is generally to provide for an economic hedge against foreign currency exchange rate movements, whenever possible and when cost effective to do so, by using derivative instruments to synthetically convert unmatched debt into the applicable underlying currency. The following table sets forth the total notional amounts and the related weighted average remaining contractual lives of our cross-currency swap contracts at June 30, 2019:

<b>Borrowing group</b>	<b>Notional amount due from counterparty</b>		<b>Notional amount due to counterparty</b>		<b>Weighted average remaining life</b>
	<b>in millions</b>				<b>in years</b>
C&W	\$	108.3	JMD	13,817.5	7.6
	\$	56.3	COP	180,000.0	7.1
VTR Finance	\$	1,260.0	CLP	854,020.0	3.0

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

***Interest Rate Derivative Contracts***

*Interest Rate Swaps*

As noted above, we enter into interest rate swaps to protect against increases in the interest rates on our variable-rate debt. Pursuant to these derivative instruments, we typically pay fixed interest rates and receive variable interest rates on specified notional amounts. The following table sets forth the total U.S. dollar equivalents of the notional amounts and the related weighted average remaining contractual lives of our interest rate swap contracts at June 30, 2019:

<u>Borrowing group</u>	<u>Notional amount due from counterparty</u> in millions	<u>Weighted average remaining life</u> in years
C&W (a)	\$ 2,555.0	4.8
VTR Finance	\$ 207.6	3.6
Liberty Puerto Rico	\$ 850.0	7.0
Cabletica	\$ 53.5	4.0

(a) Includes forward-starting derivative instruments.

*Basis Swaps*

Basis swaps involve the exchange of attributes used to calculate our floating interest rates, including (i) the benchmark rate, (ii) the underlying currency and/or (iii) the borrowing period. We typically enter into these swaps to optimize our interest rate profile based on our current evaluations of yield curves, our risk management policies and other factors. The following table sets forth the total U.S. dollar equivalents of the notional amounts and the related weighted average remaining contractual lives of our basis swap contracts at June 30, 2019:

<u>Borrowing group</u>	<u>Notional amount due from counterparty</u> in millions	<u>Weighted average remaining life</u> in years
C&W	\$ 1,640.0	0.5
Liberty Puerto Rico	\$ 922.5	0.5

*Interest Rate Caps*

We enter into interest rate cap agreements that lock in a maximum interest rate if variable rates rise, but also allow us to benefit from declines in market rates. At June 30, 2019, the total U.S. dollar notional amount of our interest rate cap was \$73 million and the related weighted average remaining contractual life of our interest rate cap was 4.0 years. Our interest rate cap is held by our Liberty Puerto Rico borrowing group.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

***Impact of Derivative Instruments on Borrowing Costs***

The weighted average impact of the derivative instruments, excluding forward-starting derivative instruments, on our borrowing costs at June 30, 2019 was as follows:

<u>Borrowing group</u>	<u>Increase (decrease) to borrowing costs</u>
C&W	(0.03)%
VTR Finance	(0.09)%
Liberty Puerto Rico	(0.21)%
Cabletica	0.17 %
Liberty Latin America borrowing groups	(0.06)%

***Foreign Currency Forwards Contracts***

We enter into foreign currency forward contracts with respect to non-functional currency exposure. At June 30, 2019, the total U.S. dollar equivalent of the notional amounts of our foreign currency forward contracts was \$164 million and the related weighted average remaining contractual life of our foreign currency forward contracts was 0.5 years. All of our our foreign currency forward contracts are held by our VTR Finance borrowing group.

**(6) Fair Value Measurements**

***General***

We use the fair value method to account for our derivative instruments and the available-for-sale method to account for our investment in United Kingdom (U.K.) Government Gilts. The reported fair values of our derivative instruments as of June 30, 2019 likely will not represent the value that will be paid or received upon the ultimate settlement or disposition of these assets and liabilities, as we expect that the values realized generally will be based on market conditions at the time of settlement, which may occur at the maturity of the derivative instrument or at the time of the repayment or refinancing of the underlying debt instrument.

U.S. GAAP provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

***Recurring Fair Value Measurements***

***Derivatives***

In order to manage our interest rate and foreign currency exchange risk, we have entered into various derivative instruments, as further described in note 5. The recurring fair value measurements of these derivative instruments are determined using discounted cash flow models. Most of the inputs to these discounted cash flow models consist of, or are derived from, observable Level 2 data for substantially the full term of these derivative instruments. This observable data mostly includes interest rate futures and swap rates, which are retrieved or derived from available market data. Although we may extrapolate or interpolate this data, we do not otherwise alter this data in performing our valuations. We incorporate a credit risk valuation adjustment in our fair value measurements to estimate the impact of both our own nonperformance risk and the nonperformance risk of our counterparties. Our and our counterparties' credit spreads represent our most significant Level 3 inputs, and these inputs are used to derive the credit risk valuation adjustments with respect to these instruments. As we would not expect changes in our or our counterparties' credit spreads to have a significant impact on the valuations of these instruments, we have determined that these valuations fall under Level 2 of the fair value hierarchy. Our credit risk valuation adjustments with respect to our cross-currency and interest rate derivative contracts are quantified and further explained in note 5. Due to the lack of Level 2 inputs for the valuation of the U.S. dollar to the Jamaican dollar cross-currency swaps (the **Sable Currency Swaps**) held by Sable International Finance Limited (**Sable**), a wholly-owned subsidiary of C&W, we believe this valuation falls under Level 3 of the fair value hierarchy. The Sable

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

Currency Swaps are our only Level 3 financial instruments. The fair values of the Sable Currency Swaps at June 30, 2019 and December 31, 2018 were \$31 million and \$36 million, respectively, which are included in other long-term liabilities in our condensed consolidated balance sheets. The change in the fair values of the Sable Currency Swaps resulted in net gains (losses) of \$4 million and (\$7 million) during the three months ended June 30, 2019 and 2018, respectively, and \$5 million and (\$12 million) during the six months ended June 30, 2019 and 2018, respectively, which are reflected in realized and unrealized gains (losses) on derivative instruments, net, in our condensed consolidated statements of operations.

*Available-for-sale Investments*

Our investment in U.K. Government Gilts falls under Level 1 of the fair value hierarchy. At June 30, 2019 and December 31, 2018, the carrying values of our investment in U.K. Government Gilts, which are included in other assets, net, in our condensed consolidated balance sheets, were \$36 million and \$35 million, respectively.

***Nonrecurring Fair Value Measurements***

*Conversion Option – Convertible Notes*

As further described and defined in note 9, our Convertible Notes include a Conversion Option that we bifurcated from the Convertible Notes and recorded at fair value upon issuance as an equity component in our condensed consolidated statement of equity. The fair value of the liability component was calculated by measuring the fair value of a similar liability that does not have an associated convertible feature, which was established using the present value of cash flows associated with such instrument based on a 5-year tenor and an estimated yield rate of 6.7%, which is a Level 2 input. The fair value of the equity component was determined by deducting the fair value of the liability component from the proceeds received on issuance of the Convertible Notes.

*Other*

Fair value measurements are also used for purposes of nonrecurring valuations performed in connection with acquisitions and impairment assessments. We did not perform any significant nonrecurring fair value measurements related to these assessments during the six months ended June 30, 2019.

**(7) Insurance Recoveries**

In September 2017, Hurricanes Irma and Maria (the **Hurricanes**) impacted a number of our markets in the Caribbean, resulting in varying degrees of damage to homes, businesses and infrastructure in these markets. In October 2016, our operations in the Bahamas, which is part of our C&W segment, were significantly impacted by Hurricane Matthew.

In December 2018, we settled our insurance claims for Hurricanes Irma, Maria and Matthew, as follows: (i) \$109 million for Hurricanes Maria and Irma, after deducting \$30 million of self-insurance, and (ii) \$12 million for Hurricane Matthew, after deducting \$15 million of self-insurance.

During the first quarter of 2019, we received the remaining outstanding insurance settlement amount of \$67 million, of which \$33 million and \$34 million have been presented as operating and investing activities, respectively, in our condensed consolidated statement of cash flows. With respect to the cash received, \$37 million, \$27 million and \$3 million was provided to C&W, Liberty Puerto Rico and our Corporate operations, respectively.

Prior to 2019, we received net advance payments of \$54 million associated with the initial insurance claim filed in connection with the Hurricanes, of which \$30 million was received during the first half of 2018 and was provided to Liberty Puerto Rico. The net advance received during the first half of 2018 was included in operating activities in our condensed consolidated statement of cash flows.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

**(8) Long-lived Assets**

***Goodwill***

Changes in the carrying amount of our goodwill are set forth below:

	January 1, 2019	Acquisitions and related adjustments	Foreign currency translation adjustments	June 30, 2019
in millions				
C&W	\$ 4,325.6	\$ 50.4	\$ (16.8)	\$ 4,359.2
VTR/Cabletica	530.0	1.2	14.7	545.9
Liberty Puerto Rico	277.7	—	—	277.7
Total	<u>\$ 5,133.3</u>	<u>\$ 51.6</u>	<u>\$ (2.1)</u>	<u>\$ 5,182.8</u>

Based on the results of our October 1, 2018 goodwill impairment test, declines in the estimated fair value of certain C&W reporting units, particularly with respect to our Panamanian reporting unit, which had a goodwill balance of \$976 million at June 30, 2019, could result in the need to record additional goodwill impairment charges. If, among other factors, (i) our equity values were to decline significantly or (ii) the adverse impacts of competition, economic, regulatory or other factors, including macro-economic and demographic trends, were to cause our results of operations or cash flows to be worse than anticipated, we could conclude in future periods that impairment charges are required in order to reduce the carrying values of the goodwill and, to a lesser extent, other long-lived assets of C&W. Any such impairment charges could be significant.

***Property and Equipment, Net***

The details of our property and equipment and the related accumulated depreciation are set forth below:

	June 30, 2019	December 31, 2018
in millions		
Distribution systems	\$ 4,345.8	\$ 4,115.0
Customer premises equipment (CPE)	1,790.4	1,606.0
Support equipment, buildings and land	1,461.3	1,398.8
	<u>7,597.5</u>	<u>7,119.8</u>
Accumulated depreciation	(3,235.9)	(2,882.9)
Total	<u>\$ 4,361.6</u>	<u>\$ 4,236.9</u>

During the six months ended June 30, 2019 and 2018, we recorded non-cash increases to our property and equipment related to vendor financing arrangements aggregating \$26 million and \$35 million, respectively.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

***Intangible Assets Subject to Amortization, Net***

The details of our intangible assets subject to amortization are set forth below:

	June 30, 2019	December 31, 2018
	in millions	
Gross carrying amount:		
Customer relationships	\$ 1,510.5	\$ 1,509.7
Licenses and other	186.5	186.8
Total gross carrying amount	1,697.0	1,696.5
Accumulated amortization:		
Customer relationships	(596.6)	(504.7)
Licenses and other	(32.0)	(26.1)
Total accumulated amortization	(628.6)	(530.8)
Net carrying amount	\$ 1,068.4	\$ 1,165.7

**(9) Debt and Finance Lease Obligations**

The U.S. dollar equivalents of the components of our debt are as follows:

	Weighted average interest rate (a)	June 30, 2019		Estimated fair value (c)		Principal Amount	
		Unused borrowing capacity (b)		June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
		Borrowing currency	US \$ equivalent				
in millions							
Convertible Notes (d)	2.00%	—	\$ —	\$ 403.9	\$ —	\$ 402.5	\$ —
C&W Credit Facilities	5.40%	\$ 750.0	750.0	1,946.8	2,135.6	1,943.6	2,193.6
C&W Notes	6.81%	—	—	2,176.5	1,724.7	2,110.0	1,781.6
VTR Finance Senior Notes	6.88%	—	—	1,303.2	1,265.0	1,260.0	1,260.0
VTR Credit Facilities	6.64%	(e)	251.3	253.8	245.7	256.4	250.7
LPR Bank Facility	6.15%	40.0	40.0	918.2	905.4	922.5	942.5
Cabletica Credit Facilities	10.47%	(f)	15.0	126.4	122.2	127.7	124.7
Vendor financing (g)	4.98%	—	—	140.2	157.6	140.2	157.6
Total debt before premiums, discounts and deferred financing costs	6.11%		\$ 1,056.3	\$ 7,269.0	\$ 6,556.2	\$ 7,162.9	\$ 6,710.7

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

The following table provides a reconciliation of total debt before premiums, discounts and deferred financing costs to total debt and finance lease obligations:

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
	<u>in millions</u>	
Total debt before premiums, discounts and deferred financing costs	\$ 7,162.9	\$ 6,710.7
Premiums, discounts and deferred financing costs, net (d)	(140.5)	(41.5)
Total carrying amount of debt	7,022.4	6,669.2
Finance lease obligations	10.6	12.9
Total debt and finance lease obligations	7,033.0	6,682.1
Less: Current maturities of debt and finance lease obligations	(172.4)	(302.5)
Long-term debt and finance lease obligations	<u>\$ 6,860.6</u>	<u>\$ 6,379.6</u>

- (a) Represents the weighted average interest rate in effect at June 30, 2019 for all borrowings outstanding pursuant to each debt instrument, including any applicable margin. The interest rates presented represent stated rates and do not include the impact of derivative instruments, deferred financing costs, original issue premiums or discounts and commitment fees, all of which affect our overall cost of borrowing. Including the effects of derivative instruments, original issue premiums or discounts, including the discount on the Convertible Notes associated with the Conversion Option, and commitment fees, but excluding the impact of financing costs, the weighted average interest rate on our indebtedness was 6.4% at June 30, 2019; excluding the discount on the Convertible Notes associated with the Conversion Option, the weighted average interest rate was 6.1%. For information regarding our derivative instruments, see note 5.
- (b) Unused borrowing capacity represents the maximum availability under the applicable facility at June 30, 2019 without regard to covenant compliance calculations or other conditions precedent to borrowing. At June 30, 2019, the full amount of unused borrowing capacity was available to be borrowed under each of the respective subsidiary facilities, both before and after completion of the June 30, 2019 compliance reporting requirements. At June 30, 2019, there were no restrictions on the respective subsidiary's ability to make loans or distributions from this availability to Liberty Latin America or its subsidiaries or other equity holders.
- (c) The estimated fair values of our debt instruments are determined using the average of applicable bid and ask prices (mostly Level 1 of the fair value hierarchy) or, when quoted market prices are unavailable or not considered indicative of fair value, discounted cash flow models (mostly Level 2 of the fair value hierarchy). The discount rates used in the cash flow models are based on the market interest rates and estimated credit spreads of the applicable entity, to the extent available, and other relevant factors. For additional information regarding fair value hierarchies, see note 6.
- (d) The interest rate reflects the stated rate of the Convertible Notes. The effective interest rate of the Convertible Notes is 6.7%, which considers the impact of the \$78 million discount recorded during the second quarter of 2019 in connection with the Conversion Option, as further described below.
- (e) The VTR Credit Facilities comprise certain CLP term loans and U.S. dollar and CLP revolving credit facilities, including unused borrowing capacity. In March 2019, the commitment under the existing CLP revolving credit facility was increased to CLP 45 billion (\$66 million).
- (f) The Cabletica Credit Facilities comprise certain Costa Rican colón (CRC) and U.S. dollar term loans and a U.S. dollar revolving credit facility.



**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

- (g) Represents amounts owed pursuant to interest-bearing vendor financing arrangements that are used to finance certain of our operating expenses and property and equipment additions. These obligations are generally due within one year and include value-added taxes (VAT) that were paid on our behalf by the vendor. Our operating expenses include \$57 million and \$95 million for the six months ended June 30, 2019 and 2018, respectively, that were financed by an intermediary and are reflected on the borrowing date as a hypothetical cash outflow within net cash provided by operating activities and a hypothetical cash inflow within net cash provided by financing activities in our condensed consolidated statements of cash flows. Repayments of vendor financing obligations are included in repayments of debt and finance lease obligations in our condensed consolidated statements of cash flows.

**2019 Financing Transactions**

***Liberty Latin America – Convertible Notes***

In June 2019, Liberty Latin America issued \$403 million principal amount of 2.0% convertible senior notes (the **Convertible Notes**) due July 15, 2024. Interest on the Convertible Notes is payable semi-annually on January 15 and July 15, beginning on January 15, 2020. The Convertible Notes are general unsecured obligations of the Company, are subordinated to all of our other debt and structurally subordinated to all liabilities of our subsidiaries.

*Conversion Rights.* Subject to certain conditions, and adjustments if certain events occur (as specified in the indenture governing the Convertible Notes), the Convertible Notes may be converted at a conversion rate initially equal to 44.9767 Class C common shares per \$1,000 principal amount of the Convertible Notes (equivalent to an initial conversion price of approximately \$22.23 per Class C common share), the “**Conversion Option**”. Any conversions of the Convertible Notes may be settled, at the election of the Company, in cash, Class C common shares or a combination thereof.

The Convertible Notes may be converted at the option of the holders at any time prior to the close of business on January 12, 2024, only under the following circumstances:

- during any calendar quarter commencing after September 30, 2019 (and only during such calendar quarter), if the last reported sale price of our Class C common shares for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on and including the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the applicable conversion price of the Convertible Notes on each applicable trading day;
- during the five consecutive business day period immediately after any five consecutive trading day period (the “measurement period”), in which the trading price per \$1,000 principal amount of the Convertible Notes for each trading day of that measurement period was less than 98% of the product of the last reported sale price of our Class C common shares and the conversion rate on each such trading day;
- if we give notice of redemption, as described below; or
- upon the occurrence of specified corporate transactions.

On and after January 15, 2024 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders of the Convertible Notes may convert their notes at any time, regardless of the foregoing circumstances.

As of June 30, 2019, we determined the Conversion Option should be bifurcated from the debt host instrument (the Convertible Notes) and accounted for as a separate financial instrument that qualifies for equity classification. Accordingly, we bifurcated the Conversion Option from the Convertible Notes and initially recorded the estimated fair value of \$78 million as additional paid-in capital and debt discount. The debt discount will be accreted through interest expense, using the effective interest method, through maturity of the Convertible Notes or when the Conversion Option no longer qualifies for equity classification, if ever.

*Redemption Rights.* Other than a redemption for a change in certain tax laws, we may not redeem the Convertible Notes prior to July 19, 2022. On or after July 19, 2022 but prior to the 85<sup>th</sup> scheduled trading day immediately preceding July 15, 2024, we may redeem all or a portion of the notes for cash, if the last reported sale price of our Class C common shares has been at least 130% of the conversion price then in effect on (i) each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption and (ii) the trading day immediately preceding the date we provide such notice.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

*Other.* If a fundamental change (as defined in the indenture) occurs, holders of the Convertible Notes may require the Company to repurchase all or a portion of their notes for cash at a price equal to 100% of the principal amount of the notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date. In addition, following certain corporate transactions that occur prior to the maturity date of the Convertible Notes or the delivery of a notice of redemption, we will increase the applicable conversion rate for a holder who elects to convert in connection with such corporate transactions or notice of redemption in certain circumstances by a number of additional Class C common shares, as described in the related indenture.

We used a portion of the net proceeds from the issuance of the Convertible Notes to fund the cost of the Capped Calls, as defined and further described in note 12, and expect to use the remaining funds for other general corporate purposes.

**C&W**

*2019 C&W Senior Notes.* On March 25, 2019, we repaid in full the outstanding principal amount under the 2019 C&W Senior Notes for total consideration of £91 million (\$120 million at the transaction date), including accrued interest of £7 million (\$9 million at the transaction date).

*C&W Revolving Credit Facility.* In connection with the UTS Acquisition during the first quarter of 2019, we borrowed \$170 million on the C&W Revolving Credit Facility. As further described below, the outstanding principal amount of the C&W Revolving Credit Facility, including accrued interest, was repaid in full during the second quarter of 2019.

*2027 C&W Senior Notes Add-on A.* In April 2019, C&W issued an additional \$300 million aggregate principal amount, at 99.205% of par, under the existing 2027 C&W Senior Notes indenture dated August 16, 2017 (the **2027 C&W Senior Notes Add-on A**). The terms and conditions of the 2027 C&W Senior Notes Add-on A are consistent with the original indenture.

The net proceeds from the 2027 C&W Senior Notes Add-on A were primarily used to (i) repay in full the \$170 million outstanding principal amount under the C&W Revolving Credit Facility and (ii) redeem \$115 million of aggregate principal amount of the 2022 C&W Senior Notes according to the redemption terms of the related indenture, comprising (a) a 105.156% redemption price and (b) accrued and unpaid interest on the redeemed notes.

*2027 C&W Senior Secured Notes.* In April 2019, Sable issued \$400 million principal amount, at 99.195% of par, of 5.750% senior secured notes, due September 7, 2027 (the **2027 C&W Senior Secured Notes**). Interest on the 2027 C&W Senior Secured Notes is payable semi-annually on January 7 and July 7.

Subject to the circumstances described below, the 2027 C&W Senior Secured Notes are non-callable until September 7, 2022. At any time prior to September 7, 2022, Sable may redeem some or all of the 2027 C&W Senior Secured Notes by paying a price equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest and a “make-whole” premium, which is generally the present value of all remaining scheduled interest payments to September 7, 2022 using the discount rate (as specified in the indenture) as of the redemption date plus 50 basis points. In addition, at any time prior to September 7, 2022, subject to certain restrictions (as specified in the indenture), up to 40% of the 2027 C&W Senior Secured Notes may be redeemed with the net proceeds of one or more specified equity offerings at a redemption price equal to 105.750% of the principal amount redeemed, plus accrued and unpaid interest and additional amounts (as specified in the indenture), if any, to the redemption date. Also, prior to September 7, 2022, during each 12-month period commencing on April 5, 2019, up to 10% of the principal amount of the 2027 C&W Senior Secured Notes may be redeemed at a redemption price equal to 103% of the principal amount redeemed plus accrued and unpaid interest to the redemption date.

Sable may redeem some or all of the 2027 C&W Senior Secured Notes at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and additional amounts (as specified in the indenture), if any, to the applicable redemption date:

	<b>Redemption price</b>
<b>12-month period commencing September 7:</b>	
2022	102.875%
2023	101.438%
2024 and thereafter	100.000%

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

The net proceeds from the 2027 C&W Senior Secured Notes were primarily used to (i) redeem \$150 million of aggregate principal amount under the 2022 C&W Senior Notes according to the redemption terms of the indenture, comprising (a) the 105.156% redemption price and (b) accrued and unpaid interest on the redeemed notes, and (ii) repay \$235 million of aggregate principal amount under the C&W Term Loan B-4 Facility.

The details of our outstanding C&W Notes as of June 30, 2019 are summarized in the following table:

C&W Notes	Maturity	Interest rate	Outstanding principal amount		Estimated fair value	Carrying value (a)
			Borrowing currency	U.S. \$ equivalent		
in millions						
Senior Secured Notes:						
2027 C&W Senior Secured Notes	September 7, 2027	5.750%	\$ 400.0	\$ 400.0	\$ 403.5	\$ 391.4
Senior Notes:						
2022 C&W Senior Notes (b) (c)	August 1, 2022	6.875%	\$ 210.0	210.0	217.7	213.4
2026 C&W Senior Notes	October 15, 2026	7.500%	\$ 500.0	500.0	523.4	493.5
2027 C&W Senior Notes	September 15, 2027	6.875%	\$ 1,000.0	1,000.0	1,031.9	990.1
Total				<u>\$ 2,110.0</u>	<u>\$ 2,176.5</u>	<u>\$ 2,088.4</u>

- (a) Amounts are inclusive or net of original issue premiums and deferred financing costs, as applicable.
- (b) Carrying values of the 2022 C&W Senior Notes (previously known as the Sable Senior Notes) include the impact of premiums recorded in connection with the acquisition accounting for the C&W Acquisition.
- (c) Subsequent to June 30, 2019, the remaining aggregate principal amount of the 2022 C&W Senior Notes were called for redemption and will be fully repaid in August 2019.

*Subsequent Event – 2027 C&W Senior Notes Add-on B.* In July 2019, C&W issued an additional \$220 million aggregate principal amount, at 103.625% of par, under the existing 2027 C&W Senior Notes indenture dated August 16, 2017 (the **2027 C&W Senior Notes Add-on B**). The terms and conditions of the 2027 C&W Senior Notes Add-on B are consistent with the original indenture.

The net proceeds from the 2027 C&W Senior Notes Add-on B will be primarily used to redeem the remaining aggregate principal amount of the 2022 C&W Senior Notes of \$210 million, which were called for redemption in July 2019 according to the redemption terms of the related indenture, comprising (a) a 103.438% redemption price and (b) accrued and unpaid interest on the redeemed notes.

**Liberty Puerto Rico**

*LPR Second Lien Term Loan.* During the second quarter of 2019, Liberty Puerto Rico repaid \$20 million of the principal outstanding under the LPR Second Lien Term Loan.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

**Maturities of Debt**

Maturities of our debt as of June 30, 2019 are presented below. Amounts presented below represent U.S. dollar equivalents based on June 30, 2019 exchange rates:

	C&W	VTR Finance	Liberty Puerto Rico	Cabletica	Liberty Latin America	Consolidated
	in millions					
Years ending December 31:						
2019 (remainder of year) \$	42.4	\$ 59.2	\$ —	\$ —	\$ —	\$ 101.6
2020	33.3	40.2	—	—	—	73.5
2021	124.2	—	—	—	—	124.2
2022	224.3	103.8	850.0	—	—	1,178.1
2023	123.1	152.6	72.5	127.7	—	475.9
2024	3.0	1,260.0	—	—	402.5	1,665.5
Thereafter	3,544.1	—	—	—	—	3,544.1
Total debt maturities	4,094.4	1,615.8	922.5	127.7	402.5	7,162.9
Premiums, discounts and deferred financing costs, net	(26.2)	(21.0)	(7.5)	(3.6)	(82.2)	(140.5)
Total debt	\$ 4,068.2	\$ 1,594.8	\$ 915.0	\$ 124.1	\$ 320.3	\$ 7,022.4
Current portion	\$ 64.9	\$ 99.4	\$ —	\$ —	\$ —	\$ 164.3
Noncurrent portion	\$ 4,003.3	\$ 1,495.4	\$ 915.0	\$ 124.1	\$ 320.3	\$ 6,858.1

**(10) Unfulfilled Performance Obligations**

We enter into certain long-term capacity contracts with customers where the customer either pays a fixed fee over time or prepays for the capacity upfront and pays a portion related to operating and maintenance of the network over time. We assess whether prepaid capacity contracts contain a significant financing component. If the financing component is significant, interest expense is accreted over the life of the contract using the effective interest method. The revenue associated with prepaid capacity contracts is deferred and generally recognized on a straight-line basis over the life of the contract. As of June 30, 2019, we have approximately \$475 million of unfulfilled performance obligations relating to our long-term capacity contracts, primarily subsea contracts, that generally will be recognized as revenue over an average remaining life of seven years.

**(11) Income Taxes**

We evaluate and update our estimated annual effective income tax rate on a quarterly basis based on current and forecasted operating results and tax laws. For interim tax reporting, we estimate an annual effective tax rate which is applied to year-to-date ordinary income or loss. The tax effect of significant unusual or infrequently occurring items are excluded from the estimated annual effective tax rate calculation and recognized in the interim period in which they occur.

Our interim estimate of our annual effective tax rate and our interim tax provision are subject to volatility due to factors such as jurisdictions in which our deferred taxes and/or tax attributes are subject to a full valuation allowance, relative changes in unrecognized tax benefits and changes in tax laws. Based upon the mix and timing of our actual annual earnings or loss compared to annual projections, as well as changes in the factors noted above, our effective tax rate may vary quarterly and may make quarterly comparisons not meaningful.

Income tax expense was \$30 million and \$42 million during the three months ended June 30, 2019 and 2018, respectively, and \$34 million and \$58 million during the six months ended June 30, 2019 and 2018, respectively. This represents an effective income tax rate of 36.1% and (295.0%) for the three months ended June 30, 2019 and 2018, respectively, and 28.6% and 249.6% for the six months ended June 30, 2019 and 2018, respectively, including items treated discretely.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

For the three and six months ended June 30, 2019, the income tax expense attributable to our earnings (loss) before income taxes differs from the amounts computed using the statutory tax rate, primarily due to the detrimental effects of international rate differences, increases in valuation allowances, changes in uncertain tax positions, and negative effects of permanent items, such as non-deductible expenses. These negative impacts to our effective tax rate were partially offset by the beneficial effects of permanent items, such as non-taxable income. Additionally for the six months ended June 30, 2019, our effective tax rate reflects the beneficial effects of a change in the Barbados and Grenada statutory tax rates.

For the three and six months ended June 30, 2018 the income tax expense attributable to our earnings (loss) before income taxes differs from the amounts computed using the statutory tax rate, primarily due to the detrimental effects of international rate differences, increases in valuation allowances and negative effects of non-deductible expenses. These negative impacts to our effective tax rates were partially offset by the beneficial effects of changes in uncertain tax positions and non-taxable income.

Subsequent to June 30, 2019, we closed certain tax assessments, and as a result, expect to reduce our uncertain tax positions by approximately \$240 million during the third quarter of 2019.

**(12) Equity**

*Capped Calls*

In connection with the issuance of our Convertible Notes, Liberty Latin America entered into capped call option contracts (the **Capped Calls**). The Capped Calls are used as an economic hedge to reduce or offset potential dilution to our Class C common shares upon any conversion of the Convertible Notes and/or offset any cash payments we are required to make in excess of the principal amount of such converted notes, as the case may be, with such reduction and/or offset subject to a cap. Collectively, the Capped Calls cover, initially, the number of the Company's Class C common shares underlying the Convertible Notes of 18.1 million. The Capped Calls have an initial strike price of \$22.2337 per Class C common share and an initial cap price of \$31.7625 per Class C common share, subject to anti-dilution adjustments substantially similar to those applicable to the conversion rate of the Convertible Notes, and expire on July 15, 2024. The Capped Calls are not considered a derivative instrument under ASC 815, *Derivatives and Hedging*, as the contracts are indexed to our Class C common shares and therefore classified within shareholders' equity. The aggregate premiums paid for the Capped Calls of \$46 million are included in additional paid-in capital in our condensed consolidated statement of equity.

*Conversion Option – Convertible Notes*

In connection with the issuance of the Convertible Notes, we recorded \$77 million in additional paid-in capital in our condensed consolidated statement of equity for the Conversion Option, which represents the fair value of the Conversion Option at issuance less \$1 million of allocated transaction fees and costs. For additional information see notes 6 and 9.

*Noncontrolling interests*

During the first quarter of 2018, we increased our ownership in C&W Jamaica from 82.0% to 91.7% by acquiring 1,629,734,373 of the then issued and outstanding ordinary stock units of C&W Jamaica that we did not already own (the **C&W Jamaica NCI Acquisition**) for JMD \$1.45 per share or JMD \$2,363 million (\$19 million at the transaction dates) of paid consideration. During the second quarter of 2018, we acquired an additional 97,312,801 of the then issued and outstanding ordinary stock units of C&W Jamaica that we did not already own for JMD \$141 million (\$1 million at the transaction dates), which increased our ownership interest to 92.3%.

**(13) Related-party Transactions**

We have certain agreements with Liberty Global plc (**Liberty Global**), collectively the "**LG Agreements**," as further described below. During the three and six months ended June 30, 2019, we incurred expenses of \$3 million and \$6 million, respectively, associated with the LG Agreements. During the three and six months ended June 30, 2018, we incurred expenses of \$2 million and \$4 million, respectively. In addition, we acquired capital assets associated with the LG Agreements of \$6 million and \$7 million during the six months ended June 30, 2019 and 2018, respectively. These expenses and capital asset acquisitions are cash settled. The following summarizes the primary terms of the LG Agreements:

- a services agreement (the **Services Agreement**) for a period through December 29, 2019 with the option to renew for a one-year period, pursuant to which Liberty Global will provide Liberty Latin America with specified services, including certain technical and information technology services (including software development services associated with the

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

Connect Box and the Horizon platform, management information systems, hardware, data storage, and network and telecommunications services), access to Liberty Global's procurement team and tools to leverage scale and take advantage of joint purchasing opportunities, certain management services, and other services to support Liberty Latin America's legal, tax, accounting and finance departments;

- a sublease agreement (the **Sublease Agreement**), pursuant to which Liberty Latin America will sublease office space from Liberty Global in Denver, Colorado until May 31, 2031, subject to customary termination and notice provisions; and
- a facilities sharing agreement (the **Facilities Sharing Agreement**), pursuant to which, for as long as the Sublease Agreement remains in effect, Liberty Latin America will pay a fee for the usage of certain facilities at the office space in Denver, Colorado.

The following table provides details of our significant related-party balances with Liberty Global:

	June 30, 2019	December 31, 2018
	in millions	
Assets:		
Other current assets	\$ 3.8	\$ 3.2
Current liabilities:		
Accounts payable	\$ 3.9	\$ 7.0
Other accrued and current liabilities	7.8	3.5
Total current liabilities	\$ 11.7	\$ 10.5

**(14) Restructuring Liabilities**

A summary of changes in our restructuring liability is set forth in the table below:

	Employee severance and termination	Contract termination and other	Total
	in millions		
Restructuring liability as of January 1, 2019	\$ 7.6	\$ 18.0	\$ 25.6
Restructuring charges	15.7	5.8	21.5
Cash paid	(17.3)	(7.9)	(25.2)
Foreign currency translation adjustments	(0.2)	0.4	0.2
Restructuring liability as of June 30, 2019	\$ 5.8	\$ 16.3	\$ 22.1
Current portion	\$ 5.8	\$ 10.6	\$ 16.4
Noncurrent portion	—	5.7	5.7
Total	\$ 5.8	\$ 16.3	\$ 22.1

Our restructuring charges during the six months ended June 30, 2019, primarily relate to employee severance and termination costs associated with reorganization programs at C&W and VTR.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

**(15) Share-based Compensation**

The following table summarizes our share-based compensation expense:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
	in millions			
Included in:				
Other operating expense	\$ 0.3	\$ 0.1	\$ 0.5	\$ 0.2
SG&A expense	15.1	8.6	29.6	15.0
Total	\$ 15.4	\$ 8.7	\$ 30.1	\$ 15.2

**Share-based Incentive Awards**

The following tables summarize the share-based incentive awards related to Liberty Latin America Class A and C common shares held by our employees and our board of directors as of June 30, 2019:

Share-based incentive award type	Number of shares	Weighted average exercise price	Weighted average remaining contractual term
			in years
<b>Stock appreciation rights (SARs):</b>			
Class A common shares:			
Outstanding	3,451,651	\$ 21.92	5.6
Exercisable	984,659	\$ 25.54	4.5
Class C common shares:			
Outstanding	6,956,267	\$ 21.99	5.6
Exercisable	2,022,511	\$ 25.78	4.4

Share-based incentive award type	Number of shares	Weighted average remaining contractual term
		in years
<b>Restricted stock units (RSUs) outstanding:</b>		
Class A common shares	321,604	2.7
Class C common shares	643,017	2.7
<b>Performance-based restricted stock units (PSUs) outstanding:</b>		
Class A common shares	335,293	1.2
Class C common shares	670,588	1.2

During the six months ended June 30, 2019, we granted SARs with respect to 1,056,100 Class A common shares and 2,112,200 Class C common shares, which have weighted average exercise prices of \$19.91 and \$20.03, respectively, and weighted average grant-date fair values of \$6.91 and \$7.04, respectively. We also granted RSUs during the six months ended June 30, 2019 with respect to 220,837 Class A common shares and 441,674 Class C common shares, which have weighted average grant-date fair values of \$19.94 and \$20.03, respectively.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

**(16) Loss per Share**

Basic earnings (loss) per share (**EPS**) is computed by dividing net earnings (loss) attributable to Liberty Latin America shareholders by the weighted average number of Class A, Class B and Class C common shares of Liberty Latin America (collectively, **Liberty Latin America Shares**) outstanding during the periods presented, as further described below. Diluted EPS presents the dilutive effect, if any, on a per share basis of potential shares (e.g., SARs and RSUs), as if they had been exercised or vested at the beginning of the periods presented.

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Weighted average shares outstanding - basic and dilutive	181,504,385	171,278,819	181,271,878	171,254,577

We reported losses attributable to Liberty Latin America shareholders during the three and six months ended June 30, 2019 and 2018. As a result, the potentially dilutive effect at June 30, 2019 and 2018 of the following items was not included in the computation of diluted loss per share because their inclusion would have been anti-dilutive to the computation or, in the case of certain PSUs, because such awards had not yet met the applicable performance criteria: (i) using the if-converted method, the aggregate number of shares potentially issuable under our Convertible Notes of approximately 18.1 million and nil, respectively, (ii) the aggregate number of shares issuable pursuant to outstanding options, SARs and RSUs of approximately 15.8 million and 14.3 million, respectively, and (iii) the aggregate number of shares issuable pursuant to outstanding PSUs of approximately 1.3 million and 1.2 million, respectively. A portion of these amounts relate to Liberty Latin America Shares held by employees of Liberty Global.

**(17) Commitments and Contingencies**

**Commitments**

In the normal course of business, we have entered into agreements that commit our company to make cash payments in future periods with respect to programming contracts, network and connectivity commitments, purchases of customer premises and other equipment and services and other commitments. The following table sets forth the U.S. dollar equivalents of such commitments as of June 30, 2019:

	<u>Payments due during:</u>								<u>Total</u>
	<u>Remainder of 2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Thereafter</u>		
<i>in millions</i>									
Programming commitments	\$ 62.7	\$ 61.3	\$ 24.8	\$ 2.2	\$ 1.4	\$ 0.9	\$ —		\$ 153.3
Network and connectivity commitments	52.4	49.3	39.4	13.1	12.7	12.1	13.4		192.4
Purchase commitments	146.5	44.2	17.5	1.1	0.6	—	—		209.9
Other commitments (a)	14.9	5.4	3.3	2.4	2.0	2.9	9.4		40.3
Total (b)	<u>\$ 276.5</u>	<u>\$ 160.2</u>	<u>\$ 85.0</u>	<u>\$ 18.8</u>	<u>\$ 16.7</u>	<u>\$ 15.9</u>	<u>\$ 22.8</u>		<u>\$ 595.9</u>

- (a) Amounts include certain commitments under the Services Agreement and the Facilities Sharing Agreement, as further described in note 13.
- (b) The commitments included in this table do not reflect any liabilities that are included in our June 30, 2019 condensed consolidated balance sheet.

Programming commitments consist of obligations associated with certain programming, studio output and sports rights contracts that are enforceable and legally binding on us, as we have agreed to pay minimum fees without regard to (i) the actual number of subscribers to the programming services, (ii) whether we terminate service to a portion of our subscribers or dispose of a portion of our distribution systems or (iii) whether we discontinue our premium sports services. In addition, programming commitments do not include increases in future periods associated with contractual inflation or other price adjustments that are not fixed. Accordingly, the amounts reflected in the above table with respect to these contracts are significantly less than the



**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

amounts we expect to pay in these periods under these contracts. Historically, payments to programming vendors have represented a significant portion of our operating costs, and we expect that this will continue to be the case in future periods. In this regard, our total programming and copyright costs aggregated \$217 million and \$197 million during the six months ended June 30, 2019 and 2018, respectively.

Network and connectivity commitments include (i) domestic network service agreements with certain other telecommunications companies and (ii) VTR's mobile virtual network operator (MVNO) agreement. The amounts reflected in the above table with respect to our MVNO commitment represent fixed minimum amounts payable under this agreement and, therefore, may be significantly less than the actual amounts VTR ultimately pays in these periods.

Purchase commitments include unconditional and legally-binding obligations related to (i) the purchase of customer premises and other equipment and (ii) certain service-related commitments, including call center, information technology and maintenance services.

In addition to the commitments set forth in the table above, we have commitments under (i) derivative instruments and (ii) defined benefit plans and similar agreements, pursuant to which we expect to make payments in future periods. For information regarding our derivative instruments, including the net cash paid or received in connection with these instruments during the six months ended June 30, 2019 and 2018, see note 5.

***Guarantees and Other Credit Enhancements***

In the ordinary course of business, we may provide (i) indemnifications to our lenders, our vendors and certain other parties and (ii) performance and/or financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our company making any material payments and we do not believe that they will result in material payments in the future. In addition, C&W has provided indemnifications of (i) up to \$300 million with respect to any potential tax-related claims related to the disposal in April 2013 of C&W's interests in certain businesses and (ii) an unlimited amount of qualifying claims associated with the disposal of another business in May 2014. The first indemnification expires in April 2020 and the second expires in May 2020. We do not expect that either of these arrangements will require us to make material payments to the indemnified parties.

***Legal and Regulatory Proceedings and Other Contingencies***

*Regulatory Issues.* Video distribution, broadband internet, fixed-line telephony and mobile businesses are regulated in each of the countries in which we operate. The scope of regulation varies from country to country. Adverse regulatory developments could subject our businesses to a number of risks. Regulation, including conditions imposed on us by competition or other authorities as a requirement to close acquisitions or dispositions, could limit growth, revenue and the number and types of services offered and could lead to increased operating costs and property and equipment additions. In addition, regulation may restrict our operations and subject them to further competitive pressure, including pricing restrictions, interconnect and other access obligations, and restrictions or controls on content, including content provided by third parties. Failure to comply with current or future regulation could expose our businesses to various penalties.

In addition to the foregoing items, we have contingent liabilities related to matters arising in the ordinary course of business, including (i) legal proceedings, (ii) issues involving wage, property, withholding and other tax issues and (iii) disputes over interconnection, programming and copyright fees. While we generally expect that the amounts required to satisfy these contingencies will not materially differ from any estimated amounts we have accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on our results of operations, cash flows or financial position in any given period. Due, in general, to the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, we cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavorable outcomes.

**(18) Segment Reporting**

We generally identify our reportable segments as those operating segments that represent 10% or more of our revenue, Adjusted OIBDA (as defined below) or total assets. We evaluate performance and make decisions about allocating resources to our reportable segments based on financial measures such as revenue and Adjusted OIBDA. In addition, we review non-financial measures such as subscriber growth.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

Adjusted OIBDA, a non-GAAP measure, is the primary measure used by our chief operating decision maker to evaluate segment operating performance. Adjusted OIBDA is also a key factor that is used by our internal decision makers to (i) determine how to allocate resources to segments and (ii) evaluate the effectiveness of our management for purposes of incentive compensation plans. As we use the term, “Adjusted OIBDA” is defined as operating income or loss before depreciation and amortization, share-based compensation, provisions and provision releases related to significant litigation and impairment, restructuring and other operating items. Other operating items include (i) gains and losses on the disposition of long-lived assets, (ii) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable, and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Our internal decision makers believe Adjusted OIBDA is a meaningful measure because it represents a transparent view of our recurring operating performance that is unaffected by our capital structure and allows management to (i) readily view operating trends, (ii) perform analytical comparisons and benchmarking between segments and (iii) identify strategies to improve operating performance in the different countries in which we operate. A reconciliation of total Adjusted OIBDA to operating income is presented below.

As of June 30, 2019, our reportable segments are as follows:

- C&W
- VTR/Cabletica
- Liberty Puerto Rico

Our reportable segments derive their revenue primarily from residential and B2B services, including video, broadband internet and fixed-line telephony services and, with the exception of Liberty Puerto Rico, mobile services. We provide residential and B2B services in (i) 24 countries, primarily in Latin America and the Caribbean, through C&W, (ii) Chile and Costa Rica, through VTR/Cabletica, and (iii) Puerto Rico, through Liberty Puerto Rico. C&W also provides (i) B2B services in certain other countries in Latin America and the Caribbean and (ii) wholesale services over its subsea and terrestrial networks that connect over 40 markets in that region. Our corporate category includes our corporate operations.

***Performance Measures of our Reportable Segments***

The amounts presented below represent 100% of each of our reportable segment’s revenue and Adjusted OIBDA. As we have the ability to control Cabletica and certain subsidiaries of C&W that are not wholly-owned, we include 100% of the revenue and expenses of these entities in our condensed consolidated statements of operations despite the fact that third parties own significant interests in these entities. On October 17, 2018, we acquired the remaining 40.0% interest in Liberty Puerto Rico that we did not already own. The noncontrolling owners’ interests in the operating results of certain subsidiaries of C&W, and prior to October 17, 2018, Liberty Puerto Rico, are reflected in net earnings or loss attributable to noncontrolling interests in our condensed consolidated statements of operations.

	Revenue			
	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
	in millions			
C&W (a)	\$ 606.6	\$ 583.7	\$ 1,176.4	\$ 1,169.2
VTR/Cabletica (b)	274.5	260.2	551.0	524.0
Liberty Puerto Rico	103.8	80.3	202.4	142.1
Intersegment eliminations	(2.0)	(2.1)	(4.2)	(3.3)
<b>Total</b>	<b>\$ 982.9</b>	<b>\$ 922.1</b>	<b>\$ 1,925.6</b>	<b>\$ 1,832.0</b>

(a) The amounts presented exclude the pre-acquisition revenue of UTS, which was acquired effective March 31, 2019.

(b) The amounts presented for the 2018 periods exclude the revenue of Cabletica, which was acquired on October 1, 2018.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

	<b>Adjusted OIBDA</b>			
	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>in millions</b>			
C&W (a)	\$ 235.4	\$ 223.6	\$ 457.9	\$ 452.7
VTR/Cabletica (b)	112.3	105.1	219.2	210.1
Liberty Puerto Rico	51.6	35.7	99.5	53.7
Corporate	(11.9)	(11.0)	(23.4)	(22.3)
Total	<u>\$ 387.4</u>	<u>\$ 353.4</u>	<u>\$ 753.2</u>	<u>\$ 694.2</u>

- (a) The amounts presented exclude the pre-acquisition Adjusted OIBDA of UTS, which was acquired on March 31, 2019.
- (b) The amounts presented for the 2018 periods exclude the Adjusted OIBDA of Cabletica, which was acquired on October 1, 2018.

The following table provides a reconciliation of total Adjusted OIBDA to operating income and to earnings (loss) before income taxes:

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>in millions</b>			
Total Adjusted OIBDA	\$ 387.4	\$ 353.4	\$ 753.2	\$ 694.2
Share-based compensation expense	(15.4)	(8.7)	(30.1)	(15.2)
Depreciation and amortization	(222.0)	(207.6)	(439.3)	(409.9)
Impairment, restructuring and other operating items, net	(6.5)	(12.9)	(27.0)	(46.6)
Operating income	<u>143.5</u>	<u>124.2</u>	<u>256.8</u>	<u>222.5</u>
Interest expense	(119.8)	(109.4)	(235.5)	(211.9)
Realized and unrealized gains (losses) on derivative instruments, net	(79.0)	115.1	(148.0)	73.6
Foreign currency transaction gains (losses), net	(19.5)	(120.6)	12.7	(104.7)
Losses on debt modification and extinguishment	(9.5)	—	(9.5)	(13.0)
Other income, net	2.6	4.8	5.0	10.1
Earnings (loss) before income taxes	<u>\$ (81.7)</u>	<u>\$ 14.1</u>	<u>\$ (118.5)</u>	<u>\$ (23.4)</u>

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

***Property and Equipment Additions of our Reportable Segments***

The property and equipment additions of our reportable segments (including capital additions financed under vendor financing or finance lease arrangements) are presented below and reconciled to the capital expenditure amounts included in our condensed consolidated statements of cash flows. For additional information concerning capital additions financed under vendor financing, see note 8.

	<b>Six months ended June 30,</b>	
	<b>2019</b>	<b>2018</b>
	<b>in millions</b>	
C&W (a)	\$ 145.7	\$ 169.2
VTR/Cabletica (b)	117.1	116.0
Liberty Puerto Rico	39.1	115.0
Corporate	3.3	11.4
Total property and equipment additions	305.2	411.6
Assets acquired under capital-related vendor financing arrangements	(26.0)	(35.0)
Assets acquired under finance leases	(0.2)	(0.9)
Changes in current liabilities related to capital expenditures	16.4	49.4
Total capital expenditures	\$ 295.4	\$ 425.1

- (a) The amounts presented exclude the pre-acquisition property and equipment additions of UTS, which was acquired effective March 31, 2019.
- (b) The amount presented for the 2018 period excludes the property and equipment additions of Cabletica, which was acquired on October 1, 2018.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

**Revenue by Major Category**

Our revenue by major category for our reportable segments is set forth in the tables below.

	Three months ended June 30, 2019				
	C&W	VTR/Cabletica	Liberty Puerto Rico	Intersegment Eliminations (a)	Total
	in millions				
<b>Residential revenue:</b>					
<b>Residential fixed revenue:</b>					
<b>Subscription revenue (b):</b>					
Video	\$ 46.8	\$ 108.3	\$ 35.3	\$ —	\$ 190.4
Broadband internet	65.5	105.3	43.6	—	214.4
Fixed-line telephony	26.7	25.9	5.9	—	58.5
Total subscription revenue	139.0	239.5	84.8	—	463.3
Non-subscription revenue (c)	14.9	8.3	5.6	—	28.8
Total residential fixed revenue	153.9	247.8	90.4	—	492.1
<b>Residential mobile revenue:</b>					
Service revenue (b)	142.1	15.9	—	—	158.0
Interconnect, equipment sales and other (d)	22.2	3.5	—	—	25.7
Total residential mobile revenue	164.3	19.4	—	—	183.7
Total residential revenue	318.2	267.2	90.4	—	675.8
<b>B2B revenue:</b>					
Service revenue (e)	226.8	7.3	13.4	(0.4)	247.1
Subsea network revenue (f)	61.6	—	—	(1.6)	60.0
Total B2B revenue	288.4	7.3	13.4	(2.0)	307.1
Total	\$ 606.6	\$ 274.5	\$ 103.8	\$ (2.0)	\$ 982.9

(a) Represents intersegment transactions between C&W and Liberty Puerto Rico.

(b) Residential fixed subscription and residential mobile services revenue include amounts received from subscribers for ongoing fixed and airtime services.

(c) Residential fixed non-subscription revenue primarily includes interconnect and advertising revenue.

(d) These amounts include \$13 million of revenue from sales of mobile handsets and other devices.

(e) B2B service revenue primarily includes broadband internet, video, fixed-line telephony, mobile and managed services (including equipment installation contracts) offered to small (including small or home office (SOHO)), medium and large enterprises and, on a wholesale basis, other telecommunication operators. These amounts also include \$9 million of revenue from sales of mobile handsets and other devices.

(f) B2B subsea network revenue includes long-term capacity contracts with customers where the customer either pays a fee over time or prepays for the capacity upfront and pays a portion related to operating and maintenance of the network over time.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

**Three months ended June 30, 2018**

	<b>C&amp;W</b>	<b>VTR/Cabletica (a)</b>	<b>Liberty Puerto Rico</b>	<b>Intersegment Eliminations (b)</b>	<b>Total</b>
	<b>in millions</b>				
<b>Residential revenue:</b>					
Residential fixed revenue:					
Subscription revenue:					
Video	\$ 43.2	\$ 99.7	\$ 29.8	\$ —	\$ 172.7
Broadband internet	56.4	96.2	32.4	—	185.0
Fixed-line telephony	25.9	32.1	4.6	—	62.6
Total subscription revenue	125.5	228.0	66.8	—	420.3
Non-subscription revenue	16.9	6.3	4.4	—	27.6
Total residential fixed revenue	142.4	234.3	71.2	—	447.9
Residential mobile revenue:					
Service revenue	151.1	16.0	—	—	167.1
Interconnect, equipment sales and other (c)	21.6	3.7	—	—	25.3
Total residential mobile revenue	172.7	19.7	—	—	192.4
Total residential revenue	315.1	254.0	71.2	—	640.3
<b>B2B revenue:</b>					
Service revenue (d)	204.2	6.2	9.1	(0.5)	219.0
Subsea network revenue	64.4	—	—	(1.6)	62.8
Total B2B revenue	268.6	6.2	9.1	(2.1)	281.8
Total	\$ 583.7	\$ 260.2	\$ 80.3	\$ (2.1)	\$ 922.1

- (a) The amounts presented exclude the revenue of Cabletica, which was acquired on October 1, 2018.
- (b) Represents intersegment transactions between C&W and Liberty Puerto Rico.
- (c) These amounts include \$11 million of revenue from sales of mobile handsets and other devices.
- (d) These amounts include \$9 million of revenue from sales of mobile handsets and other devices.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

Six months ended June 30, 2019					
C&W (a)	VTR/Cabletica	Liberty Puerto Rico	Intersegment Eliminations (b)	Total	
in millions					
<b>Residential revenue:</b>					
Residential fixed revenue:					
Subscription revenue:					
Video	\$ 90.7	\$ 217.1	\$ 70.3	\$ —	\$ 378.1
Broadband internet	125.7	210.2	85.4	—	421.3
Fixed-line telephony	51.0	53.4	11.6	—	116.0
Total subscription revenue	267.4	480.7	167.3	—	915.4
Non-subscription revenue	29.9	17.0	10.9	—	57.8
Total residential fixed revenue	297.3	497.7	178.2	—	973.2
Residential mobile revenue:					
Service revenue	277.1	31.6	—	—	308.7
Interconnect, equipment sales and other (c)	41.2	6.9	—	—	48.1
Total residential mobile revenue	318.3	38.5	—	—	356.8
Total residential revenue	615.6	536.2	178.2	—	1,330.0
<b>B2B revenue:</b>					
Service revenue (d)	439.3	14.8	24.2	(1.0)	477.3
Subsea network revenue	121.5	—	—	(3.2)	118.3
Total B2B revenue	560.8	14.8	24.2	(4.2)	595.6
Total	\$ 1,176.4	\$ 551.0	\$ 202.4	\$ (4.2)	\$ 1,925.6

- (a) The amounts presented exclude the pre-acquisition revenue of UTS, which was acquired effective March 31, 2019.
- (b) Represents intersegment transactions between C&W and Liberty Puerto Rico.
- (c) These amounts include \$20 million of revenue from sales of mobile handsets and other devices.
- (d) These amounts include \$13 million of revenue from sales of mobile handsets and other devices.

**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

**Six months ended June 30, 2018**

	<b>C&amp;W</b>	<b>VTR/Cabletica (a)</b>	<b>Liberty Puerto Rico</b>	<b>Intersegment Eliminations (b)</b>	<b>Total</b>
<b>in millions</b>					
<b>Residential revenue:</b>					
Residential fixed revenue:					
Subscription revenue:					
Video	\$ 85.9	\$ 199.4	\$ 53.1	\$ —	\$ 338.4
Broadband internet	110.1	192.8	57.7	—	360.6
Fixed-line telephony	52.8	66.7	8.1	—	127.6
Total subscription revenue	248.8	458.9	118.9	—	826.6
Non-subscription revenue	32.4	13.8	6.8	—	53.0
Total residential fixed revenue	281.2	472.7	125.7	—	879.6
Residential mobile revenue:					
Service revenue	306.2	32.3	—	—	338.5
Interconnect, equipment sales and other (c)	43.7	6.9	—	—	50.6
Total residential mobile revenue	349.9	39.2	—	—	389.1
Total residential revenue	631.1	511.9	125.7	—	1,268.7
<b>B2B revenue:</b>					
Service revenue (d)	414.1	12.1	16.4	(0.7)	441.9
Subsea network revenue	124.0	—	—	(2.6)	121.4
Total B2B revenue	538.1	12.1	16.4	(3.3)	563.3
Total	\$ 1,169.2	\$ 524.0	\$ 142.1	\$ (3.3)	\$ 1,832.0

- (a) The amounts presented exclude the revenue of Cabletica, which was acquired on October 1, 2018.
- (b) Represents intersegment transactions between C&W and Liberty Puerto Rico.
- (c) These amounts include \$23 million of revenue from sales of mobile handsets and other devices.
- (d) These amounts include \$15 million of revenue from sales of mobile handsets and other devices.



**Liberty Latin America Ltd.**  
**Notes to Condensed Consolidated Financial Statements – (Continued)**  
**June 30, 2019**  
**(unaudited)**

***Geographic Markets***

The revenue from third-party customers for our geographic markets is set forth in the table below. Except as otherwise noted, the amounts presented include revenue from residential and B2B operations.

	Three months ended June 30,		Six months ended June 30,	
	2019	2018 (a)	2019	2018 (a)
	<b>in millions</b>			
Panama	\$ 142.6	\$ 151.8	\$ 282.9	\$ 300.1
Networks & LatAm (b)	85.0	89.3	173.7	175.8
Jamaica	99.3	86.3	192.3	174.8
The Bahamas	52.5	56.7	106.1	119.7
Barbados	37.4	37.4	74.9	75.9
Trinidad and Tobago	40.5	38.6	80.1	77.3
Chile	241.9	260.2	485.9	524.0
Costa Rica (c)	32.5	—	65.0	—
Puerto Rico	103.4	79.8	201.4	141.4
Other (d)	147.8	122.0	263.3	243.0
Total	\$ 982.9	\$ 922.1	\$ 1,925.6	\$ 1,832.0

- (a) Amounts for 2018 have been reclassified to exclude intercompany revenue within each geographic region, which conforms with current period presentation.
- (b) The amounts represent wholesale and managed services revenue from various jurisdictions across the Caribbean and Latin America, primarily related to the sale and lease of telecommunications capacity on C&W's subsea and terrestrial networks.
- (c) Represents revenue associated with Cabletica, which was acquired on October 1, 2018.
- (d) The amounts relate to a number of countries in which C&W has less significant operations, all but one of which are located in Latin America and the Caribbean. Additionally, the amounts presented exclude the pre-acquisition revenue of UTS, which was acquired effective March 31, 2019.

## Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis, which should be read in conjunction with our consolidated financial statements and the discussion and analysis included in our 2018 Form 10-K, is intended to assist in providing an understanding of our financial condition, changes in financial condition and results of operations and is organized as follows:

- *Forward-looking Statements.* This section provides a description of certain factors that could cause actual results or events to differ materially from anticipated results or events.
- *Overview.* This section provides a general description of our business and recent events.
- *Material Changes in Results of Operations.* This section provides an analysis of our results of operations for the three and six months ended June 30, 2019 and 2018.
- *Material Changes in Financial Condition.* This section provides an analysis of our corporate and subsidiary liquidity, condensed consolidated statements of cash flows and contractual commitments.

The capitalized terms used below have been defined in the notes to our condensed consolidated financial statements. In the following text, the terms “we,” “our,” “our company” and “us” may refer, as the context requires, to Liberty Latin America or collectively to Liberty Latin America and its subsidiaries.

Unless otherwise indicated, convenience translations into U.S. dollars are calculated as of June 30, 2019.

### Forward-looking Statements

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. To the extent that statements in this Quarterly Report on Form 10-Q are not recitations of historical fact, such statements constitute forward-looking statements, which, by definition, involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. In particular, statements under Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*, Item 3. *Quantitative and Qualitative Disclosures About Market Risk* and Item 4. *Controls and Procedures* may contain forward-looking statements, including statements regarding: our business, product, foreign currency and finance strategies; subscriber growth and retention rates; changes in competitive, regulatory and economic factors; anticipated changes in our revenue, expenses, or growth rates; debt levels; our liquidity and our ability to access the liquidity of our subsidiaries; credit risks; internal control over financial reporting; foreign currency risks; compliance with debt, financial and other covenants; our future projected contractual commitments and cash flows; and other information and statements that are not historical fact. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. In addition to the risk factors described in our 2018 Form 10-K, the following are some but not all of the factors that could cause actual results or events to differ materially from anticipated results or events:

- economic and business conditions and industry trends in the countries in which we operate;
- the competitive environment in the industries in the countries in which we operate, including competitor responses to our products and services;
- fluctuations in currency exchange rates, inflation rates and interest rates;
- instability in global financial markets, including sovereign debt issues and related fiscal reforms;
- consumer disposable income and spending levels, including the availability and amount of individual consumer debt;
- changes in consumer viewing preferences and habits, including on mobile devices that function on various operating systems and specifications, limited bandwidth, and different processing power and screen sizes;
- customer acceptance of our existing service offerings, including our video, broadband internet, fixed-line telephony, mobile and business service offerings, and of new technology, programming alternatives and other products and services that we may offer in the future;
- our ability to manage rapid technological changes;
- the impact of 5G and wireless technologies on broadband internet;

- our ability to maintain or increase the number of subscriptions to our video, broadband internet, fixed-line telephony and mobile service offerings and our average revenue per household;
- our ability to provide satisfactory customer service, including support for new and evolving products and services;
- our ability to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers;
- the impact of our future financial performance, or market conditions generally, on the availability, terms and deployment of capital;
- changes in, or failure or inability to comply with, government regulations in the countries in which we operate and adverse outcomes from regulatory proceedings;
- government intervention that requires opening our broadband distribution networks to competitors;
- our ability to obtain regulatory approval and satisfy other conditions necessary to close acquisitions and dispositions, and the impact of conditions imposed by competition and other regulatory authorities in connection with acquisitions;
- our ability to successfully acquire new businesses and, if acquired, to integrate, realize anticipated efficiencies from and implement our business plan with respect to the businesses we have acquired or that we expect to acquire;
- changes in laws or treaties relating to taxation, or the interpretation thereof, in the U.S. or in other countries in which we operate;
- changes in laws and government regulations that may impact the availability and cost of capital and the derivative instruments that hedge certain of our financial risks;
- the ability of suppliers and vendors, including third-party channel providers and broadcasters (including our third-party wireless network provider under our MVNO arrangement), to timely deliver quality products, equipment, software, services and access;
- the availability of attractive programming for our video services and the costs associated with such programming, including retransmission and copyright fees payable to public and private broadcasters;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- our ability to adequately forecast and plan future network requirements, including the costs and benefits associated with our network extension and upgrade programs;
- the availability of capital for the acquisition and/or development of telecommunications networks and services, including property and equipment additions;
- problems we may discover post-closing with the operations, including the internal controls and financial reporting process, of businesses we acquire;
- cybersecurity threats or other security breaches, including the leakage of sensitive customer data, which could harm our business or reputation;
- the outcome of any pending or threatened litigation;
- the loss of key employees and the availability of qualified personnel;
- changes in the nature of key strategic relationships with partners and joint venturers;
- our equity capital structure;
- changes in and compliance with applicable data privacy laws, rules, and regulations;
- our ability to recoup insurance reimbursements and settlements from third-party providers;
- our ability to comply with economic and trade sanctions laws, such as the U.S. Treasury Department's Office of Foreign Assets Control; and
- events that are outside of our control, such as political unrest in international markets, terrorist attacks, malicious human acts, Hurricanes and other natural disasters, pandemics and other similar events.

The broadband distribution and mobile service industries are changing rapidly and, therefore, the forward-looking statements of expectations, plans and intent in this Quarterly Report on Form 10-Q are subject to a significant degree of risk. These forward-looking statements and the above described risks, uncertainties and other factors speak only as of the date of this Quarterly Report on Form 10-Q, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events,

conditions or circumstances on which any such statement is based. Readers are cautioned not to place undue reliance on any forward-looking statement.

## Overview

### General

We are an international provider of fixed, mobile and subsea telecommunications services. We provide residential and B2B communications services in (i) 24 countries, primarily in Latin America and the Caribbean, through C&W, (ii) Chile and Costa Rica, through VTR/Cabletica, and (iii) Puerto Rico, through Liberty Puerto Rico. C&W also provides (i) B2B services in certain other countries in Latin America and the Caribbean and (ii) wholesale communication services over its subsea and terrestrial fiber optic cable networks that connect over 40 markets in those regions.

### Operations

At June 30, 2019, we (i) owned and operated fixed networks that passed 7,335,900 homes and served 5,926,500 revenue generating units (RGUs), comprising 2,529,900 broadband internet subscribers, 1,956,500 video subscribers and 1,440,100 fixed-line telephony subscribers and (ii) served 3,669,600 mobile subscribers.

## Material Changes in Results of Operations

In the following discussion, we quantify the estimated impact of acquisitions (the **Acquisition Impact**) on our operating results. The Acquisition Impact represents our estimate of the difference between the operating results of the periods under comparison that is attributable to an acquisition. Accordingly, in the following discussion, (i) organic changes exclude the operating results of an acquired entity during the first 12 months following the date of acquisition, and (ii) the calculation of our organic change percentages exclude the Acquisition Impact of such entity.

Changes in foreign currency exchange rates may have a significant impact on our operating results, as VTR, Cabletica and certain entities within C&W have functional currencies other than the U.S. dollar. Our primary exposure to foreign currency translation effects (FX) risk during the three months ended June 30, 2019 was to the Chilean peso as 24.6% of our revenue during the period was derived from VTR. The impacts to the various components of our results of operations that are attributable to changes in FX are highlighted below. For information concerning our foreign currency risks and applicable foreign currency exchange rates, see Item 3. *Quantitative and Qualitative Disclosures About Market Risk—Foreign Currency Exchange Rates* below.

The amounts presented and discussed below represent 100% of the revenue and expenses of each segment and our corporate operations. As we have the ability to control Cabletica and certain subsidiaries of C&W that are not wholly-owned, we include 100% of the revenue and expenses of these entities in our condensed consolidated statements of operations despite the fact that third parties own significant interests in these entities. In October 2018, we acquired the remaining 40.0% interest in Liberty Puerto Rico that we did not already own. The noncontrolling owners' interests in the operating results of certain subsidiaries of C&W and, prior to October 2018, Liberty Puerto Rico, are reflected in net earnings or loss attributable to noncontrolling interests in our condensed consolidated statements of operations.

Effective October 1, 2018, following the Cabletica Acquisition, the VTR segment became the VTR/Cabletica segment. In the discussion and analysis of the three and six months ended June 30, 2019 as compared the corresponding periods in 2018, we refer to the segment as VTR/Cabletica. For additional information regarding the composition of our segments, see note 18 to our condensed consolidated financial statements. For additional information regarding the Cabletica Acquisition, see note 4 to our condensed consolidated financial statements.

On April 1, 2019, certain B2B operations in Puerto Rico were transferred from our C&W segment to our Liberty Puerto Rico segment. This did not have a significant impact on the financial results of our C&W or Liberty Puerto Rico segments.

We are subject to inflationary pressures with respect to certain costs and foreign currency exchange risk with respect to costs and expenses that are denominated in currencies other than the respective functional currencies of our reportable segments. Any cost increases that we are not able to pass on to our subscribers would result in increased pressure on our operating margins.

## Revenue

All of our segments derive their revenue primarily from (i) residential fixed services, including video, broadband internet and telephony, (ii) with the exception of Liberty Puerto Rico, residential mobile services, and (iii) B2B services. C&W also provides wholesale communication services over its subsea and terrestrial fiber optic cable networks.

While not specifically discussed in the below explanations of the changes in revenue, we are experiencing significant competition in all of our markets. This competition has an adverse impact on our ability to increase or maintain our RGUs and/or average monthly subscription revenue per average fixed RGU or mobile subscriber, as applicable, (ARPU).

Variances in the subscription revenue that we receive from our customers are a function of (i) changes in the number of RGUs or mobile subscribers during the period and (ii) changes in ARPU. Changes in ARPU can be attributable to (i) changes in prices, (ii) changes in bundling or promotional discounts, (iii) changes in the tier of services selected, (iv) variances in subscriber usage patterns, and (v) the overall mix of fixed and mobile products during the period. In the following discussion, we discuss ARPU changes in terms of the net impact of the above factors on the ARPU that is derived from our video, broadband internet, fixed-line telephony and mobile products. Hurricanes Maria and Irma in 2017 significantly impacted variances in revenue at Liberty Puerto Rico for the comparative period, as further discussed below.

The following table sets forth revenue by reportable segment:

	Three months ended June 30,		Increase	
	2019	2018	\$	%
in millions, except percentages				
C&W	\$ 606.6	\$ 583.7	\$ 22.9	3.9
VTR/Cabletica	274.5	260.2	14.3	5.5
Liberty Puerto Rico	103.8	80.3	23.5	29.3
Intersegment eliminations	(2.0)	(2.1)	0.1	N.M.
Total	\$ 982.9	\$ 922.1	\$ 60.8	6.6

	Six months ended June 30,		Increase (decrease)	
	2019	2018	\$	%
in millions, except percentages				
C&W	\$ 1,176.4	\$ 1,169.2	\$ 7.2	0.6
VTR/Cabletica	551.0	524.0	27.0	5.2
Liberty Puerto Rico	202.4	142.1	60.3	42.4
Intersegment eliminations	(4.2)	(3.3)	(0.9)	N.M.
Total	\$ 1,925.6	\$ 1,832.0	\$ 93.6	5.1

N.M. — Not Meaningful.

*Consolidated.* The increases during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, include (i) increases of \$24 million and \$60 million, respectively, at Liberty Puerto Rico, primarily attributable to recovery following the Hurricanes, (ii) increases of \$66 million and \$98 million, respectively, attributable to the impact of acquisitions and (iii) decreases of \$31 million and \$63 million, respectively, attributable to the impact of FX. Excluding the effects of acquisitions and FX, revenue increased \$26 million or 2.8% and \$59 million or 3.2%, respectively. The organic increases primarily include (i) decreases of \$3 million and \$13 million, respectively, at C&W, (ii) increases of \$6 million and \$13 million, respectively, at VTR/Cabletica and (iii) increases of \$24 million and \$60 million, respectively, at Liberty Puerto Rico, as further discussed below.

C&W. C&W's revenue by major category is set forth below:

	Three months ended June 30,		Increase (decrease)	
	2019	2018	\$	%
<b>in millions, except percentages</b>				
<b>Residential revenue:</b>				
Residential fixed revenue:				
Subscription revenue:				
Video	\$ 46.8	\$ 43.2	\$ 3.6	8.3
Broadband internet	65.5	56.4	9.1	16.1
Fixed-line telephony	26.7	25.9	0.8	3.1
Total subscription revenue	139.0	125.5	13.5	10.8
Non-subscription revenue	14.9	16.9	(2.0)	(11.8)
Total residential fixed revenue	153.9	142.4	11.5	8.1
Residential mobile revenue:				
Service revenue	142.1	151.1	(9.0)	(6.0)
Interconnect, equipment sales and other	22.2	21.6	0.6	2.8
Total residential mobile revenue	164.3	172.7	(8.4)	(4.9)
Total residential revenue	318.2	315.1	3.1	1.0
<b>B2B revenue:</b>				
Service revenue	226.8	204.2	22.6	11.1
Subsea network revenue	61.6	64.4	(2.8)	(4.3)
Total B2B revenue	288.4	268.6	19.8	7.4
Total	\$ 606.6	\$ 583.7	\$ 22.9	3.9

	Six months ended June 30,		Increase (decrease)	
	2019	2018	\$	%
in millions, except percentages				
Residential revenue:				
Residential fixed revenue:				
Subscription revenue:				
Video	\$ 90.7	\$ 85.9	\$ 4.8	5.6
Broadband internet	125.7	110.1	15.6	14.2
Fixed-line telephony	51.0	52.8	(1.8)	(3.4)
Total subscription revenue	267.4	248.8	18.6	7.5
Non-subscription revenue	29.9	32.4	(2.5)	(7.7)
Total residential fixed revenue	297.3	281.2	16.1	5.7
Residential mobile revenue:				
Service revenue	277.1	306.2	(29.1)	(9.5)
Interconnect, equipment sales and other	41.2	43.7	(2.5)	(5.7)
Total residential mobile revenue	318.3	349.9	(31.6)	(9.0)
Total residential revenue	615.6	631.1	(15.5)	(2.5)
B2B revenue:				
Service revenue	439.3	414.1	25.2	6.1
Subsea network revenue	121.5	124.0	(2.5)	(2.0)
Total B2B revenue	560.8	538.1	22.7	4.2
Total	\$ 1,176.4	\$ 1,169.2	\$ 7.2	0.6

The details of the changes in C&W's revenue during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, are set forth below (in millions):

	Three-month period	Six-month period
Increase (decrease) in residential fixed subscription revenue due to change in:		
Average number of RGUs (a)	\$ 8.0	\$ 15.8
ARPU (b)	(3.4)	(4.9)
Decrease in residential fixed non-subscription revenue (c)	(2.5)	(2.8)
Total increase in residential fixed revenue	2.1	8.1
Decrease in residential mobile service revenue (d)	(16.0)	(35.2)
Decrease in residential mobile interconnect, equipment sales and other (e)	(0.9)	(4.0)
Increase in B2B service revenue (f)	12.4	17.6
Increase (decrease) in B2B subsea network revenue	(0.9)	0.4
Total organic decrease	(3.3)	(13.1)
Impact of the UTS Acquisition	32.9	32.9
Impact of FX	(6.7)	(12.6)
Total	\$ 22.9	\$ 7.2

- (a) The increases are primarily attributable to higher broadband internet and video RGUs.
- (b) The decreases are primarily due to the net effect of (i) lower ARPU from fixed-line telephony and video services and (ii) higher ARPU from broadband internet services.
- (c) The decreases are primarily attributable to lower interconnect revenue, mainly due to lower (i) mobile termination rates on our fixed network in various C&W markets and (ii) volumes in Panama.

- (d) The decreases are primarily attributable to (i) lower ARPU in Panama, other C&W markets, and the Bahamas, and (ii) lower average subscribers in Panama, the Bahamas and other C&W markets.
- (e) The decrease during the six-month comparison is primarily attributable to decreased volumes of handset sales, primarily in our Cayman Islands operations, the Bahamas and other C&W markets.
- (f) The increases are primarily due to the net effect of (i) higher managed services revenue, largely driven by Panama, Jamaica and Networks & LatAm, and (ii) increased interconnect revenue, primarily associated with higher volumes in Jamaica. In addition, the three and six-month comparisons also include an increase (decrease) of \$1 million and (\$4 million), respectively, associated with a change in the timing of revenue for directory services recognized within the year. These amounts also include decreases related to the transfer of certain B2B operations in Puerto Rico from our C&W segment to our Liberty Puerto Rico segment.

VTR/Cabletica. VTR/Cabletica's revenue by major category is set forth below:

	Three months ended June 30,		Increase (decrease)	
	2019	2018	\$	%
<b>in millions, except percentages</b>				
<b>Residential revenue:</b>				
<b>Residential fixed revenue:</b>				
<b>Subscription revenue:</b>				
Video	\$ 108.3	\$ 99.7	\$ 8.6	8.6
Broadband internet	105.3	96.2	9.1	9.5
Fixed-line telephony	25.9	32.1	(6.2)	(19.3)
<b>Total subscription revenue</b>	<b>239.5</b>	<b>228.0</b>	<b>11.5</b>	<b>5.0</b>
Non-subscription revenue	8.3	6.3	2.0	31.7
<b>Total residential fixed revenue</b>	<b>247.8</b>	<b>234.3</b>	<b>13.5</b>	<b>5.8</b>
<b>Residential mobile revenue:</b>				
Service revenue	15.9	16.0	(0.1)	(0.6)
Interconnect, equipment sales and other	3.5	3.7	(0.2)	(5.4)
<b>Total residential mobile revenue</b>	<b>19.4</b>	<b>19.7</b>	<b>(0.3)</b>	<b>(1.5)</b>
<b>Total residential revenue</b>	<b>267.2</b>	<b>254.0</b>	<b>13.2</b>	<b>5.2</b>
<b>B2B service revenue</b>	<b>7.3</b>	<b>6.2</b>	<b>1.1</b>	<b>17.7</b>
<b>Total</b>	<b>\$ 274.5</b>	<b>\$ 260.2</b>	<b>\$ 14.3</b>	<b>5.5</b>



	Six months ended June 30,		Increase (decrease)	
	2019	2018	\$	%
in millions, except percentages				
Residential revenue:				
Residential fixed revenue:				
Subscription revenue:				
Video	\$ 217.1	\$ 199.4	\$ 17.7	8.9
Broadband internet	210.2	192.8	17.4	9.0
Fixed-line telephony	53.4	66.7	(13.3)	(19.9)
Total subscription revenue	480.7	458.9	21.8	4.8
Non-subscription revenue	17.0	13.8	3.2	23.2
Total residential fixed revenue	497.7	472.7	25.0	5.3
Residential mobile revenue:				
Service revenue	31.6	32.3	(0.7)	(2.2)
Interconnect, equipment sales and other	6.9	6.9	—	—
Total residential mobile revenue	38.5	39.2	(0.7)	(1.8)
Total residential revenue	536.2	511.9	24.3	4.7
B2B service revenue	14.8	12.1	2.7	22.3
Total	\$ 551.0	\$ 524.0	\$ 27.0	5.2

The details of the changes in VTR/Cabletica's revenue during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, are set forth below (in millions):

	Three-month period	Six-month period
Increase (decrease) in residential fixed subscription revenue due to change in:		
Average number of RGUs (a)	\$ 1.4	\$ 3.7
ARPU (b)	0.8	2.0
Increase (decrease) in residential fixed non-subscription revenue	0.2	(0.8)
Total increase in residential fixed revenue	2.4	4.9
Increase in residential mobile service revenue (c)	1.5	2.6
Increase in residential mobile interconnect, equipment sales and other	0.2	0.7
Increase in B2B service revenue (d)	1.8	4.3
Total organic increase	5.9	12.5
Impact of the Cabletica Acquisition	32.6	65.1
Impact of FX	(24.2)	(50.6)
Total	\$ 14.3	\$ 27.0

- (a) The increases are primarily attributable to the net effect of (i) higher broadband internet RGUs and (ii) lower fixed-line telephony RGUs.
- (b) The increases are primarily due to the net effect of (i) higher ARPU from broadband internet services, (ii) lower ARPU from fixed-line telephony services, (iii) an improvement in RGU mix, and (iv) lower ARPU from video services.
- (c) The increases are primarily due to the net effect of (i) higher average numbers of mobile subscribers and (ii) lower ARPU from mobile services.
- (d) The increases are primarily attributable to higher average numbers of broadband internet, video and fixed-line telephony RGUs.

*Liberty Puerto Rico.* Due to the significant impact of the Hurricanes on the operations of our Liberty Puerto Rico segment during the 2018 periods, we have provided supplementary sequential information in order to provide a meaningful analysis of Liberty Puerto Rico's business, including recovery after the Hurricanes. Accordingly, Liberty Puerto Rico's revenue by major category during each of the (i) three months ended June 30, 2019, March 31, 2019 and June 30, 2018 and (ii) six months ended June 30, 2019 and 2018 is set forth below:

	Three months ended			Six months ended	
	June 30, 2019	March 31, 2019	June 30, 2018	June 30, 2019	June 30, 2018
<b>in millions</b>					
Residential fixed revenue:					
Subscription revenue:					
Video	\$ 35.3	\$ 35.0	\$ 29.8	\$ 70.3	\$ 53.1
Broadband internet	43.6	41.8	32.4	85.4	57.7
Fixed-line telephony	5.9	5.7	4.6	11.6	8.1
Total subscription revenue	84.8	82.5	66.8	167.3	118.9
Non-subscription revenue	5.6	5.3	4.4	10.9	6.8
Total residential fixed revenue	90.4	87.8	71.2	178.2	125.7
B2B service revenue	13.4	10.8	9.1	24.2	16.4
Total	\$ 103.8	\$ 98.6	\$ 80.3	\$ 202.4	\$ 142.1

The increases in Liberty Puerto Rico's revenue during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, are primarily attributable to recovery following the Hurricanes.

The table below presents changes in (i) residential fixed subscription revenue due to changes in the average number of RGUs and ARPU, (ii) residential fixed non-subscription revenue, and (iii) B2B service revenue, each reflective of changes during the three months ended June 30, 2019, as compared to the three months ended March 31, 2019 (in millions).

Increase in residential fixed subscription revenue due to change in:	
Average number of RGUs (a)	\$ 1.4
ARPU (b)	0.9
Increase in residential fixed non-subscription revenue	0.3
Total increase in residential fixed revenue	2.6
Increase in B2B service revenue (c)	2.6
Total	\$ 5.2

- (a) The increase is primarily attributable to an increase in broadband internet RGUs.
- (b) The increase is primarily attributable to higher ARPU from broadband internet services.
- (c) The increase primarily relates to the transfer of certain B2B operations in Puerto Rico from our C&W segment to our Liberty Puerto Rico segment.

### Programming and other direct costs of services

*General.* Programming and other direct costs of services include programming and copyright costs, interconnect and access costs, costs of mobile handsets and other devices, and other direct costs related to our operations. Programming and copyright costs, which represent a significant portion of our operating costs, may increase in future periods as a result of (i) higher costs associated with the expansion of our digital video content, including rights associated with ancillary product offerings and rights that provide for the broadcast of live sporting events, (ii) rate increases or (iii) growth in the number of our enhanced video subscribers.

The following tables set forth programming and other direct costs of services by reportable segment:

	Three months ended June 30,		Increase (decrease)	
	2019	2018	\$	%
in millions, except percentages				
C&W	\$ 132.6	\$ 130.2	\$ 2.4	1.8
VTR/Cabletica	72.3	70.4	1.9	2.7
Liberty Puerto Rico	23.5	19.7	3.8	19.3
Intersegment eliminations	(2.0)	(1.9)	(0.1)	N.M.
Total	\$ 226.4	\$ 218.4	\$ 8.0	3.7

  

	Six months ended June 30,		Increase (decrease)	
	2019	2018	\$	%
in millions, except percentages				
C&W	\$ 264.1	\$ 260.4	\$ 3.7	1.4
VTR/Cabletica	147.9	140.9	7.0	5.0
Liberty Puerto Rico	46.4	36.2	10.2	28.2
Intersegment eliminations	(4.2)	(3.3)	(0.9)	N.M.
Total	\$ 454.2	\$ 434.2	\$ 20.0	4.6

N.M. — Not Meaningful.

*Consolidated.* The increases in programming and other direct costs of services during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, include increases of \$13 million and \$24 million, respectively, attributable to the impact of acquisitions and decreases of \$8 million and \$17 million, respectively, due to FX. Excluding the effects of acquisitions and FX, our programming and other direct costs of services increased \$3 million or 1.3% and \$13 million or 3.0%, respectively. The organic increases primarily include (i) an increase for the six-month comparison of \$3 million at C&W, (ii) an increase (decrease) of (\$1 million) and \$1 million, respectively, at VTR/Cabletica and (iii) increases of \$4 million and \$10 million, respectively, at Liberty Puerto Rico, as further discussed below.

*C&W.* The increases in C&W's programming and other direct costs of services during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, include an increase of \$4 million attributable to the impact of the UTS Acquisition and decreases of \$2 million and \$4 million, respectively, due to FX. Excluding the effects of the UTS Acquisition and FX, C&W's programming and other direct costs of services remained relatively flat for the three-month comparison and increased \$3 million or 1.3% for the six-month comparison. These changes include the following factors:

- Higher costs related to B2B managed services projects in Panama and Jamaica;
- An increase in interconnect and access costs of \$2 million or 3.3% for the three-month comparison, primarily due to the net effect of (i) an increase in wholesale call volumes in Jamaica, (ii) the beneficial impact of the reassessment of an accrual during 2019 and (iii) lower rates; and
- A decrease in programming and copyright costs of \$1 million or 3.9% for the three-month comparison, primarily due to the net effect of (i) lower content costs, including the beneficial impact of the reassessment of content accruals across several markets in 2019, and (ii) higher costs associated with an increase in subscribers during 2019.

*VTR/Cabletica.* The increases in VTR/Cabletica's programming and other direct costs of services during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, include increases of \$10 million and \$20 million, respectively, attributable to the Cabletica Acquisition and decreases of \$6 million and \$13 million, respectively, attributable to FX. Excluding the effects of the Cabletica Acquisition and FX, VTR/Cabletica's programming and other direct costs of services increased (decreased) (\$1 million) or (1.8%) and \$1 million or 0.4%, respectively. These changes include the following factors:

- Decreases in interconnect and access costs of \$4 million or 19.8% and \$3 million and 9.4%, respectively, primarily due to (i) net decreases in interconnect costs resulting from lower rates, and (ii) decreases in MVNO charges due to lower rates, which resulted from the renegotiation of our contract during the fourth quarter of 2018; and
- Increases in programming and copyright costs of \$2 million or 3.7% and \$3 million or 3.2%, respectively, primarily due to the net effect of (i) increases in certain premium and basic content costs, primarily resulting from higher rates, (ii) net decreases in the foreign currency impact of programming contracts denominated in U.S. dollars, driven by the impact of hedge accounting, and (iii) higher costs associated with video-on-demand (**VoD**) services and catch-up television.

*Liberty Puerto Rico.* Programming and other direct costs of services for Liberty Puerto Rico increased during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, primarily due to increases in programming and copyright costs of \$4 million or 21.1% and \$11 million or 35.7%, respectively, mostly attributable to credits received from programming vendors in 2018 resulting from the Hurricanes of \$3 million and \$10 million, respectively.

#### **Other operating expenses**

*General.* Other operating expenses include (i) network operations, (ii) customer operations, which includes personnel costs and call center costs, (iii) bad debt and collection expenses, and (iv) other costs related to our operations.

The following tables set forth other operating expenses by reportable segment:

	Three months ended June 30,		Increase (decrease)	
	2019	2018	\$	%
	in millions, except percentages			
C&W	\$ 119.1	\$ 118.1	\$ 1.0	0.8
VTR/Cabletica	41.5	37.8	3.7	9.8
Liberty Puerto Rico	14.6	12.7	1.9	15.0
Total other operating expenses excluding share-based compensation expense	175.2	168.6	6.6	3.9
Share-based compensation expense	0.3	0.1	0.2	200.0
Total	\$ 175.5	\$ 168.7	\$ 6.8	4.0

	Six months ended June 30,		Increase (decrease)	
	2019	2018	\$	%
in millions, except percentages				
C&W	\$ 227.0	\$ 232.7	\$ (5.7)	(2.4)
VTR/Cabletica	85.5	77.5	8.0	10.3
Liberty Puerto Rico	28.9	26.7	2.2	8.2
Intersegment eliminations	—	(0.1)	0.1	N.M.
Total other operating expenses excluding share-based compensation expense	341.4	336.8	4.6	1.4
Share-based compensation expense	0.5	0.2	0.3	150.0
Total	\$ 341.9	\$ 337.0	\$ 4.9	1.5

N.M. — Not Meaningful.

*Consolidated.* The increases in other operating expenses during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, include increases of \$15 million and \$23 million, respectively, attributable to the impact of acquisitions and decreases of \$5 million and \$10 million, respectively, attributable to FX. Excluding the effects of acquisitions, FX and share-based compensation expense, our other operating expenses decreased \$3 million or 2.0% and \$8 million or 2.3%, respectively. The organic decreases primarily include (i) decreases of \$7 million and \$12 million, respectively, at C&W, (ii) an increase of \$2 million for each of the three and six-month comparisons at VTR/Cabletica and (iii) an increase of \$2 million for each of the three and six-month comparisons at Liberty Puerto Rico, as further discussed below.

*C&W.* The changes in C&W's other operating expenses during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, primarily include an increase of \$9 million attributable to the impact of the UTS Acquisition and decreases of \$2 million and \$3 million due to FX, respectively. Excluding the effects of the UTS Acquisition and FX, C&W's other operating expenses (exclusive of share-based compensation expense) decreased \$7 million or 5.8% and \$12 million or 5.2%, respectively. These decreases primarily include the following factors:

- Decreases in network-related expenses of \$2 million or 5.0% and \$4 million or 5.1%, respectively, primarily due to (i) lower maintenance costs and (ii) hurricane restoration costs in the prior year;
- Decreases in bad debt and collection expenses of \$4 million or 29.1% and \$3 million or 16.9%, respectively, primarily due to the net effect of (i) improved collections during the first half of 2019 and (ii) a \$3 million recovery in the first quarter of 2018 related to provisions established following the impacts of Hurricanes Irma and Maria; and
- Decreases of \$1 million and \$3 million, respectively, in revenue-based franchise fees in certain of our markets.

*VTR/Cabletica.* The increases in VTR/Cabletica's other operating expenses during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, include increases of \$6 million and \$13 million, respectively, attributable to the Cabletica Acquisition and decreases of \$4 million and \$8 million, respectively, due to FX. Excluding the effects of the Cabletica Acquisition and FX, VTR/Cabletica's other operating expenses (exclusive of share-based compensation expense) increased \$2 million or 4.0% and \$2 million or 3.0%, respectively. These increases include the following factors:

- Increases in outsourced labor and professional services of \$1 million or 29.6% and \$2 million or 18.9%, respectively, primarily due to increased call center volume;
- For the six-month comparison, a decrease in network-related expenses of \$1 million or 3.0%, primarily due to the net effect of (i) lower contracted labor for network access-related services, and (ii) higher costs related to CPE materials and refurbishment activity; and
- An increase of \$1 million for each comparison driven by charges incurred during 2019 for certain technical and information technology services provided to us by Liberty Global under the Services Agreement, as further described in note 13 to our condensed consolidated financial statements.

*Liberty Puerto Rico.* The increases in Liberty Puerto Rico's other operating expenses during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, include the following factors:

- Increases in network related expenses of \$1 million or 53.9% and \$2 million of 52.3%, respectively, primarily due to (i) higher CPE repair costs, and (ii) increases in system power expenses, as the 2018 periods were impacted by the Hurricanes;
- An increase (decrease) in personnel costs of \$1 million and (\$1 million), respectively, driven by the net effect of (i) lower overtime-related personnel activities, as the 2018 periods were impacted by the Hurricanes, and (ii) a \$1 million hurricane disaster relief credit, which was recognized in the second quarter of 2018 and subsequently received in the third quarter of 2018, from the Puerto Rico treasury department, representing relief for wages paid to employees during the period of time our business was inoperable as a result of the Hurricanes; and
- Higher various other operating expenses, as the 2018 periods were impacted by the Hurricanes.

### **SG&A Expenses**

*General.* SG&A expenses include human resources, information technology, general services, management, finance, legal, sales and marketing costs, share-based compensation and other general expenses.

The following tables set forth SG&A by reportable segment and our corporate category:

	Three months ended June 30,		Increase	
	2019	2018	\$	%
	in millions, except percentages			
C&W	\$ 119.5	\$ 111.8	\$ 7.7	6.9
VTR/Cabletica	48.4	46.9	1.5	3.2
Liberty Puerto Rico	14.1	12.2	1.9	15.6
Corporate	11.9	11.0	0.9	8.2
Intersegment eliminations	—	(0.2)	0.2	N.M.
Total SG&A expenses excluding share-based compensation expense	193.9	181.7	12.2	6.7
Share-based compensation expense	15.1	8.6	6.5	75.6
Total	\$ 209.0	\$ 190.3	\$ 18.7	9.8

	Six months ended June 30,		Increase (decrease)	
	2019	2018	\$	%
	in millions, except percentages			
C&W	\$ 227.4	\$ 223.4	\$ 4.0	1.8
VTR/Cabletica	98.4	95.5	2.9	3.0
Liberty Puerto Rico	27.6	25.5	2.1	8.2
Corporate	23.4	22.3	1.1	4.9
Intersegment eliminations	—	0.1	(0.1)	N.M.
Total SG&A expenses excluding share-based compensation expense	376.8	366.8	10.0	2.7
Share-based compensation expense	29.6	15.0	14.6	97.3
Total	\$ 406.4	\$ 381.8	\$ 24.6	6.4

N.M. — Not Meaningful.

*Consolidated.* The increases in SG&A expenses during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, include increases of \$16 million and \$19 million, respectively, attributable to the impact of acquisitions and decreases of \$5 million and \$12 million, respectively, due to FX. Excluding the effects of acquisitions, FX and

share-based compensation expense, our SG&A expenses increased \$2 million or 0.9% and \$3 million or 0.8%, respectively. The organic increases primarily include (i) decreases of \$2 million and \$5 million, respectively, at C&W, (ii) increases of \$1 million and \$5 million, respectively, at VTR/Cabletica and (iii) an increase of \$2 million for each of the three and six-month comparisons at Liberty Puerto Rico, as further discussed below.

*C&W.* The increases in C&W's SG&A expenses during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, include an increase of \$11 million attributable to the impact of the UTS Acquisition and decreases of \$1 million and \$2 million, respectively, due to FX. Excluding the effects of the UTS Acquisition and FX, C&W's SG&A expenses (exclusive of share-based compensation expense) decreased \$2 million or 1.8% and \$5 million or 2.1%, respectively. These decreases include the following factors:

- Decreases in personnel costs of \$3 million or 4.7% and \$3 million or 3.1%, respectively, primarily due to lower staffing levels largely stemming from various restructuring activities, as further described below;
- Increases in insurance expense of \$2 million and \$3 million, respectively, related to higher premiums;
- A decrease in marketing and advertising expenses of \$2 million or 7.3% for the six-month comparison, primarily due to timing of marketing campaigns; and
- Net decreases resulting from other individually insignificant changes in SG&A expense categories.

*VTR/Cabletica.* The increases in VTR/Cabletica's SG&A expenses during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, include increases of \$5 million and \$8 million, respectively, attributable to the Cabletica Acquisition and decreases of \$4 million and \$10 million, respectively, due to FX. Excluding the effects of the Cabletica Acquisition and FX, VTR/Cabletica's SG&A expenses (exclusive of share-based compensation expense) increased \$1 million or 1.5% and \$5 million or 4.9%, respectively. These increases include the following factors:

- Increases in professional services of \$2 million or 41.6% and \$3 million or 41.4%, respectively, primarily due to increased information technology costs associated with the implementation of a business support system;
- For the six-month comparison, an increase in sales, marketing and advertising expenses of \$2 million or 5.0%, primarily due to the net effect of (i) higher sales commissions to third-party dealers, and (ii) lower costs associated with advertising campaigns;
- For this six-month comparison, a decrease in facilities-related expenses of \$1 million or 6.7%, primarily due to lower lease costs; and
- For the three-month comparison, a decrease in personnel costs of \$1 million or 3.4%, primarily due to the net effect of (i) lower bonus accruals as a result of a restructuring program implemented in 2019, and (ii) annual wage increases.

*Liberty Puerto Rico.* The increases in Liberty Puerto Rico's SG&A expenses during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, are primarily attributable to higher personnel costs of \$1 million or 32.4% and \$2 million or 17.3%, respectively, mostly driven by a \$1 million hurricane disaster relief credit, which was recognized in the second quarter of 2018 and subsequently received in the third quarter of 2018, from the Puerto Rico treasury department, representing relief for wages paid to employees during the period of time our business was inoperable as a result of the Hurricanes.

*Corporate.* The increases in Corporate's SG&A expenses during the three and six months ended June 30, 2019, as compared to the corresponding periods in 2018, are primarily attributable to higher personnel costs.

### Adjusted OIBDA

Adjusted OIBDA, a non-GAAP measure, is the primary measure used by our chief operating decision maker to evaluate segment operating performance. For the definition of this performance measure and for a reconciliation of total Adjusted OIBDA to our loss before income taxes, see note 18 to our condensed consolidated financial statements.

The following tables set forth Adjusted OIBDA by reportable segment and our corporate category:

	Three months ended June 30,		Increase (decrease)	
	2019	2018	\$	%
in millions, except percentages				
C&W	\$ 235.4	\$ 223.6	\$ 11.8	5.3
VTR/Cabletica	112.3	105.1	7.2	6.9
Liberty Puerto Rico	51.6	35.7	15.9	44.5
Corporate	(11.9)	(11.0)	(0.9)	8.2
Total	\$ 387.4	\$ 353.4	\$ 34.0	9.6

	Six months ended June 30,		Increase (decrease)	
	2019	2018	\$	%
in millions, except percentages				
C&W	\$ 457.9	\$ 452.7	\$ 5.2	1.1
VTR/Cabletica	219.2	210.1	9.1	4.3
Liberty Puerto Rico	99.5	53.7	45.8	85.3
Corporate	(23.4)	(22.3)	(1.1)	4.9
Total	\$ 753.2	\$ 694.2	\$ 59.0	8.5

### Adjusted OIBDA Margin

The following table sets forth the Adjusted OIBDA margins (Adjusted OIBDA divided by revenue) of each of our reportable segments:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
%				
C&W	38.8	38.3	38.9	38.7
VTR/Cabletica	40.9	40.4	39.8	40.1
Liberty Puerto Rico	49.7	44.5	49.2	37.8

Adjusted OIBDA margin is impacted by organic changes in revenue, programming and other direct costs of services, other operating expenses and SG&A expenses, as further discussed above. During the three and six months ended June 30, 2018, the Adjusted OIBDA of Liberty Puerto Rico was adversely impacted by the Hurricanes. Accordingly, the increases in Liberty Puerto Rico's Adjusted OIBDA margin in the three and six months ended June 30, 2019 are primarily the result of the recovery from the Hurricanes.

### Share-based compensation expense (included in other operating and SG&A expenses)

Share-based compensation expense increased \$7 million and \$15 million during the three and six months ended June 30, 2019, respectively, as compared to the corresponding periods in 2018. These increases are primarily due to share-based incentive awards granted during 2019 and 2018.

For additional information regarding our share-based compensation, see note 15 to our condensed consolidated financial statements.



### **Depreciation and amortization expense**

Our depreciation and amortization expense increased \$14 million or 6.9% and \$29 million or 7.2% during the three and six months ended June 30, 2019, respectively, as compared to the corresponding periods in 2018. Excluding the impacts of FX and acquisitions, depreciation and amortization expense increased \$8 million or 3.7% and \$23 million or 5.5%, respectively. The organic increases are primarily due to the net effect of (i) increases in property and equipment additions, primarily associated with the expansion and upgrade of our networks and other capital initiatives, the installation of customer premises equipment, and baseline and product and enablers-related additions, and (ii) decreases associated with certain assets becoming fully depreciated.

### **Impairment, restructuring and other operating items, net**

We recognized impairment, restructuring and other operating items, net, of \$7 million and \$13 million during the three months ended June 30, 2019 and 2018, respectively, and \$27 million and \$47 million during the six months ended June 30, 2019 and 2018, respectively.

During the three months ended June 30, 2019 and 2018, we incurred \$4 million and \$6 million, respectively, of restructuring charges. During the 2019 period, restructuring charges primarily comprise contract termination costs mainly at VTR and C&W. During the 2018 period, restructuring charges primarily comprise employee severance and termination costs related to certain reorganization activities, primarily at VTR and C&W. Additionally, we incurred \$1 million and \$4 million, respectively, of direct acquisition and disposition costs.

During the six months ended June 30, 2019 and 2018, we incurred \$22 million and \$32 million, respectively, of restructuring charges, which include \$16 million and \$29 million, respectively, of employee severance and termination costs related to certain reorganization activities, primarily at VTR and C&W. Additionally, we incurred \$4 million and \$11 million, respectively, of direct acquisition and disposition costs.

For additional information regarding our restructuring charges, see note 14 to our condensed consolidated financial statements.

### **Interest expense**

Our interest expense increased \$10 million and \$24 million during the three and six months ended June 30, 2019, respectively, as compared to the corresponding periods in 2018, primarily due to higher average outstanding debt balances and higher weighted-average interest rates.

For additional information regarding our outstanding indebtedness, see note 9 to our condensed consolidated financial statements.

It is possible that the interest rates on (i) any new borrowings could be higher than the current interest rates on our existing indebtedness and (ii) our variable-rate indebtedness could increase in future periods. As further discussed in note 5 to our condensed consolidated financial statements, we use derivative instruments to manage our interest rate risks.

### **Realized and unrealized gains (losses) on derivative instruments, net**

Our realized and unrealized gains or losses on derivative instruments include (i) unrealized changes in the fair values of our derivative instruments that are non-cash in nature until such time as the derivative contracts are fully or partially settled and (ii) realized gains or losses upon the full or partial settlement of the derivative contracts. The details of our realized and unrealized gains (losses) on derivative instruments, net, are as follows:

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>in millions</b>			
Cross-currency and interest rate derivative contracts (a)	\$ (75.8)	\$ 94.2	\$ (145.8)	\$ 55.3
Foreign currency forward contracts and other	(3.2)	20.9	(2.2)	18.3
<b>Total</b>	<b>\$ (79.0)</b>	<b>\$ 115.1</b>	<b>\$ (148.0)</b>	<b>\$ 73.6</b>

- (a) The gains (losses) during the three and six months ended June 30, 2019 and 2018 are primarily attributable to (i) changes in interest rates and (ii) changes in FX rates, predominantly due to changes in the value of the Chilean peso relative to the U.S. dollar. In addition, the losses during the 2019 periods include net gains of \$4 million and \$6 million, respectively, and

the gains during the 2018 periods include net losses of \$9 million and \$21 million, respectively, resulting from changes in our credit risk valuation adjustments.

For additional information concerning our derivative instruments, see notes 5 and 6 to our condensed consolidated financial statements and Item 3. *Quantitative and Qualitative Disclosures about Market Risk* below.

***Foreign currency transaction gains (losses), net***

Our foreign currency transaction gains or losses primarily result from the remeasurement of monetary assets and liabilities that are denominated in currencies other than the underlying functional currency of the applicable entity. Unrealized foreign currency transaction gains or losses are computed based on period-end exchange rates and are non-cash in nature until such time as the amounts are settled. The details of our foreign currency transaction gains (losses), net, are as follows:

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>in millions</b>			
U.S. dollar-denominated debt issued by a Chilean peso functional currency entity	\$ 2.1	\$ (112.8)	\$ 28.4	\$ (86.0)
Intercompany payables and receivables denominated in a currency other than the entity's functional currency	(23.4)	(11.8)	(8.7)	(12.3)
British pound sterling-denominated debt issued by a U.S. dollar functional currency entity	—	15.2	(3.7)	4.7
Other	1.8	(11.2)	(3.3)	(11.1)
<b>Total</b>	<b>\$ (19.5)</b>	<b>\$ (120.6)</b>	<b>\$ 12.7</b>	<b>\$ (104.7)</b>

***Losses on debt modification and extinguishment***

We recognized losses on debt modification and extinguishment of \$10 million during each of the three and six months ended June 30, 2019, respectively, and nil and \$13 million during the three and six months ended June 30, 2018, respectively. The 2019 loss primarily relates to the redemptions of our 2022 C&W Senior Notes.

For additional information concerning our losses on debt modification and extinguishment, see note 9 to our condensed consolidated financial statements.

***Other income, net***

We recognized other income, net, of \$3 million and \$5 million during the three and six months ended June 30, 2019, respectively, and \$5 million and \$10 million during the three and six months ended June 30, 2018, respectively. The amounts for the 2019 periods primarily relate to interest income. The amounts for the 2018 periods primarily relate to pension-related credits and interest income.

***Income tax expense***

Income tax expense was \$30 million and \$42 million during the three months ended June 30, 2019 and 2018, respectively, and \$34 million and \$58 million during the six months ended June 30, 2019 and 2018, respectively.

For the three and six months ended June 30, 2019, the income tax expense attributable to our loss before income taxes differs from the expected income tax expense of nil (based on the Bermuda statutory income tax rate of 0%), primarily due to the detrimental effects of international rate differences, increases in valuation allowances, changes in uncertain tax positions, and negative effects of permanent items such as non-deductible expenses. These negative impacts to our effective tax rate were partially offset by the beneficial effects of permanent items, such as non-taxable income. Additionally for the six months ended June 30, 2019, our effective tax rate reflects the beneficial effects of a change in the Barbados and Grenada statutory tax rates.

For the three and six months ended June 30, 2018, the income tax expense attributable to our loss before income taxes differs from the expected income tax expense of nil (based on the Bermuda statutory income tax rate of 0%), primarily due to the detrimental effects of international rate differences, increases in valuation allowances, and negative effects of non-deductible expenses. These negative impacts to our effective tax rate were partially offset by the beneficial effects of changes in uncertain tax positions and non-taxable income.

For additional information regarding our income taxes, see note 11 to our condensed consolidated financial statements.

## Net loss

The following table sets forth selected summary financial information of our net loss:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
	in millions			
Operating income	\$ 143.5	\$ 124.2	\$ 256.8	\$ 222.5
Net non-operating expenses	\$ (225.2)	\$ (110.1)	\$ (375.3)	\$ (245.9)
Income tax expense	\$ (29.5)	\$ (41.6)	\$ (33.9)	\$ (58.4)
Net loss	\$ (111.2)	\$ (27.5)	\$ (152.4)	\$ (81.8)

Gains or losses associated with (i) changes in the fair values of derivative instruments and (ii) movements in foreign currency exchange rates are subject to a high degree of volatility and, as such, any gains from these sources do not represent a reliable source of income. In the absence of significant gains in the future from these sources or from other non-operating items, our ability to achieve earnings is largely dependent on our ability to increase our aggregate Adjusted OIBDA to a level that more than offsets the aggregate amount of our (i) share-based compensation expense, (ii) depreciation and amortization, (iii) impairment, restructuring and other operating items, (iv) interest expense, (v) other non-operating expenses and (vi) income tax expenses.

Due largely to the fact that we seek to maintain our debt at levels that provide for attractive equity returns, as discussed under *Material Changes in Financial Condition—Capitalization* below, we expect that we will continue to report significant levels of interest expense for the foreseeable future.

### *Net earnings attributable to noncontrolling interests*

We reported net earnings attributable to noncontrolling interests of \$5 million during each of the three and six months ended June 30, 2019 and \$15 million and \$5 million during the three and six months ended June 30, 2018, respectively. The decrease during the 2019 three-month period, as compared to corresponding 2018 period, is mostly attributable to net decreases in earnings of our less-than-wholly-owned subsidiaries at C&W, primarily in Panama.

For information regarding increased ownership in C&W Jamaica, see note 12 to our condensed consolidated financial statements.

## Material Changes in Financial Condition

### *Sources and Uses of Cash*

As of June 30, 2019, we have four primary “borrowing groups,” which include the respective restricted parent and subsidiary entities of C&W, VTR Finance, Liberty Puerto Rico and Cabletica. Our borrowing groups, which typically generate cash from operating activities, held a significant portion of our consolidated cash and cash equivalents at June 30, 2019. Our ability to access the liquidity of these and other subsidiaries may be limited by tax and legal considerations, the presence of noncontrolling interests, foreign currency exchange restrictions with respect to certain C&W subsidiaries and other factors.

### Cash and cash equivalents

The details of the U.S. dollar equivalent balances of our cash and cash equivalents at June 30, 2019 are set forth in the following table (in millions):

Cash and cash equivalents held by:	
Liberty Latin America and unrestricted subsidiaries:	
Liberty Latin America (a)	\$ 395.6
Unrestricted subsidiaries (b)	11.7
Total Liberty Latin America and unrestricted subsidiaries	407.3
Borrowing groups (c):	
C&W	389.3
VTR Finance	121.0
Liberty Puerto Rico	22.3
Cabletica	17.5
Total borrowing groups	550.1
Total cash and cash equivalents	\$ 957.4

- (a) Represents the amount held by Liberty Latin America on a standalone basis, which includes the proceeds resulting from the offering of the Convertible Notes, net of issue costs and payments for the Capped Calls.
- (b) Represents the aggregate amount held by subsidiaries of Liberty Latin America that are outside of our borrowing groups. All of these companies rely on funds provided by our borrowing groups to satisfy their liquidity needs.
- (c) Represents the aggregate amounts held by the parent entity of the applicable borrowing group and their restricted subsidiaries.

### Liquidity of Liberty Latin America and its unrestricted subsidiaries

Our current sources of corporate liquidity include (i) cash and cash equivalents held by Liberty Latin America and, subject to certain tax and legal considerations, Liberty Latin America's unrestricted subsidiaries and (ii) interest and dividend income received on our and, subject to certain tax and legal considerations, our unrestricted subsidiaries' cash and cash equivalents and investments. From time to time, Liberty Latin America and its unrestricted subsidiaries may also receive (i) proceeds in the form of distributions or loan repayments from Liberty Latin America's borrowing groups upon (a) the completion of recapitalizations, refinancings, asset sales or similar transactions by these entities or (b) the accumulation of excess cash from operations or other means, (ii) proceeds upon the disposition of investments and other assets of Liberty Latin America and its unrestricted subsidiaries and (iii) proceeds in connection with the incurrence of debt by Liberty Latin America or its unrestricted subsidiaries or the issuance of equity securities by Liberty Latin America. No assurance can be given that any external funding would be available to Liberty Latin America or its unrestricted subsidiaries on favorable terms, or at all. As noted above, various factors may limit our ability to access the cash of our borrowing groups.

Our corporate liquidity requirements include (i) corporate general and administrative expenses and (ii) other liquidity needs that may arise from time to time. In addition, Liberty Latin America and its unrestricted subsidiaries may require cash in connection with (i) the repayment of third-party and intercompany debt, (ii) the satisfaction of contingent liabilities, (iii) acquisitions and other investment opportunities, (iv) the repurchase of debt securities, (v) tax payments or (vi) any funding requirements of our consolidated subsidiaries.

### Liquidity of borrowing groups

The cash and cash equivalents of our borrowing groups are detailed in the table above. In addition to cash and cash equivalents, the primary sources of liquidity of our borrowing groups are cash provided by operations and borrowing availability under their respective debt instruments. For the details of the borrowing availability of such subsidiaries at June 30, 2019, see note 9 to our condensed consolidated financial statements. The aforementioned sources of liquidity may be supplemented in certain cases by contributions and/or loans from Liberty Latin America and its unrestricted subsidiaries. The liquidity of our borrowing groups generally is used to fund property and equipment additions, debt service requirements and income tax payments. From time to time, our borrowing groups may also require liquidity in connection with (i) acquisitions and other investment opportunities, (ii) loans to Liberty Latin America, (iii) capital distributions to Liberty Latin America and other equity owners or (iv) the satisfaction of contingent liabilities. No assurance can be given that any external funding would be available to our borrowing groups on

favorable terms, or at all. For information regarding our borrowing groups' commitments and contingencies, see note 17 to our condensed consolidated financial statements.

For additional information regarding our cash flows, see the discussion under *Condensed Consolidated Statements of Cash Flows* below.

### **Capitalization**

We seek to maintain our debt at levels that provide for attractive equity returns without assuming undue risk. The ratio of our June 30, 2019 consolidated debt (total principal amount of debt and finance lease obligations outstanding, net of projected derivative principal-related cash payments (receipts)) to our annualized consolidated Adjusted OIBDA for the quarter ended June 30, 2019 was 4.8x. In addition, the ratio of our June 30, 2019 consolidated net debt (debt less cash and cash equivalents) to our annualized consolidated Adjusted OIBDA for the quarter ended June 30, 2019 was 4.1x. These ratios, which were calculated on a latest two quarters annualized basis, include the impact of 0.3x and nil, respectively, related to the Convertible Notes.

When it is cost effective, we generally seek to match the denomination of the borrowings of our subsidiaries with the functional currency of the operations that support the respective borrowings. As further discussed under Item 3. *Quantitative and Qualitative Disclosures about Market Risk* and in note 5 to our condensed consolidated financial statements, we also use derivative instruments to mitigate foreign currency and interest rate risks associated with our debt instruments.

Our ability to service or refinance our debt and to maintain compliance with the leverage covenants in the credit agreements and indentures of our borrowing groups is dependent primarily on our ability to maintain covenant EBITDA of our operating subsidiaries, as specified by our subsidiaries' debt agreements (**Covenant EBITDA**), and to achieve adequate returns on our property and equipment additions and acquisitions. In addition, our ability to obtain additional debt financing is limited by incurrence-based leverage covenants contained in the various debt instruments of our borrowing groups. For example, if the Covenant EBITDA of C&W were to decline, our ability to obtain additional debt could be limited. No assurance can be given that we would have sufficient sources of liquidity, or that any external funding would be available on favorable terms, or at all, to fund any such required repayment. At June 30, 2019, each of our borrowing groups was in compliance with its debt covenants. We do not anticipate any instances of non-compliance with respect to the debt covenants of our borrowing groups that would have a material adverse impact on our liquidity during the next 12 months.

At June 30, 2019, the outstanding principal amount of our debt, together with our finance lease obligations, aggregated \$7,174 million, including \$172 million that is classified as current in our condensed consolidated balance sheet and \$6,865 million that is not due until 2022 or thereafter. At June 30, 2019, \$6,770 million of our debt and finance lease obligations have been borrowed or incurred by our subsidiaries. For additional information concerning our debt, including our debt maturities and certain refinancing transactions subsequent to June 30, 2019, see note 9 to our condensed consolidated financial statements.

We believe that we have sufficient resources to repay or refinance the current portion of our debt and finance lease obligations and to fund our foreseeable liquidity requirements during the next 12 months. However, as our debt maturities grow in later years, we anticipate that we will seek to refinance or otherwise extend our debt maturities. No assurance can be given that we will be able to complete refinancing transactions or otherwise extend our debt maturities. In this regard, it is difficult to predict how political and economic conditions, sovereign debt concerns or any adverse regulatory developments will impact the credit and equity markets we access and our future financial position. Our ability to access debt financing on favorable terms, or at all, could be adversely impacted by (i) the financial failure of any of our counterparties, which could (a) reduce amounts available under committed credit facilities and (b) adversely impact our ability to access cash deposited with any failed financial institution, and (ii) tightening of the credit markets. In addition, any weakness in the equity markets could make it less attractive to use our shares to satisfy contingent or other obligations, and sustained or increased competition, particularly in combination with adverse economic or regulatory developments, could have an unfavorable impact on our cash flows and liquidity.

### Condensed Consolidated Statements of Cash Flows

*General.* Our cash flows are subject to variations due to FX.

*Summary.* Our condensed consolidated statements of cash flows for the six months ended June 30, 2019 and 2018 are summarized as follows:

	Six months ended June 30,		Change
	2019	2018	
	in millions		
Net cash provided by operating activities	\$ 431.4	\$ 398.0	\$ 33.4
Net cash used by investing activities	(421.4)	(424.5)	3.1
Net cash provided by financing activities	320.4	223.3	97.1
Effect of exchange rate changes on cash, cash equivalents and restricted cash	2.5	(15.3)	17.8
Net increase in cash, cash equivalents and restricted cash	\$ 332.9	\$ 181.5	\$ 151.4

*Operating Activities.* The increase in net cash provided by our operating activities is primarily attributable to the net effect of (i) an increase from our Adjusted OIBDA and related working capital items, including changes resulting from insurance receipts as discussed below, (ii) an increase in cash related to derivative instruments, as we received \$17 million during the 2019 period and made net payments of \$17 million during the 2018 period, (iii) increased interest payments and (iv) lower payments of taxes. During the first half of 2019, \$33 million of the cash received associated with the final insurance settlement for the Hurricanes was reflected as an operating cash inflow. During the first half of 2018, we received \$30 million of net advance payments from our third-party insurance provider associated with the then outstanding insurance settlement claims resulting from the Hurricanes.

*Investing Activities.* The decrease in net cash used by our investing activities is primarily attributable \$160 million of cash used for the UTS Acquisition in March 2019, which was more than offset by a decrease in cash used capital expenditures, as further discussed below, and \$34 million of cash received during the first quarter of 2019 related to the recovery on damaged or destroyed property and equipment resulting from hurricanes Maria, Irma and Matthew. For additional information regarding the settlement of our insurance claims associated with these hurricanes, see note 7 to our condensed consolidated financial statements.

The capital expenditures that we report in our condensed consolidated statements of cash flows do not include amounts that are financed under capital-related vendor financing or finance lease arrangements. Instead, these amounts are reflected as non-cash additions to our property and equipment when the underlying assets are delivered and as repayments of debt when the principal is repaid. In this discussion, we refer to (i) our capital expenditures, as reported in our condensed consolidated statements of cash flows, and (ii) our total property and equipment additions, which include our capital expenditures on an accrual basis and amounts financed under capital-related vendor financing or finance lease arrangements. For further details regarding our property and equipment additions, see note 18 to our condensed consolidated financial statements.

A reconciliation of our property and equipment additions to our capital expenditures, as reported in our condensed consolidated statements of cash flows, is set forth below:

	Six months ended June 30,	
	2019	2018
	in millions	
Property and equipment additions	\$ 305.2	\$ 411.6
Assets acquired under capital-related vendor financing arrangements	(26.0)	(35.0)
Assets acquired under finance leases	(0.2)	(0.9)
Changes in current liabilities related to capital expenditures	16.4	49.4
Capital expenditures	\$ 295.4	\$ 425.1

The decrease in our property and equipment additions during the six months ended June 30, 2019, as compared to the corresponding period in 2018, is primarily due to the net effect of (i) a decrease of \$92 million and \$20 million in expenditures by Liberty Puerto Rico and C&W, respectively, and (ii) excluding the impact of hurricane restoration activities, an increase in the expansion and upgrade of our networks and other capital initiatives. During the six months ended June 30, 2019 and 2018, our

property and equipment additions represented 15.8% and 22.5% of revenue, respectively. Our property and equipment additions as a percentage of revenue decreased primarily due to declines in property and equipment additions at Liberty Puerto Rico together with an increase in revenue at Liberty Puerto Rico following the recovery from the Hurricanes.

*Financing Activities.* During the six months ended June 30, 2019, we received \$320 million in net cash from financing activities, primarily due to \$395 million of net borrowings of debt, which was slightly offset by \$46 million of cash used related to the purchase of the Capped Calls and \$25 million related to payments of financing costs and debt premiums. The net borrowings of debt primarily relate to the issuance of the Convertible Notes, as further described in note 9 to our condensed consolidated financial statements. During the six months ended June 30, 2018, we received \$223 million in net cash from financing activities, due in part to \$253 million in net borrowings of debt, primarily at VTR, and \$18 million in capital contributions from funds affiliated with Searchlight Capital Partners, L.P. These cash inflows were partially offset by \$20 million in distributions to C&W Panama, a noncontrolling interest owner, and \$20 million of cash used in connection with the C&W Jamaica NCI Acquisition.

#### **Adjusted Free Cash Flow**

We define adjusted free cash flow, a non-GAAP measure, as net cash provided by our operating activities, plus (i) cash payments for third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, (ii) expenses financed by an intermediary and (iii) insurance recoveries related to damaged and destroyed property and equipment, less (a) capital expenditures, (b) distributions to noncontrolling interest owners, (c) principal payments on amounts financed by vendors and intermediaries and (d) principal payments on finance leases. We believe that our presentation of adjusted free cash flow provides useful information to our investors because this measure can be used to gauge our ability to service debt and fund new investment opportunities. Adjusted free cash flow should not be understood to represent our ability to fund discretionary amounts, as we have various mandatory and contractual obligations, including debt repayments, which are not deducted to arrive at this amount. Investors should view adjusted free cash flow as a supplement to, and not a substitute for, U.S. GAAP measures of liquidity included in our condensed consolidated statements of cash flows.

The following table provides the details of our adjusted free cash flow:

	<u>Six months ended June 30,</u>	
	<u>2019</u>	<u>2018</u>
	in millions	
Net cash provided by operating activities	\$ 431.4	\$ 398.0
Cash payments for direct acquisition and disposition costs	0.6	1.3
Expenses financed by an intermediary (a)	56.8	94.9
Capital expenditures	(295.4)	(425.1)
Recovery on damaged or destroyed property and equipment	33.9	—
Distributions to noncontrolling interest owners	(2.5)	(19.8)
Principal payments on amounts financed by vendors and intermediaries	(105.9)	(105.0)
Principal payments on finance leases	(2.5)	(3.8)
Adjusted free cash flow	<u>\$ 116.4</u>	<u>\$ (59.5)</u>

- (a) For purposes of our condensed consolidated statements of cash flows, expenses, including VAT, financed by an intermediary are treated as hypothetical operating cash outflows and hypothetical financing cash inflows when the expenses are incurred. When we pay the financing intermediary, we record financing cash outflows in our condensed consolidated statements of cash flows. For purposes of our adjusted free cash flow definition, we add back the hypothetical operating cash outflow when these financed expenses are incurred and deduct the financing cash outflows when we pay the financing intermediary.

#### **Off Balance Sheet Arrangements**

In the ordinary course of business, we may provide (i) indemnifications to our lenders, our vendors and certain other parties and (ii) performance and/or financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our company making any material payments and we do not believe that they will result in material payments in the future. For information concerning certain indemnifications provided by C&W, see note 17 to our condensed consolidated financial statements.

## Contractual Commitments

The following table sets forth the U.S. dollar equivalents of our commitments as of June 30, 2019:

	Payments due during							
	Remainder of 2019	2020	2021	2022	2023	2024	Thereafter	Total
	in millions							
Debt (excluding interest)	\$ 101.6	\$ 73.5	\$ 124.2	\$ 1,178.1	\$ 475.9	\$ 1,665.5	\$ 3,544.1	\$ 7,162.9
Finance leases (excluding interest)	7.2	1.9	0.5	0.2	0.2	0.2	0.4	10.6
Operating leases	20.2	35.3	28.3	23.0	18.4	15.5	27.4	168.1
Programming commitments	62.7	61.3	24.8	2.2	1.4	0.9	—	153.3
Network and connectivity commitments	52.4	49.3	39.4	13.1	12.7	12.1	13.4	192.4
Purchase commitments	146.5	44.2	17.5	1.1	0.6	—	—	209.9
Other commitments	14.9	5.4	3.3	2.4	2.0	2.9	9.4	40.3
Total (a)	<u>\$ 405.5</u>	<u>\$ 270.9</u>	<u>\$ 238.0</u>	<u>\$ 1,220.1</u>	<u>\$ 511.2</u>	<u>\$ 1,697.1</u>	<u>\$ 3,594.7</u>	<u>\$ 7,937.5</u>
Projected cash interest payments on debt and finance lease obligations (b)	<u>\$ 210.6</u>	<u>\$ 440.3</u>	<u>\$ 436.6</u>	<u>\$ 386.0</u>	<u>\$ 341.7</u>	<u>\$ 275.0</u>	<u>\$ 465.2</u>	<u>\$ 2,555.4</u>

- (a) The commitments included in this table do not reflect any liabilities that are included in our June 30, 2019 condensed consolidated balance sheet other than (i) debt and (ii) capital and operating lease obligations. Our liability for uncertain tax positions, including accrued interest, in the various jurisdictions in which we operate (\$314 million at June 30, 2019) has been excluded from the table as the amount and timing of any related payments are not subject to reasonable estimation. For additional information regarding our liability for uncertain tax positions, see note 11 to our condensed consolidated financial statements.
- (b) Amounts are based on interest rates, interest payment dates, commitment fees and contractual maturities in effect as of June 30, 2019. These amounts are presented for illustrative purposes only and will likely differ from the actual cash payments required in future periods. In addition, the amounts presented do not include the impact of our derivative contracts.

For information concerning our debt, see note 9 to our condensed consolidated financial statements. For information concerning our operating lease obligations, see note 3 to our condensed consolidated financial statements. For information concerning our commitments, see note 17 to our condensed consolidated financial statements.

In addition to the commitments set forth in the table above, we have commitments under (i) derivative instruments and (ii) defined benefit plans and similar agreements, pursuant to which we expect to make payments in future periods. For information regarding projected cash flows associated with our derivative instruments, see Item 3. *Quantitative and Qualitative Disclosures About Market Risk—Projected Cash Flows Associated with Derivative Instruments* below. For information regarding our derivative instruments, including the net cash paid or received in connection with these instruments during the six months ended June 30, 2019 and 2018, see note 5 to our condensed consolidated financial statements.



### Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information in this section should be read in conjunction with the more complete discussion that appears under *Quantitative and Qualitative Disclosures About Market Risk* in our 2018 Form 10-K. The following discussion updates selected numerical information to June 30, 2019.

We are exposed to market risk in the normal course of our business operations due to our investments in various countries and ongoing investing and financing activities. Market risk refers to the risk of loss arising from adverse changes in foreign currency exchange rates, interest rates and stock prices. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. As further described below, we have established policies, procedures and processes governing our management of market risks and the use of derivative instruments to manage our exposure to such risks.

#### *Cash and Investments*

We invest our cash in highly liquid instruments that meet high credit quality standards. We are exposed to exchange rate risk to the extent that the denominations of our cash and cash equivalent balances, revolving lines of credit and other short-term sources of liquidity do not correspond to the denominations of Liberty Latin America's short-term liquidity requirements. In order to mitigate this risk, we actively manage the denominations of our cash balances in consideration of Liberty Latin America's forecasted liquidity requirements. At June 30, 2019, \$120 million or 12.6% of our cash balance was denominated in Chilean pesos.

#### *Foreign Currency Exchange Rates*

The relationship between (i) the Chilean peso and the Jamaican dollar and (ii) the U.S. dollar, which is our reporting currency, is shown below, per one U.S. dollar:

	June 30, 2019	December 31, 2018
<b>Spot rates:</b>		
Chilean peso	678.72	694.00
Jamaican dollar	130.72	128.59

  

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
<b>Average rates:</b>				
Chilean peso	683.88	621.77	675.87	612.15
Jamaican dollar	132.14	127.25	131.44	126.51

#### *Interest Rate Risks*

In general, we seek to enter into derivative instruments to protect against increases in the interest rates on our variable-rate debt. Accordingly, we have entered into various derivative transactions to reduce exposure to increases in interest rates. We use interest rate derivative contracts to exchange, at specified intervals, the difference between fixed and variable interest rates calculated by reference to an agreed-upon notional principal amount. We also use interest rate cap agreements that lock in a maximum interest rate if variable rates rise, but also allow our company to benefit from declines in market rates. At June 30, 2019, we paid a fixed rate of interest on 97% of our total debt, which includes the impact of our interest rate cap agreements. The final maturity dates of our various portfolios of interest rate derivative instruments generally fall short of the respective maturities of the underlying variable-rate debt. In this regard, we use judgment to determine the appropriate maturity dates of our portfolios of interest rate derivative instruments, taking into account the relative costs and benefits of different maturity profiles in light of current and expected future market conditions, liquidity issues and other factors. For additional information concerning the impacts of these interest rate derivative instruments, see note 5 to our condensed consolidated financial statements.

### Sensitivity Information

Information concerning the sensitivity of the fair value of certain of our more significant derivative instruments to changes in market conditions is set forth below. The potential changes in fair value set forth below do not include any amounts associated with the remeasurement of the derivative asset or liability into the applicable functional currency. For additional information, see notes 5 and 6 to our condensed consolidated financial statements.

#### VTR Finance Cross-currency and Interest Rate Derivative Contracts

Holding all other factors constant, at June 30, 2019:

- i. an instantaneous increase (decrease) of 10% in the value of the Chilean peso relative to the U.S. dollar would have decreased (increased) the aggregate fair value of the VTR Finance cross-currency derivative contracts by approximately CLP 101 billion or \$148 million; and
- ii. an instantaneous increase (decrease) in the relevant base rate of 100 basis points (1.0%) would have increased (decreased) the aggregate fair value of the VTR Finance cross-currency and interest rate derivative contracts by approximately CLP 11 billion or \$16 million.

#### C&W Cross-currency and Interest Rate Derivative Contracts

Holding all other factors constant, at June 30, 2019, an instantaneous increase (decrease) in the relevant base rate of 100 basis points (1.0%) would have increased (decreased) the aggregate fair value of the C&W cross-currency and interest rate derivative contracts by approximately \$94 million.

#### Liberty Puerto Rico Interest Rate Derivative Contracts

Holding all other factors constant, at June 30, 2019, an instantaneous increase (decrease) in the relevant base rate of 100 basis points (1.0%) would have increased (decreased) the aggregate fair value of the Liberty Puerto Rico interest rate derivative contracts by approximately \$50 million.

### Projected Cash Flows Associated with Derivative Instruments

The following table provides information regarding the projected cash flows associated with our derivative instruments. The U.S. dollar equivalents presented below are based on interest rates and exchange rates that were in effect as of June 30, 2019. These amounts are presented for illustrative purposes only and will likely differ from the actual cash payments required in future periods. For additional information regarding our derivative instruments, including our counterparty credit risk, see note 5 to our condensed consolidated financial statements.

	<b>Payments (receipts) due during:</b>							
	<b>Remainder of 2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Thereafter</b>	<b>Total</b>
	<b>in millions</b>							
Projected derivative cash payments (receipts), net:								
Interest-related (a)	\$ 5.1	\$ 11.1	\$ 2.1	\$ 8.0	\$ 19.4	\$ 13.8	\$ 23.1	\$ 82.6
Principal-related (b)	—	—	—	5.6	—	(7.7)	(2.6)	(4.7)
Other (c)	(1.3)	(1.1)	—	—	—	—	—	(2.4)
Total	<u>\$ 3.8</u>	<u>\$ 10.0</u>	<u>\$ 2.1</u>	<u>\$ 13.6</u>	<u>\$ 19.4</u>	<u>\$ 6.1</u>	<u>\$ 20.5</u>	<u>\$ 75.5</u>

(a) Includes the interest-related cash flows of our cross-currency and interest rate derivative contracts.

(b) Includes the principal-related cash flows of our cross-currency derivative contracts.

(c) Includes amounts related to our foreign currency forward contracts.

#### **Item 4. CONTROLS AND PROCEDURES**

##### ***Evaluation of disclosure controls and procedures***

We maintain disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the **Exchange Act**), that are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Principal Executive Officer and our Principal Financial Officer (the **Executives**), as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, the Executives recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply judgment in evaluating the cost-benefit relationship of possible controls and objectives.

As disclosed in our Annual Report on Form 10-K for our fiscal year ended December 31, 2018, we identified material weaknesses in our internal control over financial reporting. The material weaknesses will not be considered remediated until the applicable new or enhanced controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. Our management, with the participation of the Executives, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2019. As remediation has not yet been completed, the Executives concluded that our disclosure controls and procedures continued to be ineffective as of June 30, 2019.

Notwithstanding such material weaknesses in internal control over financial reporting, our management concluded that our unaudited condensed consolidated financial statements in this Quarterly Report on Form 10-Q present fairly, in all material respects, the company's financial position, results of operations and cash flows as of the dates, and for the periods presented, in conformity with U.S. GAAP.

##### ***Management's Remediation Plans***

Management is continuing to implement the remediation plans as disclosed in our Annual Report on Form 10-K for our fiscal year ended December 31, 2018. We believe that these actions and the improvements we expect to achieve, when fully implemented, will strengthen our internal control over financial reporting and remediate the material weaknesses identified.

##### ***Changes in Internal Control over Financial Reporting***

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the fiscal quarter covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 6. EXHIBITS

Listed below are the exhibits filed as part of this Quarterly Report on Form 10-Q (according to the number assigned to them in Item 601 of Regulation S-K):

4.1 [Indenture, dated June 28, 2019, between Liberty Latin America Ltd. and The Bank of New York Mellon relating to Liberty Latin America Ltd.'s 2.00% Convertible Senior Notes due 2024.\\*](#)

10.1 [Form of Restricted Share Units Agreement under the Liberty Latin America 2018 Incentive Plan.\\*](#)

31.1 [Certification of President and Chief Executive Officer.\\*](#)

31.2 [Certification of Senior Vice President and Chief Financial Officer \(Principal Financial Officer\).\\*](#)

32.1 [Section 1350 Certifications.\\*\\*](#)

101.SCH XBRL Inline Taxonomy Extension Schema Document.\*

101.CAL XBRL Inline Taxonomy Extension Calculation Linkbase Document.\*

101.DEF XBRL Inline Taxonomy Extension Definition Linkbase.\*

101.LAB XBRL Inline Taxonomy Extension Label Linkbase Document.\*

101.PRE XBRL Inline Taxonomy Extension Presentation Linkbase Document.\*

104 Cover Page Interactive Data File.\* (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith

\*\* Furnished herewith

**SIGNATURES**

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

LIBERTY LATIN AMERICA LTD.

Dated: August 6, 2019

/s/ BALAN NAIR

---

Balan Nair  
*President and Chief Executive Officer*

Dated: August 6, 2019

/s/ CHRISTOPHER NOYES

---

Christopher Noyes  
*Senior Vice President and Chief Financial Officer*

---

LIBERTY LATIN AMERICA LTD.

(Company)

THE BANK OF NEW YORK MELLON

(Trustee)

2.00% Convertible Senior Notes due 2024

INDENTURE

Dated as of June 28, 2019

---

[ARTICLE 1. DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION](#) 1

<a href="#">Section 1.01 Definitions</a>	1
<a href="#">Section 1.02 References to Interest</a>	14
<a href="#">Section 1.03 Acts of Holders</a>	14

[ARTICLE 2. THE NOTES](#) 15

<a href="#">Section 2.01 Title and Terms; Payments</a>	15
<a href="#">Section 2.02 Ranking</a>	16
<a href="#">Section 2.03 Denominations</a>	16
<a href="#">Section 2.04 Execution, Authentication, Delivery and Dating</a>	17
<a href="#">Section 2.05 Temporary Notes</a>	17
<a href="#">Section 2.06 Registration; Registration of Transfer and Exchange</a>	18
<a href="#">Section 2.07 Transfer Restrictions</a>	19
<a href="#">Section 2.08 Expiration of Restrictions</a>	21
<a href="#">Section 2.09 Mutilated, Destroyed, Lost and Stolen Notes</a>	22
<a href="#">Section 2.10 Persons Deemed Owners</a>	23
<a href="#">Section 2.11 Transfer and Exchange</a>	23
<a href="#">Section 2.12 Cancellation</a>	27
<a href="#">Section 2.13 CUSIP Numbers</a>	27
<a href="#">Section 2.14 Payment and Computation of Interest</a>	28
<a href="#">Section 2.15 Business Day</a>	28

[ARTICLE 3. REPURCHASE AT THE OPTION OF THE HOLDERS](#) 28

<a href="#">Section 3.01Purchase at Option of Holders upon a Fundamental Change</a>	28
<a href="#">Section 3.02Fundamental Change Company Notice</a>	29
<a href="#">Section 3.03Repurchase Procedures</a>	30
<a href="#">Section 3.04Effect of Fundamental Change Purchase Notice</a>	31
<a href="#">Section 3.05Withdrawal of Fundamental Change Purchase Notice</a>	31
<a href="#">Section 3.06Deposit of Fundamental Change Purchase Price</a>	31
<a href="#">Section 3.07Notes Purchased in Whole or in Part</a>	32
<a href="#">Section 3.08Covenant To Comply with Applicable Laws upon Purchase of Notes</a>	32
<a href="#">Section 3.09Repayment to the Company</a>	32

#### [ARTICLE 4. CONVERSION](#)

<a href="#">Section 4.01Right To Convert</a>	32
<a href="#">Section 4.02Conversion Procedures</a>	36
<a href="#">Section 4.03Settlement Upon Conversion</a>	38
<a href="#">Section 4.04Adjustment of Conversion Rate</a>	41
<a href="#">Section 4.05Discretionary and Voluntary Adjustments</a>	51
<a href="#">Section 4.06Adjustment to Conversion Rate Upon Conversion in Connection with a Make-Whole Fundamental Change, Notice of Redemption or Notice of Tax Redemption</a>	52
<a href="#">Section 4.07Effect of Recapitalization, Reclassification, Consolidation, Amalgamation, Merger or Sale</a>	54
<a href="#">Section 4.08Certain Covenants</a>	56
<a href="#">Section 4.09Responsibility of Trustee/Conversion Agent</a>	56
<a href="#">Section 4.10Notice of Adjustment to the Trustee</a>	56
<a href="#">Section 4.11Notice to Holders</a>	57

#### [ARTICLE 5. COVENANTS](#)

<a href="#">Section 5.01Payment of Principal, Interest, Fundamental Change Purchase Price and Redemption Price.</a>	58
<a href="#">Section 5.02Maintenance of Office or Agency</a>	58
<a href="#">Section 5.03Provisions as to Paying Agent</a>	59
<a href="#">Section 5.04Reports</a>	60
<a href="#">Section 5.05Statements as to Defaults</a>	61
<a href="#">Section 5.06Additional Interest Notice</a>	61
<a href="#">Section 5.07Compliance Certificate and Opinions of Counsel</a>	62
<a href="#">Section 5.08Additional Interest</a>	62
<a href="#">Section 5.09Corporate Existence</a>	63
<a href="#">Section 5.10Restriction on Resales</a>	63
<a href="#">Section 5.11Company to Furnish Trustee Names and Addresses of Holders</a>	64
<a href="#">Section 5.12Additional Amounts</a>	64

#### [ARTICLE 6. REMEDIES](#)

<a href="#">Section 6.01Events of Default</a>	68
<a href="#">Section 6.02Acceleration; Waiver</a>	69
<a href="#">Section 6.03Additional Interest</a>	70
<a href="#">Section 6.04Control by Majority</a>	71
<a href="#">Section 6.05Limitation on Suits</a>	71
<a href="#">Section 6.06Rights of Holders to Receive Payment and to Convert</a>	71
<a href="#">Section 6.07Collection of Indebtedness; Suit for Enforcement by Trustee</a>	72
<a href="#">Section 6.08Trustee May Enforce Claims Without Possession of Notes</a>	72
<a href="#">Section 6.09Trustee May File Proofs of Claim</a>	72
<a href="#">Section 6.10Restoration of Rights and Remedies</a>	72
<a href="#">Section 6.11Rights and Remedies Cumulative</a>	73
<a href="#">Section 6.12Delay or Omission Not a Waiver</a>	73
<a href="#">Section 6.13Priorities</a>	73
<a href="#">Section 6.14Undertaking for Costs</a>	73
<a href="#">Section 6.15Waiver of Stay, Extension and Usury Laws</a>	74

#### [ARTICLE 7. SATISFACTION AND DISCHARGE](#)

<a href="#">Section 7.01 Discharge of Liability on Notes</a>	74
<a href="#">Section 7.02 Deposited Monies to Be Held in Trust by Trustee</a>	75
<a href="#">Section 7.03 Paying Agent to Repay Monies Held</a>	75
<a href="#">Section 7.04 Return of Unclaimed Monies</a>	75
<a href="#">Section 7.05 Reinstatement</a>	75

#### [ARTICLE 8. SUPPLEMENTAL INDENTURES](#) 75

<a href="#">Section 8.01 Supplemental Indentures Without Consent of Holders</a>	75
<a href="#">Section 8.02 Supplemental Indentures With Consent of Holders</a>	76
<a href="#">Section 8.03 Notice of Amendment or Supplement</a>	78
<a href="#">Section 8.04 Trustee to Sign Amendments, Etc.</a>	78

#### [ARTICLE 9. SUCCESSOR COMPANY](#) 78

<a href="#">Section 9.01 Company May Consolidate, Etc. on Certain Terms</a>	78
<a href="#">Section 9.02 Successor Corporation to Be Substituted</a>	79
<a href="#">Section 9.03 Opinion of Counsel to Be Given to Trustee</a>	80

#### [ARTICLE 10. THE TRUSTEE](#) 80

<a href="#">Section 10.01 Duties and Responsibilities of Trustee</a>	80
<a href="#">Section 10.02 Notice of Defaults</a>	82
<a href="#">Section 10.03 Reliance on Documents, Opinions, Etc.</a>	82
<a href="#">Section 10.04 No Responsibility for Recitals, Etc.</a>	83
<a href="#">Section 10.05 Trustee, Paying Agents, Exchange Agents or Registrar May Own Notes</a>	83
<a href="#">Section 10.06 Monies to be Held in Trust</a>	83
<a href="#">Section 10.07 Compensation, Expenses and Indemnity of Trustee</a>	84
<a href="#">Section 10.08 Officer's Certificate as Evidence</a>	84
<a href="#">Section 10.09 [Reserved]</a>	85
<a href="#">Section 10.10 Eligibility of Trustee</a>	85
<a href="#">Section 10.11 Resignation or Removal of Trustee</a>	85
<a href="#">Section 10.12 Acceptance by Successor Trustee</a>	86
<a href="#">Section 10.13 Succession by Merger, Etc.</a>	87
<a href="#">Section 10.14 [Reserved]</a>	87
<a href="#">Section 10.15 Trustee's Application for Instructions from the Company</a>	87

#### [ARTICLE 11. OPTIONAL REDEMPTION](#) 88

<a href="#">Section 11.01 Optional Redemption</a>	88
<a href="#">Section 11.02 Optional Redemption for Changes in the Tax Law of the Relevant Taxing Jurisdiction.</a>	88
<a href="#">Section 11.03 Notice of Optional Redemption; Selection of Notes</a>	89
<a href="#">Section 11.04 Payment of Notes Called for Redemption</a>	91
<a href="#">Section 11.05 Restrictions on Redemption</a>	91
<a href="#">Section 11.06 Holders' Right to Avoid Tax Redemption</a>	92

#### [ARTICLE 12. MISCELLANEOUS](#) 92

<a href="#">Section 12.01 Effect on Successors and Assigns</a>	92
<a href="#">Section 12.02 Governing Law</a>	92
<a href="#">Section 12.03 No Note Interest Created</a>	93
<a href="#">Section 12.04 Voting</a>	93
<a href="#">Section 12.05 Benefits of Indenture</a>	93
<a href="#">Section 12.06 Calculations</a>	93
<a href="#">Section 12.07 Execution in Counterparts</a>	94
<a href="#">Section 12.08 Notices, Etc. to Trustee and Company</a>	94
<a href="#">Section 12.09 No Recourse Against Others</a>	95
<a href="#">Section 12.10 Tax Withholding</a>	95
<a href="#">Section 12.11 Waiver of Jury Trial</a>	95
<a href="#">Section 12.12 U.S.A. Patriot Act</a>	95
<a href="#">Section 12.13 Force Majeure</a>	95



INDENTURE, dated as of June 28, 2019, between Liberty Latin America Ltd., a Bermuda exempted company, as issuer (the “**Company**”), and The Bank of New York Mellon, a New York banking corporation, as trustee (the “**Trustee**”).

## RECITALS OF THE COMPANY

WHEREAS, the Company has duly authorized the creation of an issue of the Company’s 2.00% Convertible Senior Notes due 2024 (the “**Notes**”), having the terms, tenor, amount and other provisions hereinafter set forth, and, to provide therefor, has duly authorized the execution and delivery of this Indenture; and

WHEREAS, all things necessary to make the Notes, when duly executed by the Company and authenticated and delivered hereunder and duly issued by the Company, the legal, valid and binding obligations of the Company, in accordance with the terms of the Notes and this Indenture, have been done and performed, and the execution of this Indenture and the issue hereunder of the Notes have in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, for and in consideration of the premises and the purchases of the Notes by the Holders thereof, it is mutually agreed, for the benefit of the Company and the equal and proportionate benefit of all Holders, as follows:

## ARTICLE 1. DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 *Definitions*. The terms defined in this Section 1.01 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section 1.01. The words “herein”, “hereof”, “hereunder” and words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other Subdivision. The word “or” is not exclusive and the word “including” means including without limitation. The terms defined in this Article include the plural as well as the singular.

“**Act**” has the meaning specified in Section 1.03 hereof.

“**Additional Amounts**” has the meaning specified in Section 5.12 hereof.

“**Additional Interest**” means all amounts, if any, payable pursuant to Section 5.08 and Section 6.03 hereof.

“**Additional Notes**” means any Notes (other than the Initial Notes) issued under this Indenture in accordance with Section 2.01 hereof, with the same terms as the Initial Notes.

“**Additional Shares**” has the meaning specified in Section 4.06(a) hereof.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Agent Members**” has the meaning specified in Section 2.06(b) hereof.

“**Applicable AML Law**” has the meaning specified in Section 12.12 hereof.

“**Applicable Procedures**” means, with respect to any matter at any time, the policies and procedures of a Depository, if any, that are applicable to such matter at such time.

“**Applicable Taxes**” has the meaning specified in Section 5.12 hereof.

“**Authenticating Agent**” means any Person authorized by the Trustee to act on behalf of the Trustee to authenticate Notes.

“**Authorized Officer**” means any Person (whether designated by name or office) appointed by or pursuant to a Board Resolution for the purpose, or a particular purpose, of this Indenture; *provided* that written notice of such appointment shall have been given to the Trustee.

“**Averaging Period**” has the meaning specified in Section 4.04(e) hereof.

“**Bid Solicitation Agent**” means the Person appointed by the Company, from time to time, to solicit secondary market bid quotations for the Trading Price of the Notes in accordance with Section 4.01(b)(2) hereof. The Company shall be the initial Bid Solicitation Agent. The Company may appoint another person (or itself) as the Bid Solicitation Agent without prior notice to Holders.

“**Board of Directors**” means either the board of directors of the Company or any duly constituted committee of that board.

“**Board Resolution**” when used with reference to the Company means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“**Business Day**” means any day other than a Saturday, a Sunday or a day on which the Federal Reserve Bank of New York is authorized or required by law or executive order to close or to be closed; *provided* that, solely for the purposes of any payment required to be made on any such date, “Business Day” shall not include days in which the office where the place of payment is authorized or required by law to close.

“**Capital Stock**” means, for any Person, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) the equity of such Person, but excluding any debt securities convertible into such equity.

“**Cash Settlement**” has the meaning specified in Section 4.03(a) hereof.

“**Change in Tax Law**” shall have the meaning specified in Section 11.02(a).

“**Class C Common Shares**” means, subject to Section 4.07, the fully paid and non-assessable Class C common shares, par value \$0.01 per share, of the Company authorized at the date of this instrument as originally executed or shares of any class or classes of common shares resulting from any reclassification or reclassifications thereof; *provided, however*, that if at any time there shall be more than one such resulting class, the shares so issuable on conversion of Notes shall include shares of all such classes, and the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

“**Clause A Distribution**” has the meaning specified in Section 4.04(c) hereof.

“**Clause B Distribution**” has the meaning specified in Section 4.04(c) hereof.

“**Clause C Distribution**” has the meaning specified in Section 4.04(c) hereof.

“**Close of Business**” means 5:00 p.m., New York City time.

“**Combination Settlement**” has the meaning specified in Section 4.03(a) hereof.

“**Commission**” means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act.

“**Common Equity**” of any Person means the Capital Stock of such Person that is generally entitled (a) to vote in the election of directors of such Person or (b) if such Person is not a corporation, to vote or otherwise participate in the selection of the governing body, partners, managers or others that will control the management or policies of such Person.

“**common stock**” includes any stock of any class of Capital Stock which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the issuer thereof and which is not subject to redemption by the issuer thereof.

“**Company**” has the meaning specified in the first paragraph of this Indenture, and subject to the provisions of Article 9, shall include its successors and assigns.

“**Company Order**” means a written request or order signed in the name of the Company by an Officer thereof.

“**Conversion Agent**” has the meaning specified in Section 5.02 hereof.

“**Conversion Date**” has the meaning specified in Section 4.02(b) hereof.

“**Conversion Notice**” has the meaning specified in Section 4.02(b) hereof.

“**Conversion Price**” means, in respect of each Note, as of any date, \$1,000 *divided by* the Conversion Rate in effect on such date.

“**Conversion Rate**” means initially 44.9767 Class C Common Shares per \$1,000 principal amount of Notes, subject to adjustment as set forth herein.

“**Corporate Trust Office**” means, with respect to the office of the Trustee, the designated corporate trust office of the Trustee, which office at the date hereof is located at 240 Greenwich Street 7E, New York, NY 10286, Attention: Corporate Trust, or such other address as the Trustee may designate from time to time by notice to the Holders and the Company, or the principal corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Holders and the Company).

“**corporation**” means a corporation, association, joint stock company, limited liability company, partnership or business trust.

“**Custodian**” means the Trustee, as custodian for the Depository with respect to the Notes (so long as the Notes constitute Global Notes), or any successor entity.

“**Daily Conversion Value**” means, for each of the 80 consecutive VWAP Trading Days during any Observation Period, one-eightieth (1/80th) of the product of (i) the Conversion Rate in effect on such VWAP Trading Day and (ii) the Daily VWAP on such VWAP Trading Day.

“**Daily Measurement Value**” means the Specified Dollar Amount *divided by* 80.

“**Daily Settlement Amount**” shall consist of, for each \$1,000 principal amount of Notes for each of the 80 consecutive VWAP Trading Days during the Observation Period, (i) cash equal to the lesser of (A) the Daily Measurement Value and (B) the Daily Conversion Value for the relevant VWAP Trading Day; and (ii) if the Daily Conversion Value exceeds the Daily Measurement Value, a number of Class C Common Shares equal to (A) the difference between the Daily Conversion Value and the Daily Measurement Value, *divided by* (B) the Daily VWAP for such VWAP Trading Day.

“**Daily VWAP**” means, for each of the 80 consecutive VWAP Trading Days during the applicable Observation Period (or, if applicable, the VWAP Trading Day referred to in Section 4.03(b)(i)), the per share volume-weighted average price as displayed under the heading “Bloomberg VWAP” on Bloomberg page “LILAK <equity> AQR” (or its equivalent successor if such page is not available) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such VWAP Trading Day (or if such volume-weighted average price is unavailable, the market value of one Class C Common Share on such VWAP Trading Day determined, using a volume-weighted average method, by a nationally or internationally recognized independent investment banking firm retained for this purpose by the Company). The “Daily VWAP” will be determined without regard to after-hours trading or any other trading outside of the regular trading session trading hours.

“**Default**” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“**Depository**” means, with respect to the Notes issuable or issued in the form of a Global Note, The Depository Trust Company or the Person designated as Depository by the Company pursuant to the applicable provisions of this Indenture until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Depository” shall mean or include each Person who is then a Depository hereunder, and if at any time there is more than one such Person, “Depository” as used with respect to the Notes of any such series shall mean the Depository with respect to the Notes of that series.

“**Distributed Property**” has the meaning specified in Section 4.04(c) hereof.

“**Distributions Trigger Irrevocable Physical Settlement Period**” has the meaning specified in Section 4.01(b)(iii) hereof.

“**Dollar**” or “**\$**” means a dollar or other equivalent unit in such coin or currency of the United States of America that is legal tender for the payment of public and private debts at the time of payment.

“**Effective Date**” means, with respect to a Fundamental Change or a Make-Whole Fundamental Change, as applicable, the date such Fundamental Change or Make-Whole Fundamental Change, as applicable, occurs or becomes effective.

“**event**” has the meaning specified in the definition of “Fundamental Change” hereof.

“**Event of Default**” has the meaning specified in Section 6.01 hereof.

“**Ex-Dividend Date**” means the first date on which the Class C Common Shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question.

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

“**Form of Assignment and Transfer**” means the “Form of Assignment and Transfer” attached as Attachment 3 to the Form of Note attached hereto as Exhibit A.

“**Form of Fundamental Change Purchase Notice**” means the “Form of Fundamental Change Purchase Notice” attached as Attachment 2 to the Form of Note attached hereto as Exhibit A.

“**Form of Notice of Conversion**” means the “Form of Notice of Conversion” attached as Attachment 1 to the Form of Note attached hereto as Exhibit A.

“**Free Trade Date**” means the date that is one year after the last date of original issuance of the Notes.

“**Free Transferability Certificate**” means a certificate substantially in the form attached hereto as Exhibit B.

“**Freely Tradable**” means, with respect to any Notes, that such Notes are eligible to be sold by a Person who is not an Affiliate of the Company (within the meaning of Rule 144) and has not been an Affiliate of the Company (within the meaning of Rule 144) during the immediately preceding three months without any volume or manner of sale restrictions under the Securities Act.

“**Fundamental Change**” shall be deemed to have occurred at the time after the Notes are originally issued if any of the following occurs:

(1) any “person” or “group” (within the meaning of Section 13(d) of the Exchange Act), other than the Company or any of its Subsidiaries, files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such Person or group has become the direct or indirect ultimate “beneficial owner,” as defined in Rule 13d-3 under the Exchange Act, of (i) the Company’s Common Equity representing more than 50.0% (or, in the case of a Permitted Holder, 60.0%) of the voting power of the Company’s Common Equity or (ii) more than 50.0% of the Company’s outstanding Class C Common Shares;

(2) the consummation of (A) any recapitalization, reclassification or change of Class C Common Shares (other than changes resulting from a subdivision or consolidation) pursuant to which the Class C Common Shares would be converted into, or exchanged for, shares, other securities, other property or assets, (B) any share exchange, consolidation, merger, amalgamation or similar event involving the Company pursuant to which Class C Common Shares will be converted into or exchanged for, cash, securities or other property or (C) any sale, lease or other transfer of all or substantially all of the consolidated assets of the Company, its Subsidiaries and its variable interest entities, taken as a whole, to any Person other than one or more of the Company’s wholly owned Subsidiaries (any such share exchange, consolidation, merger, amalgamation, similar event, transaction or series of transactions being referred to in this clause (2), an “**event**”); *provided* that any such event described in clause (B) above where the holders of the Company’s voting securities immediately prior to such event own, directly or indirectly, more than 50% of the voting securities of the continuing or surviving person or transferee or the parent thereof immediately after such event and such holders’ proportional voting power immediately after such event vis-à-vis each other with respect to the securities they receive in such event will be in substantially the same proportions as their respective voting power vis-à-vis each other immediately prior to such event will not constitute a Fundamental Change under such clause (B);

(3) the Company’s shareholders approve any plan or proposal for the liquidation or dissolution of the Company; or

(4) the Class C Common Shares cease to be listed on at least The New York Stock Exchange, The NASDAQ Capital Market, The NASDAQ Global Market or The NASDAQ Global Select Market (or their respective successors);

*provided, however,* that in the case of a transaction or event described in clause (1) or (2) above, if at least 90% of the consideration received or to be received by holders of the Class C Common Shares (excluding cash payments for fractional shares) in the transaction or transactions that would otherwise constitute a “**Fundamental Change**” consists of Class C Common Shares or Common Equity interests that are traded on any of The New York Stock Exchange, The NASDAQ Capital Market, The NASDAQ Global Market or The NASDAQ Global Select Market (or their respective successors) or that will be so traded when issued or

exchanged in connection with the transaction that would otherwise constitute a “Fundamental Change” under clause (1) or (2) above, and as a result of such transaction or transactions, the Notes become convertible into such consideration, excluding cash payments for fractional shares (subject to settlement in accordance with the provisions of Sections 4.03, 4.04 and 4.06 hereof), such event shall not be a “Fundamental Change.”

If any transaction in which the Class C Common Shares are replaced by the securities of another entity occurs, following completion of any related Make-Whole Fundamental Change Period and any related Fundamental Change Purchase Date, references to the Company in the definition of “Fundamental Change” above will apply to such other entity instead.

“**Fundamental Change Company Notice**” has the meaning specified in Section 3.02(a) hereof.

“**Fundamental Change Expiration Time**” has the meaning specified in Section 3.03(a) hereof.

“**Fundamental Change Purchase Date**” has the meaning specified in Section 3.01(a) hereof.

“**Fundamental Change Purchase Notice**” has the meaning specified in Section 3.03(a) hereof.

“**Fundamental Change Purchase Price**” has the meaning specified in Section 3.01(a) hereof.

“**Global Note**” means a Note in fully registered form evidencing all or part of a series of Notes, issued to the Depository for such series or its nominee, and registered in the name of such Depository or nominee.

“**Holder**” means the Person in whose name a Note is registered in the Register.

“**Indenture**” means this Indenture as amended or supplemented from time to time.

“**Initial Notes**” has the meaning specified in Section 2.01 hereof.

“**Initial Purchasers**” means the “Purchasers” listed in Schedule A to the Purchase Agreement.

“**Interest Payment Date**” means, with respect to the payment of interest on the Notes, each January 15 and July 15 of each year (or, if such date is not a Business Day, the next succeeding Business Day), beginning on January 15, 2020.

“**Issue Date**” means, with respect to any Note, the first date of original issuance of such Note (and not, for the avoidance of doubt, the date of issuance of any Note issued in whole or in part upon registration or transfer of, or in exchange for, or in lieu of, other Notes pursuant to Sections 2.05, 2.06, 2.07, 2.08, 2.09, 2.11 or 3.07).

“**Last Original Issuance Date**” means June 28, 2019.

“**Last Reported Sale Price**” of the Class C Common Shares for any Trading Day means the closing sale price per share (or, if no closing sale price is reported, the average of the last bid and last ask prices or, if more than one in either case, the average of the average last bid and the average last ask prices) on that Trading Day as reported in composite transactions for the principal U.S. national or regional securities exchange on which the Class C Common Shares are traded. If the Class C Common Shares are not listed for trading on a U.S. national or regional securities exchange on the relevant Trading Day, the “Last Reported Sale Price” will be the last quoted bid price for the Class C Common Shares in the over-the-counter market on the relevant date as reported by OTC Markets Group Inc. or a similar organization. If the Class C Common Shares are not so quoted, the “Last Reported Sale Price” will be the average of the mid-point of the last bid and last ask prices for the Class C Common Shares on the relevant Trading Day from each of at least three nationally recognized independent investment banking firms selected by the Company for this purpose, which may include one or more of the Initial Purchasers. Any such determination will be conclusive absent manifest error.

“**Make-Whole Fundamental Change**” means any event that (i) is a Fundamental Change pursuant to clause (1), (2) or (4) under such definition (subject to any exceptions or exclusions to the definition thereof) or (ii) would be a Fundamental Change, but for the proviso in clause (2) of the definition of “Fundamental Change.”

“**Make-Whole Fundamental Change Period**” has the meaning specified in Section 4.06(a) hereof.

“**Market Disruption Event**” means, if the Class C Common Shares are listed for trading on The NASDAQ Global Select Market or listed on another U.S. national or regional securities exchange, the occurrence or existence during the one-half hour period ending on the scheduled close of trading on any Scheduled Trading Day of any material suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the Class C Common Shares or in any options contracts or futures contracts relating to the Class C Common Shares.

“**Maturity Date**” means July 15, 2024.

“**Measurement Period**” has the meaning specified in Section 4.01(b) hereof.

“**Note**” or “**Notes**” has the meaning specified in the first paragraph of the Recitals of this Indenture.

“**Notice of Default**” has the meaning specified in Section 6.01(f) hereof.

“**Notice of Redemption**” shall have the meaning specified in Section 11.03(a).

“**Notice of Tax Redemption**” shall have the meaning specified in Section 11.02(b).

“**Observation Period**” means, with respect to any Note surrendered for conversion, (i) subject to the immediately succeeding clauses (ii) and (iii), if the relevant Conversion Date occurs prior to January 15, 2024, the 80 consecutive VWAP Trading Days beginning on, and including, the second VWAP Trading Day after such Conversion Date; (ii) if the relevant Conversion Date occurs on or after the date of the Company’s issuance of a Notice of Tax Redemption or Notice of Redemption with respect to any Notes pursuant to Section 11.02 or Section 11.03 and prior to the relevant Redemption Date or Tax Redemption Date, as applicable, the 80 consecutive VWAP Trading Days beginning on, and including, the 81<sup>st</sup> Scheduled Trading Day immediately preceding such Redemption Date or Tax Redemption Date, as applicable; and (iii) subject to the immediately preceding clauses (i) and (ii), if the relevant Conversion Date occurs after January 15, 2024, the 80 consecutive VWAP Trading Days beginning on, and including, the 81<sup>st</sup> Scheduled Trading Day immediately preceding the Maturity Date.

“**Offer Expiration Date**” has the meaning specified in Section 4.04(e) hereof.

“**Officer**” or “**officer**” shall mean, any director of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the Chief Accounting Officer, the President, a Vice President (whether or not designated by a number or word or words added before or after the title “Vice President”), the Treasurer, an Assistant Treasurer, the Corporate Secretary or the Group Financial Controller.

“**Officer’s Certificate**” means a certificate signed by an Authorized Officer and delivered to the Trustee.

“**Open of Business**” means 9:00 a.m., New York City time.

“**Opinion of Counsel**” means a written opinion of counsel, who may be an internal legal counsel of, or external counsel for, the Company or an Affiliate of the Company and reasonably acceptable to the Trustee.

“**Outstanding**” means, subject to Section 12.04, with respect to the Notes, any Notes authenticated by the Trustee except (i) Notes cancelled by it, (ii) Notes delivered to it for cancellation, (iii) Notes paid pursuant to Section 2.09 hereof and (iv) (A) Notes replaced pursuant to Section 2.09 hereof, on and after the time such Note is replaced (unless the Trustee and the Company receive proof satisfactory to them that such Note is held by a protected purchaser), (B) Notes converted pursuant to Article 4 hereof, on and after their Conversion Date, (C) any and all Notes, as of the Maturity Date, if the Paying Agent holds, in accordance with this Indenture, money sufficient to pay all of the Notes then payable, and (D) any and all Notes owned by the Company or any other obligor upon the Notes.

“**Optional Redemption**” shall have the meaning specified in Section 11.01.

“**Paying Agent**” means any Person authorized by the Company to pay the principal amount of, any premium on, interest on, or the Fundamental Change Purchase Price or Redemption Price on, any Notes on behalf of the Company.

“**Permitted Holder**” means (1) John C. Malone and Michael T. Fries (the Executive Chairman of the Board of the Company as of the date hereof); (2) the spouses, siblings or lineal descendants (including adoptees) of John C. Malone and Michael T. Fries; (3) any trusts or private foundations created by or for the benefit of, or controlled by, any of the persons described in clauses (1) or (2) or any trusts or private foundations created for the benefit of any such trust or private foundation; (4) in the event of the incompetence or death of any of the persons described in clauses (1) and (2), such person’s estate, executor, administrator, committee or other personal representative or similar fiduciary or beneficiaries, heirs, devisees or distributees, in each case, who at any particular date shall beneficially own Capital Stock of the Company; or (5) any group consisting solely of persons described in clauses (1)-(4).

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

“**Physical Notes**” means permanent certificated Notes in definitive, fully registered form issued in denominations of \$1,000 principal amount and integral multiples of \$1,000 in excess thereof.

“**Physical Settlement**” has the meaning set forth in Section 4.03(a) hereof.

“**Preliminary Offering Memorandum**” means the Preliminary Offering Memorandum dated June 25, 2019 related to the offering of the Initial Notes.

“**Purchase Agreement**” means that certain Purchase Agreement, dated June 25, 2019, among the Company and the representatives of the Initial Purchasers, on behalf of the Initial Purchasers.

“**Redemption Date**” shall have the meaning specified Section 11.03(a).

“**Redemption Price**” means, for any Notes to be redeemed pursuant to Section 11.01 and Section 11.02, 100% of the aggregate principal amount of such Notes, *plus* accrued and unpaid interest, if any, to, but excluding, the Redemption Date or Tax Redemption Date, as applicable (unless the Redemption Date or Tax Redemption Date, as applicable, falls after a Regular Record Date but on or prior to the immediately succeeding Interest Payment Date, in which case interest accrued to, but excluding, the Interest Payment Date will be paid on such Redemption Date or Tax Redemption Date to Holders of record of such Notes on such Regular Record Date, and the Redemption Price will be equal to 100% of the aggregate principal amount of such Notes and will not include accrued and unpaid interest on such Note to, but not including, such Redemption Date or Tax Redemption Date, as applicable). The Redemption Price will be paid in cash (without penalty or premium).

“**Reference Property**” has the meaning specified in Section 4.07(a) hereof.

“**Reference Property Unit**” has the meaning specified in Section 4.07(a) hereof.

“**Register**” and “**Registrar**” have the respective meanings specified in Section 2.06.

“**Regular Record Date**” means, with respect to any Interest Payment Date, January 1 (whether or not a Business Day) or July 1 (whether or not a Business Day), as the case may be, immediately preceding such Interest Payment Date.

“**Relevant Taxing Jurisdiction**” has the meaning specified in Section 5.12 hereof.

“**Reporting Event of Default**” has the meaning specified in Section 6.03 hereof.

“**Resale Restriction Termination Date**” has the meaning specified in Section 2.08(b)(ii) hereof.

“**Responsible Officer**” when used with respect to the Trustee, means any officer within the corporate trust department having direct responsibility for the administration of this Indenture, or any other officer to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with the particular subject.

“**Restricted Global Note**” has the meaning specified in Section 2.08(b)(i) hereof.

“**Restricted Note**” has the meaning specified in Section 2.07(a)(i) hereof.

“**Restricted Notes Legend**” has the meaning specified in the Form of Note attached hereto as Exhibit A.

“**Restricted Share**” has the meaning specified in Section 2.07(b)(i) hereof.

“**Restricted Share Legend**” means a legend substantially in the form set forth in Exhibit C hereto.

“**Rule 144**” means Rule 144 under the Securities Act (including any successor rule thereto), as the same may be amended from time to time.

“**Scheduled Trading Day**” means a day that is scheduled to be a Trading Day on the principal U.S. national or regional securities exchange or market on which the Class C Common Shares are listed or admitted for trading. If the Class C Common Shares are not listed or admitted for trading, “Scheduled Trading Day” means a Business Day.

“**Securities Act**” means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

“**Settlement Amount**” has the meaning specified in Section 4.03(a) hereof.

“**Settlement Election**” has the meaning specified in Section 4.03(a) hereof.

“**Settlement Election Notice**” has the meaning specified in Section 4.03(a) hereof.

“**Settlement Method**” means, with respect to any conversion of Notes, Physical Settlement, Cash Settlement or Combination Settlement, as elected (or deemed to be elected) by the Company in accordance with Section 4.03(a)(i) hereof.

“**Share Exchange Event**” has the meaning specified in Section 4.07(a) hereof.

“**Share Price**” has the meaning specified in Section 4.06(c) hereof.

“**Significant Subsidiary**” means, with respect to any Person, a Subsidiary of such Person that would constitute a “significant subsidiary” as such term is defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as in effect on the original date of issuance of the Notes.

“**Specified Dollar Amount**” means the maximum cash amount per \$1,000 principal amount of Notes to be received by the Holder upon conversion as specified in the Company’s Specified Dollar Amount Election Notice (which may be part of the Settlement Election Notice).

“**Specified Dollar Amount Election**” has the meaning specified in Section 4.03(a) hereof.

“**Specified Dollar Amount Election Notice**” has the meaning specified in Section 4.03(a) hereof.

“**Spin-Off**” has the meaning specified in Section 4.04(c) hereof.

“**Subsidiary**” means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or shareholders’ agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership or limited liability company of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

“**Successor Company**” has the meaning specified in Section 9.01(a) hereof.

“**Tax Redemption**” shall have the meaning specified in Section 11.02.

“**Tax Redemption Date**” shall have the meaning specified in Section 11.02.

“**Trading Day**” means a Scheduled Trading Day on which (i) there is no Market Disruption Event, and (ii) trading in the Class C Common Shares generally occurs on The NASDAQ Global Select Market or, if the Class C Common Shares are not then listed on The NASDAQ Global Select Market, on the principal other U.S. national or regional securities exchange on which the Class C Common Shares are then listed or, if the Class C Common Shares are not then listed on a U.S. national or regional securities exchange, on the principal other market on which the Class C Common Shares are then traded. If the Class C Common Shares are not so listed or traded, “Trading Day” means a “Business Day.”

“**Trading Price**” of the Notes on any Trading Day means the average of the secondary market bid quotations obtained by the Bid Solicitation Agent for \$1,000,000 principal amount of the Notes at approximately 3:30 p.m., New York City time, on such Trading Day from three independent nationally recognized securities dealers selected by the Company for this purpose, which may include one or more of the Initial Purchasers; *provided* that, if three such bids cannot reasonably be obtained by the Bid Solicitation Agent but two such bids are obtained, then the average of the two bids shall be used, and if only one such bid can reasonably be obtained by the Bid Solicitation Agent that one bid shall be used. If the Bid Solicitation Agent cannot reasonably obtain at least one bid for \$1,000,000 principal amount of the Notes from a nationally recognized securities dealer on any Trading Day, then the Trading Price per \$1,000 principal amount of Notes on such Trading Day will be deemed to be less than 98% of the product of (i) the Last Reported Sale Price of the Class C Common Shares on such Trading Day and (ii) the Conversion Rate in effect on such Trading Day. Any such determination will be conclusive absent manifest error. If the Company does not instruct the Bid Solicitation Agent to obtain bids when required, or the Bid Solicitation Agent fails to solicit bids when required, the Trading Price per \$1,000 principal amount of the Notes will be deemed to be less than 98% of the product of (i) the Last Reported Sale Price of the Class C Common Shares and



(ii) the Conversion Rate, in each case, for each Trading Day on which the Company or the Bid Solicitation Agent fails to do so, as the case may be.

“**Trigger Event**” has the meaning specified in Section 4.04(c) hereof.

“**Trustee**” means the Person named as the “Trustee” in the first paragraph of this Indenture until a successor Trustee shall have become such pursuant to Section 10.12 hereof, and thereafter “Trustee” shall mean or include each Person who is then a Trustee hereunder.

“**U.S.**” means the United States of America.

“**Valuation Period**” has the meaning specified in Section 4.04(c) hereof.

“**VWAP Market Disruption Event**” means (i) a failure by the primary U.S. national or regional securities exchange or market on which the Class C Common Shares are listed or admitted to trading to open for trading during its regular trading session or (ii) the occurrence or existence, prior to 1:00 p.m., New York City time, on any Scheduled Trading Day for the Class C Common Shares for more than a one half-hour period in the aggregate during regular trading hours of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant securities exchange or otherwise) in the Class C Common Shares or in any options contracts or future contracts relating to the Class C Common Shares.

“**VWAP Trading Day**” means a Scheduled Trading Day on which (i) there is no VWAP Market Disruption Event and (ii) trading in the Class C Common Shares generally occurs on The NASDAQ Global Select Market or, if the Class C Common Shares are not then listed on The NASDAQ Global Select Market, on the principal other U.S. national or regional securities exchange on which the Class C Common Shares are then listed or, if the Class C Common Shares are not then listed on a U.S. national or regional securities exchange, on the principal other market on which the Class C Common Shares are then listed or admitted for trading. If the Class C Common Shares are not so listed or admitted for trading, “VWAP Trading Day” means a “Business Day.”

Section 1.02 *References to Interest.* Any reference to interest on, or in respect of, any Note in the Indenture shall be deemed to include Additional Interest, if, in such context, Additional Interest is, was or would be payable pursuant hereto. Any express mention of the payment of Additional Interest in any provision hereof shall not be construed as excluding Additional Interest in those provisions hereof where such express mention is not made.

Section 1.03 *Acts of Holders.* (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Indenture to be made, given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the “Act” of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of Notes, shall be sufficient for any purpose of this Indenture and (subject to Section 10.01 hereof) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) *[Reserved]*

(d) The fact and date of execution of any such instrument or writing and the amount and number of Notes held by the Person so executing such instrument or writing may also be proved in any other manner that the Trustee deems sufficient; and the Trustee may in any instance require further proof with respect to any of the matters referred to in this Section 1.03.

(e) The principal amount and serial numbers of Notes held by any Person, and the date of holding the same, shall be proved by the Registrar.

(f) Any request, demand, authorization, direction, notice, consent, election, waiver or other Act of the Holder of any Note shall bind every future Holder of the same Note and the Holder of every Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or

the Company in reliance thereon, whether or not notation of such action is made upon such Note.

(g) The Company may but shall not be obligated to set a record date for purposes of determining the identity of Holders of any Outstanding Notes of any series entitled to vote or consent to any action by vote or consent authorized or permitted by Section 2.11, 6.02, 6.04, 6.05, 8.02 or 10.11. Such record date shall be not less than 10 nor more than 60 days prior to the first solicitation of such consent or the date of the most recent list of Holders of such Notes furnished to the Trustee pursuant to Section 5.13 prior to such solicitation.

(h) If the Company solicits from Holders any request, demand, authorization, direction, notice, consent, election, waiver or other Act, the Company may, at its option, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, election, waiver or other Act, but the Company shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, election, waiver or other Act may be given before or after such record date, but only the Holders of record at the Close of Business on the record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of the Outstanding Notes have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, election, waiver or other Act, and for that purpose the Outstanding Notes shall be computed as of the record date; *provided* that no such authorization, agreement or consent by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

## ARTICLE 2. THE NOTES

### Section 2.01 *Title and Terms; Payments.*

The aggregate principal amount of Notes that may be authenticated and delivered under this Indenture is initially limited to \$402,500,000 (the “**Initial Notes**”) except for Notes authenticated and delivered upon registration or transfer of, or in exchange for, or in lieu of, other Notes pursuant to Sections 2.05, 2.06, 2.07, 2.08, 2.09, 2.11, 3.07 or 4.02. The Company may, from time to time after the execution of this Indenture, without notice to or the consent of the Holders, execute and deliver to the Trustee for authentication Additional Notes with the same CUSIP number as the Initial Notes in an unlimited aggregate principal amount, and the Trustee shall thereupon authenticate and deliver said Additional Notes to or upon receipt of a Company Order, without any further action by the Company hereunder; *provided, however*, that (1) if any such Additional Notes are not fungible with the Initial Notes for U.S. federal income tax purposes or securities laws purposes, any such Additional Notes will have one or more separate CUSIP numbers; (2) such Additional Notes must have the same terms as the Initial Notes (other than issue price and date from which interest shall accrue and, if applicable, the initial Interest Payment Dates, except for such differences determined by the Company as appropriate to reflect the later issuance of the Additional Notes and for U.S. federal income tax purposes and securities law purposes); and (3) the Trustee must receive an Officer’s Certificate and an Opinion of Counsel to the effect that such issuance of Additional Notes complies with the provisions of this Indenture, including each provision of this paragraph.

The Notes shall be known and designated as the “2.00% Convertible Senior Notes due 2024” of the Company. The principal amount shall be payable on the Maturity Date.

The principal amount of and premium, if any, on any Physical Notes shall be payable at the Corporate Trust Office and at any other office or agency in the continental United States maintained by the Company for such purpose. Interest on Physical Notes will be payable (i) to Holders holding Physical Notes having an aggregate principal amount of \$1,000,000 or less of Notes, by check mailed to such Holders at the address set forth in the Register and (ii) to Holders holding Physical Notes having an aggregate principal amount of more than \$1,000,000 of Notes, by wire transfer in immediately available funds to an account within the United States designated by such Holder in a written application delivered by such Holder to the Trustee and the Paying Agent not later than one Business Day prior to the relevant Regular Record Date for such interest payment, which application shall remain in effect until such Holder notifies the Trustee and Paying Agent to the contrary in writing. The Company will pay or cause the Paying Agent to pay principal of and premium, if any, and interest on, Global Notes in immediately available funds to the Depository, as the case may be, as the registered holder of such Global Note, on each Interest Payment Date, Fundamental Change Purchase Date, Redemption Date, Tax Redemption Date or other payment date, as the case may be.

Any Notes repurchased or redeemed by the Company will be retired and no longer Outstanding hereunder.

Section 2.02 *Ranking.* The Notes constitute general unsecured obligations of the Company.

Section 2.03 *Denominations.* The Notes shall be issuable only in registered form without coupons and in denominations of \$1,000 and any integral multiple of \$1,000 in excess thereof.

Section 2.04 *Execution, Authentication, Delivery and Dating.* The Notes shall be executed by manual, PDF or facsimile

signature on behalf of the Company by any Officer of the Company.

Notes bearing the manual, PDF or facsimile signatures of individuals who were at any time an Officer of the Company shall bind the Company, notwithstanding that such individual has ceased to hold such office prior to the authentication and delivery of such Notes or did not hold such office at the date of such Notes.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Notes executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Notes. The Company Order shall specify the amount of Notes to be authenticated, and shall further specify the amount of such Notes to be issued as one or more Global Notes or as one or more Physical Notes. The Trustee in accordance with such Company Order shall authenticate and deliver such Notes as provided in this Indenture and not otherwise.

Each Note shall be dated the date of its authentication.

No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Note a certificate of authentication substantially in the form provided for herein executed by an authorized signatory of the Trustee by manual signature, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

The Trustee may appoint an Authenticating Agent acceptable to the Company to authenticate Notes. An Authenticating Agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An Authenticating Agent has the same rights as the Trustee in dealing with the Company or an Affiliate of the Company.

Section 2.05 *Temporary Notes.* Pending the preparation of Physical Notes, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Notes in fully registered form that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the Physical Notes in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the Officer executing such Notes may determine, as evidenced by such Officer's execution of such Notes; *provided*, that any such temporary Notes shall bear legends on the face of such Notes as set forth in the Form of Note attached hereto as Exhibit A and/or Sections 2.07 and 2.11.

After the preparation of Physical Notes, the temporary Notes shall be exchangeable for Physical Notes upon surrender of the temporary Notes at any office or agency of the Company designated pursuant to Section 5.02, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Notes, the Company shall execute and the Trustee shall, upon Company Order, authenticate and deliver in exchange therefor a like principal amount of Physical Notes of authorized denominations. Until so exchanged, the temporary Notes shall in all respects be entitled to the same benefits under this Indenture as Physical Notes.

Section 2.06 *Registration; Registration of Transfer and Exchange.*

(a) The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register in the continental United States (the register maintained in such office and in any other office or agency designated pursuant to Section 5.02 being herein sometimes collectively referred to as the "**Register**") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Notes and of transfers of Notes. The Trustee is hereby appointed "**Registrar**" (the "**Registrar**") for the purpose of registering Notes and transfers of Notes as herein provided.

Upon surrender for registration of transfer of any Note at an office or agency of the Company designated pursuant to Section 5.02 for such purpose, the Company shall execute, and upon receipt of a Company Order the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of any authorized denomination and of a like aggregate principal amount and tenor, each such Note bearing such restrictive legends as may be required by this Indenture (including the Form of Note attached hereto as Exhibit A and Sections 2.07 and 2.11).

At the option of the Holder and subject to the other provisions of Sections 2.07 and 2.11, Notes may be exchanged for other Notes of any authorized denomination and of a like aggregate principal amount and tenor, upon surrender of the Notes to be exchanged at such office or agency. Whenever any Notes are so surrendered for exchange, the Company shall execute, and the Trustee shall, upon receipt of a Company Order, authenticate and deliver, the Notes which the Holder making the exchange is entitled to receive.

All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such registration of transfer or exchange.

Every Note presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing. As a condition to the registration of transfer of any Restricted Notes, the Company or the Trustee may require evidence satisfactory to them as to the compliance with the restrictions set forth in the legend on such Notes.

No service charge shall be made for any registration of transfer or exchange of Notes, but the Company and the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Notes, other than exchanges pursuant to Section 2.11 not involving any transfer.

Neither the Company nor the Registrar shall be required to exchange or register a transfer of any Note in the circumstances set forth in Section 2.11(a)(iv).

(b) Neither any members of, or participants in, the Depositary (collectively, the “**Agent Members**”) nor any other Persons on whose behalf any Agent Member may act shall have any rights under this Indenture with respect to any Global Note registered in the name of the Depositary or any nominee thereof, or under any such Global Note, and the Depositary or such nominee, as the case may be, may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner and Holder of such Global Note for all purposes whatsoever. The Trustee shall have no liability, responsibility or obligation to any Agent Members or any other Person on whose behalf Agent Members may act with respect to (i) any ownership interests in the Global Note, (ii) the accuracy of the records of the Depositary or its nominee, (iii) any notice required hereunder, (iv) any payments under or with respect to the Global Note (v) or actions taken or not taken by any Agent Members.

(c) Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written or electronic certification, proxy or other authorization furnished by the Depositary or such nominee, as the case may be, or impair, as between the Depositary, its Agent Members and any other Person on whose behalf an Agent Member may act, the operation of customary practices of such Persons governing the exercise of the rights of a Holder of any Note. The registered Holder of a Global Note may grant proxies and otherwise authorize any Person, including Agent Members and persons that may hold interests through Agent Members, to take any action that a Holder is entitled to take under this Indenture or the Notes.

#### Section 2.07 *Transfer Restrictions.*

##### (a) *Restricted Notes.*

(i) Every Note (and all securities issued in exchange therefor or substitution thereof) that bears, or that is required under this Section 2.07 to bear, the Restricted Notes Legend will be deemed to be a “**Restricted Note.**” Each Restricted Note will be subject to the restrictions on transfer set forth in this Indenture (including in the Restricted Notes Legend) and will bear a restricted CUSIP number for the Notes unless such restrictions on transfer are eliminated or otherwise waived by written consent of the Company (including without limitation, by the Company’s delivery of the Free Transferability Certificate as provided herein), and each Holder of a Restricted Note, by such Holder’s acceptance of such Restricted Note, will be deemed to be bound by the applicable restrictions on transfer applicable to such Restricted Note.

(ii) Until the Resale Restriction Termination Date, any Note will bear the Restricted Notes Legend unless:

(A) such Note was transferred to a Person (other than the Company or an affiliate of the Company (within the meaning of Rule 144)) pursuant to a registration statement that was effective under the Securities Act at the time of such transfer; or

(B) such Note was transferred pursuant to the exemption from registration provided by Rule 144 or any similar provision then in force under the Securities Act; or

(C) the Company delivers written notice to the Trustee and the Registrar (including, without limitation, by the Company’s delivery of the Free Transferability Certificate as provided herein) stating that the Restricted Notes Legend may be removed from such Note and all Applicable Procedures have been complied with.

(iii) In addition, until the Resale Restriction Termination Date:

(A) no transfer of any Note will be registered by the Registrar unless the transferring Holder delivers a notice substantially in the form of the Form of Assignment and Transfer, with the appropriate box checked, to the

Trustee and such transfer complies with the transfer restrictions set forth in the Restricted Notes Legend; and

(B) no Affiliate of the Company, or any Person that has been an affiliate of the Company (within the meaning of Rule 144) within the previous three months, shall acquire any Restricted Notes or request that the Registrar register the transfer of any Restricted Notes to it.

(iv) On and after the Resale Restriction Termination Date, any Note will bear the Restricted Notes Legend at any time the Company determines that, to comply with law, such Note must bear the Restricted Notes Legend.

(b) *Restricted Shares.*

(i) Every Class C Common Share that bears, or that is required under this Section 2.07 to bear, the Restricted Share Legend, will be deemed to be a “**Restricted Share**”. Each Restricted Share will be subject to the restrictions on transfer set forth in this Indenture (including in the Restricted Share Legend) and will bear a restricted CUSIP number unless such restrictions on transfer are eliminated or otherwise waived by written consent (including, without limitation, by the Company’s delivery of the Free Transferability Certificate as provided herein) of the Company, and each Holder of Restricted Shares, by such Holder’s acceptance of Restricted Shares, will be deemed to be bound by the restrictions on transfer applicable to such Restricted Shares.

(ii) Until the Resale Restriction Termination Date, any Class C Common Shares issued upon the conversion of a Restricted Note, will be issued in book-entry form and will bear the Restricted Share Legend, unless the Company delivers written notice to the Trustee, the Registrar and the transfer agent for the Class C Common Shares stating that such Class C Common Shares need not bear the Restricted Share Legend.

(iii) On and after the Resale Restriction Termination Date, Class C Common Shares issued upon conversion of a Restricted Note will be issued in book-entry or certificated form (as determined by the Company) and will bear the Restricted Share Legend at any time the Company reasonably determines that, to comply with law, such Class C Common Shares must bear the Restricted Share Legend.

(c) As used in this Section 2.07, the term “**transfer**” means any sale, pledge, transfer, loan, hypothecation or other disposition whatsoever of any Restricted Note, any interest therein or any Restricted Shares.

#### Section 2.08 *Expiration of Restrictions.*

(a) *Physical Notes.* Any Physical Note (or any security issued in exchange or substitution therefor) that does not constitute a Restricted Note may be exchanged for a new Note or Notes of like tenor and aggregate principal amount that do not bear the Restricted Notes Legend. To exercise such right of exchange, the Holder of such Note must surrender such Note in accordance with the provisions of Section 2.11 and deliver any additional documentation reasonably required by the Company, the Trustee or the Registrar in connection with such exchange.

(b) *Restricted Global Notes; Resale Restriction Termination Date.*

(i) If, on the Free Trade Date, or the next succeeding Business Day if the Free Trade Date is not a Business Day, any Notes are represented by a Global Note that is a Restricted Note (any such Global Note, a “**Restricted Global Note**”), the Company will use reasonable efforts to effect an exchange of every beneficial interest in each Restricted Global Note for beneficial interests in Global Notes that are not subject to the restrictions set forth in the Restricted Notes Legend and in Section 2.07 hereof on or prior to the 375<sup>th</sup> day after the Issue Date.

(ii) To effect such exchange, the Company will use reasonable efforts to (A) deliver to the Depository an instruction letter for the Depository’s mandatory exchange process within a period of time that is reasonably likely to result in such exchange occurring on or prior to the 375<sup>th</sup> day after the Issue Date and (B) deliver to each of the Trustee and the Registrar a duly completed Free Transferability Certificate promptly after the Free Trade Date. The first date on which both the Trustee and the Registrar have received the Free Transferability Certificate will be known as the “**Resale Restriction Termination Date**”.

(iii) Immediately upon receipt of the Free Transferability Certificate by each of the Trustee and the Registrar:

(A) the Restricted Notes Legend will be deemed removed from each of the Global Notes specified in such Free Transferability Certificate and the restricted CUSIP number will be deemed removed from each of such Global Notes and deemed replaced with an unrestricted CUSIP number specified in the relevant Free Transferability Certificate;

(B) the Restricted Share Legend will be deemed removed from any Class C Common Shares previously issued upon conversion of the Notes; and

(C) thereafter, Class C Common Shares issued upon conversion of the Notes will be assigned an unrestricted CUSIP number and will not bear the Restricted Share Legend (except as provided in Section 2.07(b)(iii)) or any similar legend.

(iv) Promptly after the Resale Restriction Termination Date, the Company will provide Bloomberg LLP (if then generally in use) with a copy of the Free Transferability Certificate and will use reasonable efforts to cause Bloomberg LLP (if then generally in use) to adjust its screen page for the Notes to indicate that the Notes are no longer Restricted Notes and are then identified by an unrestricted CUSIP number.

(v) Prior to the Company's delivery of the Free Transferability Certificate and afterwards, the Company and the Trustee will comply with the Applicable Procedures and the Company will otherwise use reasonable efforts to cause each Global Note to be identified by an unrestricted CUSIP number in the facilities of the Depositary by the date the Free Transferability Certificate is delivered to the Trustee and the Registrar or as promptly as possible thereafter.

(vi) Notwithstanding anything to the contrary in Sections 2.08(b)(i), (ii) or (iii), the Company will not be required to deliver the Free Transferability Certificate if it reasonably believes that removal of the Restricted Notes Legend or the changes to the CUSIP numbers for the Notes could result in or facilitate transfers of the Notes in violation of applicable law.

**Section 2.09 *Mutilated, Destroyed, Lost and Stolen Notes*** If any mutilated Note is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Note of like tenor and principal amount and bearing a number not contemporaneously Outstanding. If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Note and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless and such other reasonable requirements as may be imposed by the Company as permitted by Section 8-405 of the Uniform Commercial Code have been satisfied, then, in the absence of notice to the Company or the Trustee that such Note has been acquired by a protected purchaser, the Company shall execute and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Note, a new Note of like tenor and principal amount and bearing a number not contemporaneously Outstanding.

In case any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Note, pay such Note.

Upon the issuance of any new Note under this Section 2.09, the Company may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Note issued pursuant to this Section 2.09 in lieu of any destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

**Section 2.10 *Persons Deemed Owners.*** Prior to due presentment of a Note for registration of transfer and registration thereof, the Company, the Trustee, the Registrar and any agent of the Company, the Trustee or the Registrar shall treat the Person in whose name such Note is registered in the Register as the owner of such Note for the purpose of receiving payment of the principal of such Note and for all other purposes whatsoever, whether or not such Note be overdue, and neither the Company, the Trustee, the Registrar nor any agent of the Company, the Trustee or the Registrar shall be affected by notice to the contrary.

**Section 2.11 *Transfer and Exchange.***

(a) *Provisions Applicable to All Transfers and Exchanges.*

(i) Subject to the restrictions set forth in Section 2.07, Section 2.10 and this Section 2.11, Physical Notes and beneficial interests in Global Notes may be transferred or exchanged from time to time as desired, and each such transfer or exchange will be noted by the Registrar in the Register.

(ii) All Notes issued upon any registration of transfer or exchange in accordance with this Indenture will be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture as the Notes surrendered upon such registration of transfer or exchange.

(iii) No service charge will be imposed on any Holder of a Physical Note or any owner of a beneficial interest in a Global Note for any exchange or registration of transfer, but each of the Company, the Trustee or the Registrar may require such Holder or owner of a beneficial interest to pay a sum sufficient to cover any transfer tax, stamp tax, assessment or other governmental charge imposed in connection with such registration of transfer or exchange required by law or permitted by this Indenture.

(iv) Unless the Company specifies otherwise, none of the Company, the Trustee, the Registrar or any co-Registrar will be required to exchange or register a transfer of any Note (i) selected for redemption, (ii) that has been surrendered for conversion or (iii) as to which a Fundamental Change Purchase Notice has been delivered and not withdrawn, except to the extent any portion of such Note is not subject to the foregoing.

(v) The Trustee will have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Depositary participants or beneficial owners of interests in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(b) *In General; Transfer and Exchange of Beneficial Interests in Global Notes.* So long as the Notes are eligible for book-entry settlement with the Depositary, unless otherwise required by law, except to the extent required by Section 2.11(c):

(i) all Notes will be represented by one or more Global Notes;

(ii) every registration of transfer and exchange of a beneficial interest in a Global Note will be effected through the Depositary in accordance with the Applicable Procedures and the provisions of this Indenture (including the restrictions on transfer set forth in Section 2.07); and

(iii) each Global Note may be transferred only as a whole and only (A) by the Depositary to a nominee of the Depositary, (B) by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or (C) by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary.

(c) *Transfer and Exchange of Global Notes.*

(i) Notwithstanding any other provision of this Indenture, each Global Note will be exchanged for Physical Notes if the Depositary delivers notice to the Company that:

(A) the Depositary is unwilling or unable to continue to act as Depositary; or

(B) the Depositary is no longer permitted under applicable law to continue as Depositary for such Global Note;

and, in each case, the Company promptly delivers a copy of such notice to the Trustee and the Company fails to appoint a successor Depositary within 90 days after receiving notice from the Depositary.

In each such case, each Global Note will be deemed surrendered to the Trustee for cancellation, and the Trustee will cause each Global Note to be cancelled in accordance with the Applicable Procedures, and the Company, in accordance with Section 2.04, will promptly execute, and, upon receipt of a Company Order, the Trustee will, in accordance with Section 2.04, promptly authenticate and deliver, for each beneficial interest in each Global Note so exchanged, an aggregate principal amount of Physical Notes equal to the aggregate principal amount of such beneficial interest, registered in such names and in such authorized denominations as the Depositary specifies, and bearing any legends that such Physical Notes are required to bear under Section 2.07.

(ii) In addition, if (x) the Company, in its sole discretion, notifies the Trustee in writing that it wishes to terminate and exchange all or part of a Global Note for Physical Notes and the beneficial owners of the majority of the principal amount of such Global Note (or portion thereof) to be exchanged consent to such exchange, the Company may exchange all beneficial interests in such Global Note (or portion thereof) for Physical Notes by delivering a written request to the Registrar or (y) an Event of Default has occurred with regard to the Notes represented by the relevant

Global Note and such Event of Default has not been cured or waived, any owner of a beneficial interest in a Global Note may deliver a written request to the Registrar to exchange such beneficial interest for Physical Notes.

In such case, (A) the Registrar will deliver notice of such request to the Company and the Trustee, which notice will identify the aggregate principal amount of such beneficial interest and the CUSIP number(s) of the relevant Global Note; (B) the Company will, in accordance with Section 2.04, promptly execute, and, upon receipt of a Company Order, the Trustee, in accordance with Section 2.04, will promptly authenticate and deliver, to such owner, for the beneficial interest so exchanged by such owner, Physical Notes registered in such owner's name having an aggregate principal amount equal to the aggregate principal amount of such beneficial interest and bearing any legends that such Physical Notes are required to bear under Section 2.07, and (C) the Registrar, in accordance with the Applicable Procedures, will cause the principal amount of such Global Note to be decreased by the aggregate principal amount of the beneficial interest so exchanged. If all of the beneficial interests in a Global Note are so exchanged, such Global Note will be deemed surrendered to the Trustee for cancellation, and the Trustee will cause such Global Note to be cancelled in accordance with the Applicable Procedures.

(d) *Transfer and Exchange of Physical Notes.*

(i) If Physical Notes are issued, a Holder may transfer a Physical Note by: (A) surrendering such Physical Note for registration of transfer to the Registrar, together with any endorsements or instruments of transfer required by any of the Company, the Trustee or the Registrar; (B) if such Physical Note is a Restricted Note, delivering any documentation that the Company, the Trustee or the Registrar require to ensure that such transfer complies with Section 2.07 and any applicable securities laws; and (C) satisfying all other requirements for such transfer set forth in this Section 2.11 and Section 2.07. Upon the satisfaction of conditions (A), (B) and (C), the Company, in accordance with Section 2.04, will promptly execute and deliver to the Trustee, and the Trustee, upon receipt of a Company Order, will, in accordance with Section 2.04, promptly authenticate and deliver, in the name of the designated transferee or transferees, one or more new Physical Notes, of any authorized denomination, having like aggregate principal amount and bearing any restrictive legends required by Section 2.07 and/or the Form of Note attached hereto as Exhibit A.

(ii) If Physical Notes are issued, a Holder may exchange a Physical Note for other Physical Notes of any authorized denominations and aggregate principal amount equal to the aggregate principal amount of the Notes to be exchanged by surrendering such Notes, together with any endorsements or instruments of transfer required by any of the Company, the Trustee or the Registrar, at any office or agency maintained by the Company for such purposes pursuant to Section 5.02. Whenever a Holder surrenders Notes for exchange, the Company, in accordance with Section 2.04, will promptly execute and deliver to the Trustee, and the Trustee, upon receipt of a Company Order, will, in accordance with Section 2.04, promptly authenticate and deliver the Notes that such Holder is entitled to receive, bearing registration numbers not contemporaneously Outstanding and any restrictive legends that such Physical Notes are required to bear under Section 2.07.

(iii) If Physical Notes are issued, a Holder may transfer or exchange a Physical Note for a beneficial interest in a Global Note by (A) surrendering such Physical Note for registration of transfer or exchange, together with any endorsements or instruments of transfer required by any of the Company, the Trustee or the Registrar, at any office or agency maintained by the Company for such purposes pursuant to Section 5.05; (B) if such Physical Note is a Restricted Note, delivering any documentation the Company, the Trustee or the Registrar reasonably require to ensure that such transfer complies with Section 2.07 and any applicable securities laws; (C) satisfying all other requirements for such transfer set forth in this Section 2.11 and Section 2.07; and (D) providing written instructions to the Trustee to make, or to direct the Registrar to make, an adjustment in its books and records with respect to the applicable Global Note to reflect an increase in the aggregate principal amount of the Notes represented by such Global Note, which instructions will contain information regarding the Depository account to be credited with such increase. Upon the satisfaction of conditions (A), (B), (C) and (D), the Trustee will cancel such Physical Note and cause, or direct the Registrar to cause, in accordance with the Applicable Procedures, the aggregate principal amount of Notes represented by such Global Note to be increased by the aggregate principal amount of such Physical Note, and will credit or cause to be credited the account of the Person specified in the instructions provided by the exchanging Holder in an amount equal to the aggregate principal amount of such Physical Note. If no Global Notes are then Outstanding, the Company, in accordance with Section 2.04, will promptly use reasonable efforts to execute and deliver to the Trustee, and the Trustee, upon receipt of a Company Order, will, in accordance with Section 2.04, authenticate, a new Global Note in the appropriate aggregate principal amount.

Section 2.12 *Cancellation.* The Company at any time may deliver to the Trustee for cancellation any Notes previously authenticated and delivered hereunder that the Company may have acquired in any manner whatsoever, and may deliver to the Trustee for cancellation any Notes previously authenticated hereunder which the Company has not issued and sold. The Trustee shall cancel all Notes surrendered for registration of transfer, exchange, payment, purchase, repurchase, conversion or cancellation in accordance with



its customary practices. The Notes acquired by the Company, while held by or on behalf of the Company or any of its Subsidiaries, shall not entitle the Holder thereof to convert the Notes. The Company may not issue new Notes to replace Notes it has paid in full or delivered to the Trustee for cancellation. The Company or any of its Subsidiaries may from time to time repurchase Notes in open market purchases or negotiated transactions without giving prior notice to Holders. Any Notes purchased by the Company or its Subsidiaries will be retired and no longer Outstanding under this Indenture.

The Trustee shall retain, in accordance with its customary procedures, copies of all letters, notices and other written communications received pursuant to this Section 2.12. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Trustee.

None of the Trustee, the Registrar or the Paying Agent shall have any responsibility or obligation to any beneficial owner of an interest in a Global Note, any Agent Member or other member of, or a participant in, the Depository or other Person with respect to the accuracy of the records of the Depository or any nominee or participant or member thereof, with respect to any ownership interest in the Notes or with respect to the delivery to any Agent Member or other participant, member, beneficial owner or other Person (other than the Depository) of any notice or the payment of any amount or delivery of any Notes (or other security or property) under or with respect to such Notes. All notices and communications to be given to the Holders and all payments to be made to Holders in respect of the Notes shall be given or made only to or upon the order of the registered Holders (which shall be the Depository or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note shall be exercised only through the Depository, subject to its applicable rules and procedures. The Trustee, Note Registrar and Paying Agent may rely and shall be fully protected in relying upon information furnished by the Depository with respect to its Agent Members and other members, participants and any beneficial owners.

Neither the Trustee nor any agent shall have any responsibility or liability for any actions taken or not taken by the Depository.

Section 2.13 *CUSIP Numbers*. In issuing the Notes, the Company may use “CUSIP” numbers (if then generally in use); *provided* that the Trustee shall have no liability for any defect in the CUSIP numbers as they appear on any Notes, notice, or elsewhere and; *provided further*, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes and that reliance may be placed only on the other identification numbers printed on the Notes. The Company will promptly notify the Trustee in writing of any change in the “CUSIP” numbers.

Section 2.14 *Payment and Computation of Interest*. The Notes will bear cash interest at a rate of 2.00% per year until the Maturity Date. Interest on the Notes will accrue from the most recent date on which interest has been paid or duly provided for or, if no interest has been paid or duly provided for (i) in the case of the Initial Notes, June 28, 2019 or (ii) in the case of the Additional Notes, the date on which such Additional Notes are originally issued. Interest will be paid to the Person in whose name a Note is registered at the Close of Business on the Regular Record Date immediately preceding the relevant Interest Payment Date semiannually in arrears on each Interest Payment Date; *provided*, alternate record dates may be established by the Company and the Trustee with respect to any interest not paid on its originally scheduled due date. Interest on the Notes shall be computed on the basis of a 360-day year consisting of twelve 30-day months and, for partial months, on the basis of the number of days actually elapsed in a 30-day month. For the avoidance of doubt, the payment, or lack of payment, of interest on Notes surrendered for conversion will be governed by Section 4.03(d).

Section 2.15 *Business Day*. If any Interest Payment Date, the Maturity Date, any Redemption Date or Tax Redemption Date, as applicable, or any Fundamental Change Purchase Date falls on a day that is not a Business Day, the required payment will be made on the next succeeding Business Day and no interest on such payment will accrue in respect of the additional period of time before payment.

### ARTICLE 3.

#### REPURCHASE AT THE OPTION OF THE HOLDERS

Section 3.01 *Purchase at Option of Holders upon a Fundamental Change*. If a Fundamental Change occurs at any time, then each Holder shall have the right, at such Holder’s option, to require the Company to purchase for cash all or any portion of such Holder’s Notes such that the remaining principal amount of each Note that is not purchased in full equals \$1,000 or an integral multiple of \$1,000 in excess thereof, on a date (the “**Fundamental Change Purchase Date**”) specified by the Company that is not less than 20 Business Days or more than 35 Business Days following the date on which the Company delivers the Fundamental Change Company Notice, at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to, but excluding, the Fundamental Change Purchase Date (the “**Fundamental Change Purchase Price**”); *provided, however*, that if the Company purchases a Note on a Fundamental Change Purchase Date that is after a Regular Record Date and on or prior to the Interest Payment Date corresponding to such Regular Record Date, the Company shall instead pay the full amount of such accrued and unpaid interest on such Note on the Interest Payment Date to the Holder of record of such Note as of such Regular Record Date and the Fundamental Change Purchase Price shall then be equal to 100% of the principal amount of the Note the Company purchases on such

Fundamental Change Purchase Date. Notwithstanding the foregoing, there shall be no purchase of any Notes pursuant to this Section 3.01 if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to the Fundamental Change Purchase Date (except in the case of an acceleration resulting from a Default by the Company in the payment of the Fundamental Change Purchase Price with respect to such Notes). The Paying Agent will promptly return to the respective Holders thereof any Physical Notes held by it during the acceleration of the Notes (except in the case of an acceleration resulting from a Default by the Company in the payment of the Fundamental Change Purchase Price with respect to such Notes) and shall deem to be cancelled any instructions for book-entry transfer of the Notes in compliance with the Applicable Procedures, in which case, upon such return or cancellation, as the case may be, the Fundamental Change Purchase Notice with respect thereto shall be deemed to have been withdrawn.

Section 3.02 *Fundamental Change Company Notice.*

(a) *General.* Promptly (but in no event later than ten calendar days) after the occurrence of a Fundamental Change, the Company shall provide to all Holders of the Notes, the Trustee and the Paying Agent (in the case of any Paying Agent other than the Trustee) a written notice (the “**Fundamental Change Company Notice**”) of the occurrence of such Fundamental Change and of the purchase right at the option of the Holders arising as a result thereof. Such notice shall be sent by first class mail or, in the case of any Global Notes, in accordance with the Applicable Procedures for providing notices. Simultaneously with providing such Fundamental Change Company Notice, the Company shall publish a press release and publish such information on the Company’s website. Each Fundamental Change Company Notice shall specify:

- (i) the events causing the Fundamental Change;
- (ii) the Effective Date of the Fundamental Change, and whether the Fundamental Change is a Make-Whole Fundamental Change, in which case the Effective Date of the Make-Whole Fundamental Change;
- (iii) the last date on which a Holder may exercise the purchase right pursuant to Section 3.01;
- (iv) the Fundamental Change Purchase Price;
- (v) the Fundamental Change Purchase Date;
- (vi) the name and address of the Paying Agent and the Conversion Agent, if applicable;
- (vii) the applicable Conversion Rate and any adjustments to the applicable Conversion Rate resulting from the Fundamental Change;
- (viii) if applicable, that the Notes with respect to which a Fundamental Change Purchase Notice has been delivered by a Holder may be converted only if the Holder withdraws the Fundamental Change Purchase Notice in accordance with this Indenture;
- (ix) that the Holder must exercise the purchase right prior to the Fundamental Change Expiration Time;
- (x) that the Holder shall have the right to withdraw any Notes surrendered for purchase prior to the Fundamental Change Expiration Time; and
- (xi) the procedures that Holders must follow to require the Company to purchase their Notes.

(b) No failure of the Company to give the foregoing notices and no defect therein shall limit the Holders’ repurchase rights or affect the validity of the proceedings for the repurchase of the Notes pursuant to Section 3.01.

(c) At the Company’s written request, the Trustee shall give such notice in the Company’s name and at the Company’s expense; *provided, however*, that, in all cases, the text of such Fundamental Change Company Notice shall be prepared by the Company; *provided, further* that the Company shall have delivered to the Trustee, at least five (5) Business Days before the Fundamental Change Company Notice is required to be mailed (or such shorter period agreed to by the Trustee), an Officer’s Certificate requesting that the Trustee give such notice and setting forth the complete form of such notice and the information to be stated in such notice. Neither the Trustee nor the Paying Agent shall be responsible for determining if a Fundamental Change has occurred or for delivering a Fundamental Change Company Notice to Holders.

Section 3.03 *Repurchase Procedures.*

- (a) Purchases of Notes under Section 3.01 shall be made, at the option of the Holder thereof, upon:

(i) if the Notes to be purchased are Physical Notes, delivery to the Paying Agent by the Holder of a duly completed notice (the “**Fundamental Change Purchase Notice**”), in the form set forth in Attachment 2 to the Form of Note attached hereto as Exhibit A, together with the Notes duly endorsed for transfer, prior to Close of Business on or before the second Business Day immediately preceding the Fundamental Change Purchase Date, (the “**Fundamental Change Expiration Time**”); and

(ii) if the Notes to be purchased are Global Notes, delivery of the Notes, by book-entry transfer, in compliance with the Applicable Procedures and the satisfaction of any other requirements of the Depository in connection with delivering beneficial interests in a Global Note for purchase, by the Fundamental Change Expiration Time.

The Fundamental Change Purchase Notice in respect of any Notes to be purchased shall state:

(i) if certificated, the certificate numbers of such Notes;

(ii) the portion of the principal amount of such Notes to be purchased, which must be such that the principal amount of each Note that is not to be purchased in full equals \$1,000 or an integral multiple of \$1,000 in excess thereof; and

(iii) that such Notes are to be purchased by the Company pursuant to the applicable provisions of the Notes and this Indenture.

(b) *Notice to Company.* The Paying Agent shall promptly notify the Company of the receipt by it of any Fundamental Change Purchase Notice or written notice of withdrawal thereof.

Section 3.04 *Effect of Fundamental Change Purchase Notice.* Upon receipt by the Paying Agent of a Fundamental Change Purchase Notice specified in Section 3.03, the Holder of the Note in respect of which such Fundamental Change Purchase Notice was given shall (unless such Fundamental Change Purchase Notice is withdrawn in accordance with Section 3.05) thereafter be entitled to receive solely the Fundamental Change Purchase Price in cash with respect to such Note (and any previously accrued and unpaid interest on such Note if not included in the Fundamental Change Purchase Price). Such Fundamental Change Purchase Price shall be paid promptly to such Holder, subject to receipt of funds from the Company by the Paying Agent, on the later of (x) the applicable Fundamental Change Purchase Date (provided the conditions in this Article 3 have been satisfied) and (y) the time of delivery or book-entry transfer of such Note to the Paying Agent by the Holder thereof in the manner required by Section 3.01.

Section 3.05 *Withdrawal of Fundamental Change Purchase Notice.* A Fundamental Change Purchase Notice may be withdrawn (in whole or in part) by means of a written notice of withdrawal delivered to the Paying Agent in accordance with the Fundamental Change Company Notice at any time prior to the Fundamental Change Expiration Time specifying:

(a) the principal amount of the Notes with respect to which such notice of withdrawal is being submitted;

(b) if certificated, the certificate numbers of the withdrawn Notes; and

(c) the principal amount, if any, of each Note that remains subject to the Fundamental Change Purchase Notice which must be such that the principal amount not to be purchased equals \$1,000 or an integral multiple of \$1,000 in excess thereof;

*provided, however,* that if the Notes are Global Notes, the notice must comply with the Applicable Procedures.

The Paying Agent will promptly return to the respective Holders thereof any Physical Notes with respect to which a Fundamental Change Purchase Notice, has been withdrawn in compliance with the provisions of this Section 3.05.

Section 3.06 *Deposit of Fundamental Change Purchase Price.* Prior to 10:00 a.m., New York City time, on the Fundamental Change Purchase Date the Company shall deposit with the Paying Agent (or, if the Company or a Subsidiary or an Affiliate of either of them is acting as the Paying Agent, shall segregate and hold in trust as provided herein) an amount of money in U.S. dollars (in immediately available funds if deposited on such Business Day) sufficient to pay the Fundamental Change Purchase Price of all the Notes or portions thereof that are to be purchased as of the Fundamental Change Purchase Date. If the Paying Agent holds cash sufficient to pay the Fundamental Change Purchase Price of the Notes for which a Fundamental Change Purchase Notice has been delivered and not withdrawn in accordance with this Indenture on the Fundamental Change Purchase Date then as of such Fundamental Change Purchase (a) such Notes will cease to be Outstanding and interest will cease to accrue thereon (whether or not book-entry transfer of such Notes is made or such Notes have been delivered to the Paying Agent) and (b) all other rights of the Holders in respect thereof will terminate (other than the right to receive the Fundamental Change Purchase Price and any previously accrued and unpaid interest, if not included in the Fundamental Change Purchase Price, on such Notes upon delivery or book-entry transfer of such Notes).

Section 3.07 *Notes Purchased in Whole or in Part*. Any Note that is to be purchased pursuant to this Article 3, whether in whole or in part, shall be surrendered at the office of the Paying Agent (with due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and, to the extent that only a part of the Note so surrendered is to be purchased, the Company shall execute and, upon receipt of a Company Order, the Trustee shall authenticate and deliver to the Holder of such Note, without service charge, a new Note or Notes, of any authorized denomination as requested by such Holder in aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Note so surrendered that is not purchased.

Section 3.08 *Covenant To Comply with Applicable Laws upon Purchase of Notes*. In connection with any offer to purchase Notes under Sections 3.01, the Company shall, in each case if required by law (i) comply with Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act that may then be applicable, (ii) file a Schedule TO or any other required schedule under the Exchange Act and (iii) otherwise comply with all U.S. federal or state securities laws applicable to the Company in connection with such purchase offer, in each case, so as to permit the rights and obligations under this Article 3 to be exercised in the time and in the manner specified under this Article 3.

Section 3.09 *Repayment to the Company*. To the extent that the aggregate amount of cash deposited by the Company pursuant to Section 3.06 exceeds the aggregate Fundamental Change Purchase Price of the Notes or portions thereof that the Company is obligated to purchase as of the Fundamental Change Purchase Date then, following the Fundamental Change Purchase Date the Paying Agent shall promptly return any such excess to the Company.

#### ARTICLE 4. CONVERSION

Section 4.01 *Right To Convert*(a) . (a) Subject to and upon compliance with the provisions of the Indenture, each Holder shall have the right, at such Holder's option, to convert any or all of its Notes, or any portion thereof, such that the principal amount that remains Outstanding of each Note that is not converted in full equals \$1,000 or an integral multiple of \$1,000 in excess thereof, into the Settlement Amount determined in accordance with Section 4.03(a)(ii) hereof, (x) prior to the Close of Business on the Business Day immediately preceding January 15, 2024, only upon satisfaction of one or more of the conditions described in Section 4.01(b) hereof, and (y) on or after January 15, 2024, at any time prior to the Close of Business on the second Scheduled Trading Day immediately preceding the Maturity Date regardless of the conditions described in Section 4.01(b) hereof.

(b) (i) Prior to the Close of Business on the Business Day immediately preceding January 15, 2024, a Holder may surrender all or a portion of its Notes for conversion during any calendar quarter commencing after September 30, 2019 (and only during such calendar quarter) if the Last Reported Sale Price per Class C Common Share for each of at least 20 Trading Days (whether or not consecutive) during the period of 30 consecutive Trading Days ending on and including the last Trading Day of the immediately preceding calendar quarter is greater than or equal to 130% of the applicable Conversion Price in effect on each applicable Trading Day.

(ii) Prior to the Close of Business on the Business Day immediately preceding January 15, 2024, a Holder may surrender all or a portion of its Notes for conversion during the five consecutive Business Day period immediately after any five consecutive Trading Day period (the "**Measurement Period**") in which the Trading Price per \$1,000 principal amount of Notes, as determined following a request by a Holder in accordance with the procedures set forth in this Section 4.01(b)(ii), for each Trading Day of such Measurement Period was less than 98% of the product of (x) the Last Reported Sale Price of the Class C Common Shares on such Trading Day and (y) the Conversion Rate in effect on such Trading Day. The Trading Price shall be determined by the Company or the Bid Solicitation Agent, as applicable, pursuant to this Section 4.01(b)(ii) and the definition of "Trading Price" set forth in Section 1.01 hereof. The Company shall provide notice to the Bid Solicitation Agent of the three independent nationally recognized securities dealers selected by the Company in accordance with the definition of Trading Price, along with the appropriate contact information for each. The Bid Solicitation Agent (if other than the Company) shall have no obligation to determine the Trading Price of the Notes unless the Company has requested such determination; and the Company shall have no obligation to make such request (or, if the Company is acting as Bid Solicitation Agent, the Company shall have no obligation to determine the Trading Price) unless a Holder of at least \$5,000,000 aggregate principal amount of Notes provides it with reasonable evidence that the Trading Price per \$1,000 principal amount of Notes would be less than 98% of the product of (x) the Last Reported Sale Price of the Class C Common Shares on such Trading Day and (y) the Conversion Rate in effect on such Trading Day. At such time, the Company shall instruct the Bid Solicitation Agent (if other than the Company) to determine (or, if the Company is acting as Bid Solicitation Agent, it shall determine) the Trading Price per \$1,000 principal amount of the Notes beginning on the next Trading Day and on each successive Trading Day until the Trading Price per \$1,000 principal amount of Notes for a Trading Day is greater than or equal to 98% of the product of (x) the Last Reported Sale Price of the Class C Common Shares on such Trading Day and (y) the Conversion Rate in effect on such Trading Day. Whenever the condition to conversion set forth in this

Section 4.01(b)(ii) has been met, the Company shall so notify the Holders, the Trustee and the Conversion Agent (if other than the Trustee). If, at any time after the condition to conversion set forth in this Section 4.01(b)(ii) has been met, the condition to conversion set forth in this Section 4.01(b)(ii) ceases to be met, the Company will so notify the Holders, the Trustee and the Conversion Agent (if other than the Trustee). The Trustee shall have no obligation to determine the Trading Price of the Notes. For the avoidance of doubt, the failure to provide the notice referred to in the immediately preceding sentence will not extend the five consecutive Business Day period during which the Notes will be convertible as described in this Section 4.01(b)(ii).

(iii) If the Company (x) issues to all or substantially all holders of the Class C Common Shares any rights, options or warrants entitling them for a period of not more than 45 days after the date of such issuance to subscribe for or purchase Class C Common Shares, at a price per share less than the average of the Last Reported Sale Prices of the Class C Common Shares for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance; or (y) distributes to all or substantially all holders of the Class C Common Shares the Company's assets, debt securities or rights to purchase the Company's securities, which distribution has a per share value, as reasonably determined by the Board of Directors, exceeding 10% of the Last Reported Sale Price of the Class C Common Shares on the Trading Day immediately preceding the date of announcement of such distribution, then, in either case, the Company must deliver notice of such issuance or distribution, and of the Ex-Dividend Date for such issuance or distribution, to the Holders at least 90 Scheduled Trading Days prior to the Ex-Dividend Date for such issuance or distribution. However, if the Company is then otherwise permitted to settle conversions by Physical Settlement, then the Company may instead elect to provide such notice at least 15 Scheduled Trading Days prior to the Ex-Dividend date. In that case, the Company will be required to settle all conversions with a Conversion Date occurring during the period (the "**Distributions Trigger Irrevocable Physical Settlement Period**") on or after the date the Company provides such notice and on or before such Ex-Dividend Date by Physical Settlement, and the Company will describe the same in the notice. After the Company has delivered such notice, Holders may surrender all or a portion of their Notes for conversion at any time until the earlier of (a) the Close of Business on the Business Day immediately preceding such Ex-Dividend Date and (b) the Company's announcement that such issuance or distribution will not take place, even if the Notes are not otherwise convertible at such time.

(iv) If the Company publicly announces a transaction or event that would, if consummated, constitute a Fundamental Change, a Make-Whole Fundamental Change or Share Exchange Event, or if any such transaction or event occurs (regardless of whether the Holders would have the right to require the Company to purchase their Notes pursuant to Article 3), the Company shall mail notice (a "**Specified Corporate Transaction Notice**") of such specified corporate transaction or event to the Holders, the Trustee and the Conversion Agent no later than one Business Day following the effective date of such transaction or event. For any such potential Fundamental Change, Make-Whole Fundamental Change or Share Exchange Event, the Specified Corporate Transaction Notice shall describe:

- (A) the transaction or event;
- (B) the anticipated effective date of such transaction or event;
- (C) the Holder's right to convert their Notes in accordance with Section 4.01(b)(iv);
- (D) the Conversion Rate in effect on the date the Company mails such notice;
- (E) that an adjustment to the Conversion Rate is expected to be made pursuant to Section 4.05 as a result of such transaction or event and the formula for determining such adjustment;
- (F) whether the relevant transaction or event is expected to constitute a Share Exchange Event, and, if so, that the Notes will become convertible into Reference Property, subject to the settlement provisions of this Indenture;
- (G) whether the relevant transaction or event is expected to constitute a Fundamental Change, and, if so, that Holders will have the right to require the Company to purchase their Notes pursuant to Article 3; and
- (H) whether the relevant transaction or event is expected to constitute a Make-Whole Fundamental Change, and, if so, that the Conversion Rate will be increased under Section 4.06 for Notes converted in connection with such Make-Whole Fundamental Change.

Upon the Company's delivery of a Specified Corporate Transaction Notice, a Holder may surrender all or a portion of its Notes for conversion at any time until the earlier of (i) the 35th Trading Day immediately following the effective date of such transaction or event or, if such transaction or event constitutes a Fundamental Change, the Business Day immediately preceding the related Fundamental Change Purchase Date and (ii) the second Scheduled

Trading Day immediately preceding the Maturity Date.

(v) If the Company calls any or all Notes for redemption in accordance with Section 11.01 or Section 11.02, Holders may convert all or a portion of their Notes at any time after the date the Company sends the Notice of Redemption or Notice of Tax Redemption and prior to the Close of Business on the Business Day immediately preceding the Redemption Date or the Tax Redemption Date, even if the Notes are not otherwise convertible at such time. After that time, the right to convert such Notes will expire, unless the Company defaults in the payment of the Redemption Price, in which case a Holder may convert all or any portion of its Notes until the Redemption Price has been paid or duly provided for.

#### Section 4.02 *Conversion Procedures.*

(a) Each Note shall be convertible at the office of the Conversion Agent and, if applicable, in accordance with the Applicable Procedures.

(b) To exercise the conversion privilege with respect to a beneficial interest in a Global Note, the Holder must comply with the Applicable Procedures for converting a beneficial interest in a Global Note and pay the funds, if any, required by Section 4.02(f) and any taxes or duties in connection therewith if required pursuant to Section 4.02(g), and the Conversion Agent must be informed of the conversion in accordance with the customary practice of the Depository.

To exercise the conversion privilege with respect to any Physical Notes, the Holder of such Physical Notes shall:

- (i) complete and manually sign a conversion notice in the form set forth in the Form of Notice of Conversion as Attachment 1 to the Physical Note (the “**Conversion Notice**”) or a PDF or facsimile of the Conversion Notice;
- (ii) deliver the Conversion Notice, which is irrevocable, and the Physical Note to the Conversion Agent;
- (iii) if required, furnish appropriate endorsements and transfer documents;
- (iv) if required, pay all transfer, stamp or similar taxes as set forth in Section 4.02(g); and
- (v) if required, make any payment required under Section 4.02(f).

If a Note has been submitted for repurchase pursuant to a Fundamental Change Purchase Notice such Note may not be converted except to the extent such Note has been withdrawn by the Holder and is no longer submitted for repurchase pursuant to a Fundamental Change Purchase Notice prior to the time such Notes are repurchased or unless such Fundamental Change Purchase Notice is withdrawn in accordance with Section 3.05 hereof prior to the relevant Fundamental Change Expiration Time.

For any Note, the date on which the Holder of such Note satisfies all of the applicable requirements set forth above with respect to such Note shall be the “**Conversion Date**” with respect to such Note.

Each conversion shall be deemed to have been effected as to any such Notes (or portion thereof) surrendered for conversion at the Close of Business on the applicable Conversion Date; *provided, however*, that except to the extent required by Section 4.04 hereof, the Person in whose name any Class C Common Shares shall be issuable upon conversion, if any, shall be treated as a shareholder of record (i) as of the Close of Business on the last VWAP Trading Day of the applicable Observation Period in the case of Combination Settlement and (ii) as of the Close of Business on the Conversion Date in the case of Physical Settlement. However, if Physical Settlement applies to the conversion of any Note with a Conversion Date that is after the Regular Record Date immediately before the Maturity Date, then, solely for purposes of such conversion, the Company will pay or deliver, as applicable, the consideration due upon such conversion no later than the Maturity Date and the Conversion Date will instead be deemed to be the second Scheduled Trading Day immediately before the Maturity Date. Furthermore, if Physical Settlement applies to the conversion of any Note in connection with a Notice of Redemption or Notice of Tax Redemption with a Conversion Date that occurs on or after the date the Company sends such notice and on or before the Business Day immediately preceding the related Redemption Date or Tax Redemption Date, the Company will pay or deliver, as applicable, the consideration due upon such conversion no later than the related Redemption Date or Tax Redemption Date and the Conversion Date will instead be deemed to be the Business Day immediately preceding the Redemption Date or Tax Redemption Date, as applicable. For the avoidance of doubt, until a Holder is deemed to become the holder of record of Class C Common Shares issuable upon conversion of such Holder’s Notes as contemplated in the immediately preceding sentence, such Holder shall not have any rights as a holder of the Class C Common Shares with respect to Class C Common Shares issuable upon conversion of such Notes. At the Close of Business on the Conversion Date for a Note, the converting Holder shall no longer be the Holder of such Note.

(c) *Endorsement.* Any Notes surrendered for conversion shall, unless Class C Common Shares issuable on

conversion are to be issued in the same name as the registration of such Notes, be duly endorsed by, or be accompanied by instruments of transfer in form satisfactory to the Company duly executed by, the Holder or its duly authorized attorney.

(d) *Physical Notes.* If any Physical Notes in a denomination greater than \$1,000 shall be surrendered for partial conversion, the Company shall execute and the Trustee shall authenticate and deliver to the Holder of the Physical Notes so surrendered, without charge, new Physical Notes in authorized denominations in an aggregate principal amount equal to the unconverted portion of the surrendered Physical Notes.

(e) *Global Notes.* Upon the conversion of a beneficial interest in Global Notes, the Conversion Agent shall make a notation in its records as to the reduction in the principal amount represented thereby. The Company shall notify the Trustee in writing of any conversions of Notes effected through any Conversion Agent other than the Trustee.

(f) *Interest Due Upon Conversion.* If a Holder converts a Note after the Close of Business on a Regular Record Date but prior to the Open of Business on the Interest Payment Date corresponding to such Regular Record Date, such Holder must accompany such Note with an amount of cash equal to the amount of interest that will be payable on such Note on the corresponding Interest Payment Date (regardless of whether such converting Holder was the Holder of record on the such Regular Record Date); *provided, however,* that a Holder need not make such payment (1) if the Conversion Date follows the Regular Record Date immediately preceding the Maturity Date; (2) if the Company has specified a Redemption Date or Tax Redemption Date that is after a Regular Record Date and on or prior to the second Business Day immediately following the corresponding Interest Payment Date; (3) if the Company has specified a Fundamental Change Purchase Date that is after a Regular Record Date and on or prior to the second Business Day immediately following the corresponding Interest Payment Date and the relevant Conversion Date occurs after such Regular Record Date and on or prior to such Interest Payment Date; or (4) to the extent of any overdue interest, if any overdue interest exists at the time of conversion with respect to such Notes.

(g) *Taxes Due upon Conversion.* If a Holder converts a Note, the Company will pay any documentary, stamp or similar issue or transfer tax due on the issuance of any Class C Common Shares upon the conversion, unless the tax is due because the Holder requests that any shares be issued in a name other than the Holder's name, in which case the Holder will pay that tax.

#### Section 4.03 *Settlement Upon Conversion.*

(a) *Settlement.* Upon conversion of any Note, the Company shall pay or deliver, as the case may be, to Holders, in full satisfaction of its conversion obligation under Section 4.01 hereof, in respect of each \$1,000 principal amount of Notes being converted, a Settlement Amount consisting of, at the election of the Company, solely cash ("**Cash Settlement**"), solely Class C Common Shares (together with cash in lieu of any fractional Class C Common Shares pursuant to Section 4.03(b)) ("**Physical Settlement**") or a combination of cash and Class C Common Shares ("**Combination Settlement**").

(i) *Settlement Election.* All conversions occurring on or after the 165<sup>th</sup> Scheduled Trading Day immediately preceding the Maturity Date, shall be settled using the same Settlement Method. Prior to the 165<sup>th</sup> Scheduled Trading Day immediately preceding the Maturity Date, the Company will use the same Settlement Method for all conversions occurring on the same Conversion Date, but the Company shall not have any obligation to use the same Settlement Method with respect to conversions that occur on different Conversion Dates. However, notwithstanding anything to the contrary described above, if the Company calls any Notes for redemption in accordance with Section 11.01 or Section 11.02, then the Company will specify in the related Notice of Redemption or Notice of Tax Redemption (and, in the case of a redemption of less than all Notes then Outstanding, in a notice sent simultaneously to all Holders of Notes not called for redemption) the Settlement Method that will apply to all conversions with a Conversion Date that occurs after the date the Company sends such notice and on or before the Business Day immediately preceding the related Redemption Date or Tax Redemption Date. If the Company elects a Settlement Method (a "**Settlement Election**") and a Specified Dollar Amount, if applicable (a "**Specified Dollar Amount Election**"), the Company shall provide to the Holders so converting through the Trustee a notice of such Settlement Method (each such notice, a "**Settlement Election Notice**") or such Specified Dollar Amount (each such notice, a "**Specified Dollar Amount Election Notice**"), no later than the Close of Business on the Scheduled Trading Day immediately following the related Conversion Date (or, in the case of any conversions occurring (i) after the date of issuance of a Notice of Redemption or Notice of Tax Redemption and prior to the Close of Business on the Business Day immediately preceding the related Redemption Date or Tax Redemption Date, in such Notice of Redemption or Notice of Tax Redemption described herein, (ii) during a Distributions Trigger Irrevocable Physical Settlement Period for which the Company has irrevocably elected that Physical Settlement apply, in the related notice described herein, or (iii) on or after January 15, 2024, no later than January 15, 2024. If the Company does not timely elect a Settlement Method, the Company shall no longer have the right to elect Cash Settlement or Combination Settlement, and the Company shall be deemed to have elected Physical Settlement in respect of its Conversion Obligation. If the Company elects Combination Settlement but

does not timely notify converting Holders of the Specified Dollar Amount per \$1,000 principal amount of Notes, such Specified Dollar Amount will be deemed to be \$1,000.

(ii) *Settlement Amount.* The cash, Class C Common Shares or combination of cash and Class C Common Shares in respect of any conversion of Notes (the “**Settlement Amount**”) shall be computed as follows:

(A) if the Company elects (or is deemed to have elected) Physical Settlement, the Company shall deliver to the converting Holder, in respect of each \$1,000 principal amount of its Notes being converted, a number of Class C Common Shares equal to the applicable Conversion Rate, together with cash in lieu of any fractional Class C Common Shares pursuant to Section 4.03(b);

(B) if the Company elects Cash Settlement, the Company shall pay to the converting Holder, in respect of each \$1,000 principal amount of its Notes being converted, cash in an amount equal to the sum of the Daily Conversion Values for each of the 80 consecutive VWAP Trading Days during the related Observation Period; and

(C) if the Company elects Combination Settlement, the Company shall pay or deliver, as the case may be, to the converting Holder, in respect of each \$1,000 principal amount of its Notes being converted, an amount of cash and number of Class C Common Shares, if any, equal to the sum of the Daily Settlement Amounts for each of the 80 consecutive VWAP Trading Days during the related Observation Period.

(iii) *Delivery Obligation.* Except as otherwise provided in Section 4.02, the Company shall pay or deliver, as the case may be, the Settlement Amount due in respect of its conversion obligation under Section 4.03 hereof, (i) on the second Business Day immediately following the relevant Conversion Date, if the Company elects (or is deemed to have elected) Physical Settlement and (ii) on the second Business Day immediately following the last VWAP Trading Day of the related Observation Period, if the Company elects Cash Settlement or Combination Settlement.

(b) *Fractional Shares.* Notwithstanding the foregoing, the Company will not issue fractional Class C Common Shares as part of the Settlement Amount due with respect to any converted Note. Instead, if any Settlement Amount includes a fraction of a Class C Common Share, the Company will, in lieu of delivering such fraction of a Class C Common Share, pay an amount of cash equal to the product of such fraction of a share and (i) in a Physical Settlement, the Daily VWAP on the relevant Conversion Date, or if such Conversion Date is not a VWAP Trading Day, the immediately preceding VWAP Trading Day or (ii) in a Combination Settlement, the Daily VWAP on the last VWAP Trading Day of the relevant Observation Period (subject to Section 4.03(c) immediately below).

(c) *Conversion of Multiple Notes by a Single Holder.* If a Holder surrenders more than one Note for conversion on a single Conversion Date or with respect to which a single Observation Period (including, for the avoidance of doubt, the same VWAP Trading Days therein) would apply, the Company will calculate the amount of cash and the number of Class C Common Shares due with respect to such Notes as if such Holder had surrendered for conversion one Note having an aggregate principal amount equal to the sum of the principal amounts of each of the Notes surrendered for conversion by such Holder on the same Conversion Date.

(d) *Settlement of Accrued Interest and Deemed Payment of Principal.* If a Holder converts a Note, the Company will not adjust the Conversion Rate to account for any accrued and unpaid interest on such Note, and the Company’s delivery or payment, as the case may be, of cash, Class C Common Shares or a combination of cash and Class C Common Shares into which a Note is convertible will be deemed to satisfy and discharge in full the Company’s obligation to pay the principal of, and accrued and unpaid interest, if any, on, such Note to, but excluding, the relevant Conversion Date; *provided, however,* that subject to Section 4.02(f), if a Holder converts a Note after the Close of Business on a Regular Record Date and prior to the Open of Business on the corresponding Interest Payment Date, the Company will still be obligated to pay the interest due on such Interest Payment Date to the Holder of such Note on such Regular Record Date.

As a result, except as otherwise provided in the proviso to the immediately preceding sentence, any accrued and unpaid interest with respect to a converted Note will be deemed to be paid in full rather than cancelled, extinguished or forfeited. In addition, if the Settlement Amount for any Note includes both cash and Class C Common Shares, accrued and unpaid interest will be deemed to be paid first out of the amount of cash delivered upon such conversion.

(e) *Notices.* Whenever a Conversion Date occurs with respect to a Note, the Conversion Agent will, as promptly as possible, and in no event later than the Open of Business on the Business Day immediately following such Conversion Date, deliver to the Company and the Trustee, if it is not then the Conversion Agent, notice that a Conversion Date has occurred, which notice will state such Conversion Date, the principal amount of Notes converted on such Conversion Date and the names of the Holders that converted Notes on such Conversion Date.



On the first Business Day immediately following the last VWAP Trading Day of the Observation Period applicable to any Note surrendered for conversion in a Cash Settlement or a Combination Settlement, the Company will deliver a written notice to the Conversion Agent and the Trustee (if not also the Conversion Agent) stating the amount of cash and the number of Class C Common Shares, if any, that the Company is obligated to pay or deliver, as the case may be, to satisfy its conversion obligation with respect to each Note converted on such Conversion Date.

Section 4.04 *Adjustment of Conversion Rate*. The Conversion Rate will be adjusted as described in this Section 4.04, except that the Company shall not make any adjustment to the Conversion Rate if Holders participate (other than in the case of a share sub-division or share consolidation) at the same time and upon the same terms as holders of the Class C Common Shares and as a result of holding the Notes, in any of the transactions described below without having to convert their Notes, as if they held a number of Class C Common Shares equal to the applicable Conversion Rate, *multiplied by* the principal amount (expressed in thousands) of Notes held by such Holder.

(a) If the Company exclusively issues Class C Common Shares as a dividend or distribution on all or substantially all Class C Common Shares, or if the Company effects a share sub-division or share consolidation, the Conversion Rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where,

$CR_0$  = the Conversion Rate in effect immediately prior to the Open of Business on the Ex-Dividend Date of such dividend or distribution, or immediately prior to the Open of Business on the effective date of such share sub-division or consolidation, as applicable;

$CR_1$  = the Conversion Rate in effect immediately after the Open of Business on such Ex-Dividend Date or such effective date, as applicable;

$OS_0$  = the number of Class C Common Shares outstanding immediately prior to the Open of Business on such Ex-Dividend Date or such effective date, before giving effect to such dividend, distribution, share sub-division or share consolidation, as applicable; and

$OS_1$  = the number of Class C Common Shares outstanding immediately after giving effect to such dividend, distribution, share sub-division or share consolidation, as applicable.

Any adjustment made under this Section 4.04(a) shall become effective immediately after the Open of Business on the Ex-Dividend Date for such dividend or distribution, or immediately after the Open of Business on the effective date for such share sub-division or share consolidation, as applicable. If any dividend or distribution of the type described in this Section 4.04(a) is declared but not so paid or made, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors determines not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(b) If the Company issues to all or substantially all holders of the Class C Common Shares any rights, options or warrants entitling them, for a period of not more than 45 calendar days after the date of such issuance, to subscribe for or purchase Class C Common Shares, at a price per share less than the average of the Last Reported Sale Prices of the Class C Common Shares for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, the Conversion Rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

$CR_0$  = the Conversion Rate in effect immediately prior to the Open of Business on the Ex-Dividend Date for such issuance;

$CR_1$  = the Conversion Rate in effect immediately after the Open of Business on such Ex-Dividend Date;

$OS_0$  = the number of Class C Common Shares outstanding immediately prior to the Open of Business on such Ex-Dividend Date;

$X$  = the total number of Class C Common Shares issuable pursuant to such rights, options or warrants;  
and

$Y$  = the number of Class C Common Shares equal to the aggregate price payable to exercise such rights, options or warrants *divided by* the average of the Last Reported Sale Prices of the Class C Common Shares over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of the issuance of such rights, options or warrants.

Any increase made under this Section 4.04(b) will be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the Open of Business on the Ex-Dividend Date for such issuance. To the extent that such rights, options or warrants are not exercised prior to their expiration or Class C Common Shares are not delivered upon the expiration of such rights, options or warrants, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect had the increase with respect to the issuance of such rights, options or warrants been made on the basis of delivery of only the number of Class C Common Shares actually delivered. If such rights, options or warrants are not so issued, or if such rights, options or warrants are not exercised prior to their expiration, the Conversion Rate shall be decreased to be the Conversion Rate that would then be in effect if such issuance had not occurred.

For purposes of this Section 4.04(b) and Section 4.01(b)(iii)(x) hereof, in determining whether any rights, options or warrants entitle the holders of the Class C Common Shares to subscribe for or purchase Class C Common Shares at a price per share less than such average of the Last Reported Sale Prices of the Class C Common Shares for the 10 consecutive Trading Day period ending on the Trading Day immediately preceding the date of announcement of such issuance, and in determining the aggregate offering price of such Class C Common Shares, there shall be taken into account any consideration received by the Company for such rights, options or warrants and any amount payable on exercise thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors.

(c) If the Company distributes its shares or other securities, evidences of its indebtedness, other assets or property of the Company or rights, options or warrants to acquire its shares or other securities, to all or substantially all holders of the Class C Common Shares, excluding:

(i) dividends, distributions, rights, options or warrants described in Section 4.04(a) hereof or Section 4.04(b) hereof;

(ii) dividends or distributions paid exclusively in cash as to which the provisions set forth in Section 4.04(d) below shall apply; and

(iii) Spin-Offs as to which the provisions set forth below in this Section 4.04(c) shall apply;

(any of such shares or other securities, evidences of indebtedness, other assets or property or rights, options or warrants to acquire shares or other securities of the Company, the “**Distributed Property**”), then the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

$CR_0$  = the Conversion Rate in effect immediately prior to the Open of Business on the Ex-Dividend Date for such distribution;

$CR_1$  = the Conversion Rate in effect immediately after the Open of Business on such Ex-Dividend Date;

$SP_0$  = the average of the Last Reported Sale Prices of the Class C Common Shares over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

$FMV$  = the fair market value (as determined by the Board of Directors) of Distributed Property per

Class C Common Share with respect to each outstanding Class C Common Share as of the Open of Business on the Ex-Dividend Date for such distribution.

If “FMV” (as defined above) is equal to or greater than the “SP<sub>0</sub>” (as defined above), in lieu of the foregoing increase, each Holder shall receive, in respect of each \$1,000 principal amount of Notes it holds, at the same time and upon the same terms as holders of the Class C Common Shares, the amount and kind of Distributed Property that such Holder would have received as if such Holder owned a number of Class C Common Shares equal to the Conversion Rate in effect immediately prior to the record date for the distribution.

Any increase made pursuant to the formula above will become effective immediately after the Open of Business on the Ex-Dividend Date for such distribution. If such distribution (including a Spin-Off) is not so paid or made, the Conversion Rate shall be decreased to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

With respect to an adjustment pursuant to this Section 4.04(c) where there has been a payment of a dividend or other distribution on the Class C Common Shares of shares of any class or series, or similar equity interests, of or relating to any Subsidiaries of the Company or business units of the Company, and such shares or similar equity interests are listed or quoted (or will be listed or quoted upon the consummation of the distribution) on a U.S. national securities exchange (a “Spin-Off”), the Conversion Rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where,

CR<sub>0</sub> = the Conversion Rate in effect immediately prior to the Open of Business on the Ex-Dividend Date for such Spin-Off;

CR<sub>1</sub> = the Conversion Rate in effect immediately after the Open of Business on the Ex-Dividend Date for such Spin-Off;

FMV<sub>0</sub> = the average of the Last Reported Sale Prices of the shares or similar equity interests distributed to holders of Class C Common Shares applicable to one Class C Common Share over the first 10 consecutive Trading Day period after, but excluding, the effective date of the Spin-Off (the “**Valuation Period**”); and

MP<sub>0</sub> = the average of the Last Reported Sale Prices of Class C Common Shares over the Valuation Period.

If a Holder converts a Note, Cash Settlement or Combination Settlement is applicable to such Note and the first VWAP Trading Day of the Observation Period applicable to such Note occurs after the first Trading Day of the Valuation Period for a Spin-Off, but on or before the last Trading Day of the Valuation Period for such Spin-Off, then the reference in the above definition of “FMV<sub>0</sub>” to “10” Trading Days shall be deemed replaced with such lesser number of Trading Days as have elapsed from, and including, the first Trading Day of the Valuation Period for such Spin-Off to, but excluding, the first VWAP Trading Day of such Observation Period. If a Holder converts a Note, Cash Settlement or Combination Settlement is applicable to such Note and one or more VWAP Trading Days of the Observation Period for such Note occurs on or after the Ex-Dividend Date for a Spin-Off but on or prior to the first Trading Day of the Valuation Period for such Spin-Off, such Observation Period will be suspended from, and including, the first such VWAP Trading Day to, and including, the first Trading Day of the Valuation Period for such Spin-Off and will resume immediately after the first Trading Day of the Valuation Period for such Spin-Off, with the reference in the above definition of “FMV<sub>0</sub>” to “10 consecutive” Trading Days deemed replaced with a reference to “one (1)” Trading Day.

For purposes of the second adjustment formula set forth in this Section 4.04(c), (i) the Last Reported Sale Price of any shares or similar equity interests shall be calculated in a manner analogous to that used to calculate the Last Reported Sale Price of the Class C Common Shares in the definition of “Last Reported Sale Price” set forth in Section 1.01 hereof, (ii) whether a day is a Trading Day (and whether a day is a Scheduled Trading Day and whether a Market Disruption Event has occurred) for such shares or similar equity interests shall be determined in a manner analogous to that used to determine whether a day is a Trading Day (or whether a day is a Scheduled Trading Day and whether a Market Disruption Event has occurred) for the Class C Common Shares, and (iii) whether a day is a Trading Day to be included in a Valuation Period will be determined based on whether a day is a Trading Day for both the Class C Common Shares and such shares or similar equity interests.

Subject to Section 4.04(g), for the purposes of this Section 4.04(c), rights, options or warrants distributed to all or substantially all holders of the Class C Common Shares entitling them to acquire the Company's Capital Stock or other securities, (either initially or under certain circumstances), which rights, options or warrants, until the occurrence of a specified event or events (a "**Trigger Event**"): (1) are deemed to be transferred with such Class C Common Shares; (2) are not exercisable; and (3) are also issued in respect of future issuances of Class C Common Shares, shall be deemed not to have been distributed for purposes of this Section 4.04(c) (and no adjustment to the Conversion Rate under this Section 4.04(c) will be required) until the occurrence of the earliest Trigger Event, whereupon such rights, options or warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Rate shall be made under this Section 4.04(c). If any such rights, options or warrants, distributed prior to the first date of original issuance of the Initial Notes are subject to events, upon the occurrence of which such rights, options or warrants become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and Ex-Dividend Date of such deemed distribution (in which case the original rights, options or warrants shall be deemed to terminate and expire on such date without exercise by any of the holders). In addition, in the event of any distribution or deemed distribution of rights, options or warrants, or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Rate under this Section 4.04(c) was made, (1) in the case of any such rights, options or warrants which shall all have been redeemed or purchased without exercise by any Holders thereof, upon such final redemption or purchase (x) the Conversion Rate shall be readjusted as if such rights, options or warrants had not been issued and (y) the Conversion Rate shall then again be readjusted to give effect to such distribution, deemed distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or purchase price received by holders of Class C Common Shares with respect to such rights, options or warrants (assuming each such holder had retained such rights, options or warrants), made to all holders of Class C Common Shares as of the date of such redemption or purchase, and (2) in the case of such rights, options or warrants which shall have expired or been terminated without exercise by any holders thereof, the Conversion Rate shall be readjusted as if such rights and warrants had not been issued.

For purposes of Section 4.04(a) hereof, Section 4.04(b) hereof and this Section 4.04(c), if any dividend or distribution to which this Section 4.04(c) applies includes one or both of:

(A) a dividend or distribution of Class C Common Shares to which Section 4.04(a) hereof also applies (the "**Clause A Distribution**"); or

(B) an issuance of rights, options or warrants entitling holders of the Class C Common Shares to subscribe for or purchase Class C Common Shares to which Section 4.04(b) hereof also applies (the "**Clause B Distribution**"),

then (i) such dividend or distribution, other than the Clause A Distribution and the Clause B Distribution, shall be deemed to be a distribution to which this Section 4.04(c) applies (the "**Clause C Distribution**") and any Conversion Rate adjustment required to be made under this Section 4.04(c) with respect to such Clause C Distribution shall be made, (ii) the Clause B Distribution, if any, shall be deemed to immediately follow the Clause C Distribution and any Conversion Rate adjustment required by Section 4.04(b) hereof with respect thereto shall then be made, except that, if determined by the Company, (A) the "Ex-Dividend Date" of the Clause B Distribution and the Clause A Distribution, if any, shall be deemed to be the Ex-Dividend Date of the Clause C Distribution and (B) any Class C Common Shares included in the Clause A Distribution or the Clause B Distribution shall not be deemed to be "outstanding immediately prior to the Open of Business on such Ex-Dividend Date" within the meaning of Section 4.04(b) hereof, and (iii) the Clause A Distribution, if any, shall be deemed to immediately follow the Clause C Distribution or the Clause B Distribution, as the case may be, except that, if determined by the Company, (A) the "Ex-Dividend Date" of the Clause A Distribution and the Clause B Distribution, if any, shall be deemed to be the Ex-Dividend Date of the Clause C Distribution, and (B) any Class C Common Shares included in the Clause A Distribution shall not be deemed to be "outstanding immediately prior to the Open of Business on such Ex-Dividend Date or such effective date" within the meaning of Section 4.04(a) hereof.

(d) If any cash dividend or distribution is made to all or substantially all holders of the Class C Common Shares, the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - C}$$

where,

CR<sub>0</sub> = the Conversion Rate in effect immediately prior to the Open of Business on the Ex-Dividend

Date for such dividend or distribution;

$CR_1$  = the Conversion Rate in effect immediately after the Open of Business on the Ex-Dividend Date for such dividend or distribution;

$SP_0$  = the Last Reported Sale Price of the Class C Common Shares on the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and

$C$  = the amount in cash per Class C Common Share that the Company distributes to holders of the Class C Common Shares.

If “C” (as defined above) is equal to or greater than “ $SP_0$ ” (as defined above), in lieu of the foregoing increase, each Holder shall receive, for each \$1,000 principal amount of Notes it holds, at the same time and upon the same terms as holders of Class C Common Shares, the amount of cash that such Holder would have received if such Holder had owned a number of Class C Common Shares equal to the Conversion Rate in effect immediately prior to the record date for such cash dividend or distribution. Such increase shall become effective immediately after the Open of Business on the Ex-Dividend Date for such dividend or distribution. If such dividend or distribution is not so paid, the Conversion Rate shall be decreased, effective as of the date the Board of Directors determines not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(e) If the Company or any of its Subsidiaries make a payment in respect of a tender offer or exchange offer for the Class C Common Shares, to the extent that the cash and value of any other consideration included in the payment per Class C Common Share exceeds the Last Reported Sale Price of the Class C Common Shares on the Trading Day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer (the “**Offer Expiration Date**”), the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{AC + (SP_1 \times OS_1)}{OS_0 \times SP_1}$$

where,

$CR_0$  = the Conversion Rate in effect immediately prior to the Close of Business on the Offer Expiration Date;

$CR_1$  = the Conversion Rate in effect immediately after the Close of Business on the Offer Expiration Date;

$AC$  = the aggregate value of all cash and any other consideration (as determined by the Board of Directors) paid or payable for Class C Common Shares purchased in such tender or exchange offer;

$OS_0$  = the number of Class C Common Shares outstanding immediately prior to the expiration time of the tender or exchange offer on the Offer Expiration Date (prior to giving effect to the purchase of all shares accepted for purchase or exchange in such tender or exchange offer);

$OS_1$  = the number of Class C Common Shares outstanding immediately after the expiration time of the tender or exchange offer on the Offer Expiration Date (after giving effect to the purchase of all shares accepted for purchase or exchange in such tender or exchange offer); and

$SP_1$  = the average of the Last Reported Sale Prices of the Class C Common Shares over the ten consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the Offer Expiration Date (the “**Averaging Period**”).

(f) *Special Settlement Provisions.*

If a Holder converts a Note, Cash Settlement or Combination Settlement is applicable to such Note, and the first VWAP Trading Day of the Observation Period for such Note occurs after the first Trading Day of the Averaging Period for a tender or exchange offer, but on or before the last Trading Day of the Averaging Period for such tender or exchange offer, the reference in the above definition of “ $SP_1$ ” to “ten” shall be deemed replaced with such lesser number of Trading Days as have elapsed from, and including, the first Trading Day of the Averaging Period for such tender or exchange offer to, but excluding, the first VWAP Trading Day of such Observation Period. If a Holder converts a Note, Cash Settlement or Combination

Settlement is applicable to such Note and one or more VWAP Trading Days of the Observation Period for such Note occurs on or after the Offer Expiration Date for a tender or exchange offer, but on or prior to the first Trading Day in the Averaging Period for such tender or exchange offer, such Observation Period will be suspended on the first such VWAP Trading Day and will resume immediately after the first Trading Day of the Averaging Period for such tender or exchange offer and the reference in the above definition of “SP<sub>1</sub>” to “ten” shall be deemed replaced with a reference to “one.”

Notwithstanding anything to the contrary herein, if a Holder converts a Note, Combination Settlement is applicable to such Note and the Daily Settlement Amount for any VWAP Trading Day during the Observation Period applicable to such Note:

- (i) is calculated based on a Conversion Rate adjusted on account of any event described in clauses (a) through (e) above; and
- (ii) includes any Class C Common Shares that, but for this provision, would entitle their holder to participate in such event;

then, although the Company shall otherwise treat such Holder as the holder of record of such Class C Common Shares on the last VWAP Trading Day of such Observation Period, the Company shall not permit such Holder to participate in such event on account of such Class C Common Shares.

In addition, if a Holder converts a Note and:

- (iii) Combination Settlement is applicable to such Note;
- (iv) the record date, effective date or expiration date for any event that requires an adjustment to the Conversion Rate under any of clauses (a) through (e) above occurs:
  - (A) on or after the first VWAP Trading Day of such Observation Period; and
  - (B) on or prior to the last VWAP Trading Day of such Observation Period; and
- (v) the Daily Settlement Amount for any VWAP Trading Day in such Observation Period that occurs on or prior to such record date, effective date or expiration date:
  - (A) includes Class C Common Shares that do not entitle their holder to participate in such event; and
  - (B) is calculated based on a Conversion Rate that is not adjusted on account of such event;

then, on account of such conversion, the Company shall, on such record date, effective date or expiration date, treat such Holder, as a result of having converted such Notes, as though it were the record holder of a number of Class C Common Shares equal to the total number of Class C Common Shares that:

- (vi) are deliverable as part of the Daily Settlement Amount:
  - (A) for a VWAP Trading Day in such Observation Period that occurs on or prior to such record date, effective date or expiration date; and
  - (B) is calculated based on a Conversion Rate that is not adjusted for such event; and
- (vii) if not for this provision, would not entitle such Holder to participate in such event.

(g) *Poison Pill.* If a Holder converts a Note, to the extent that the Company has a shareholder rights plan in effect, if Physical Settlement applies to such Note, on the Conversion Date applicable to such Note, and if Combination Settlement applies to such Note on any VWAP Trading Day in the Observation Period applicable to such Note, the Holder converting such Note will receive, in addition to any Class C Common Shares otherwise received in connection with such conversion on such Conversion Date or such VWAP Trading Day, as the case may be, the rights under the rights plan, unless prior to such Conversion Date or such VWAP Trading Day, as the case may be, the rights have separated from the Class C Common Shares, in which case, and only in such case, the Conversion Rate will be adjusted at the time of separation as if the Company distributed to all holders of the Class C Common Shares, Distributed Property as described in Section 4.04(c) hereof, subject to readjustment in the event of the expiration, termination or redemption of such rights.

- (h) *Limitation on Transactions.* Notwithstanding anything to the contrary herein, the Company shall not undertake

any transaction that would result in its being required, pursuant to this Indenture, to adjust the Conversion Rate such that the Conversion Price per Class C Common Share will be less than the par value of the Class C Common Shares.

(i) *Limitation on Adjustments.* Except as stated in this Section 4.04, the Company will not adjust the Conversion Rate for the issuance of Class C Common Shares or any securities convertible into or exchangeable for Class C Common Shares or the right to purchase Class C Common Shares or such convertible or exchangeable securities. If, however, the application of the formulas in Sections 4.04(a) through (e) hereof would result in a decrease in the Conversion Rate, then, except to the extent of any readjustment to the Conversion Rate, no adjustment to the Conversion Rate will be made (other than as a result of a reverse share sub-division or share consolidation).

In addition, notwithstanding anything to the contrary herein, the Conversion Rate will not be adjusted:

(i) on account of share repurchases that are not tender offers referred to in Section 4.04(e) hereof, including structured or derivative transactions, or transactions pursuant to a share repurchase program approved by the Board of Directors or otherwise;

(ii) upon the issuance of any Class C Common Shares pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Company's securities and the investment of additional optional amounts in Class C Common Shares under any plan;

(iii) upon the issuance of any Class C Common Shares or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan, program or agreement of or assumed by the Company or any of its Subsidiaries;

(iv) upon the issuance of any Class C Common Shares pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in Section 4.04(i)(iii) immediately above and outstanding as of the date the Notes were first issued;

(v) for a change in the par value of the Class C Common Shares; or

(vi) for accrued and unpaid interest on the Notes, if any.

(j) For purposes of this Section 4.04, the number of Class C Common Shares at any time outstanding shall not include shares held in the treasury of the Company so long as the Company does not pay any dividend or make any distribution on Class C Common Shares held in the treasury of the Company, but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of Class C Common Shares.

#### Section 4.05 *Discretionary and Voluntary Adjustments.*

(a) *Discretionary Adjustments.* Whenever any provision of this Indenture requires the Company to calculate the Last Reported Sale Prices, the Daily VWAPs or any function thereof over a span of multiple days (including during an Observation Period), the Company will make appropriate adjustments to each to account for any adjustment to the Conversion Rate that becomes effective, or any event requiring an adjustment to the Conversion Rate where the effective date, Ex-Dividend Date or Offer Expiration Date of the event occurs, at any time during the period when such Last Reported Sale Prices, the Daily VWAPs or function thereof is to be calculated.

(b) *Voluntary Adjustments.* To the extent permitted by applicable law and applicable requirements of The NASDAQ Global Select Market, the Company is permitted (but not required) to increase the Conversion Rate of the Notes (i) by any amount for a period of at least 20 Business Days if the Board of Directors determines that such increase would be in the Company's best interest or (ii) to avoid or diminish income tax to holders of Class C Common Shares or rights to purchase Class C Common Shares in connection with a dividend or distribution of shares (or rights to acquire shares) or similar event.

#### Section 4.06 *Adjustment to Conversion Rate Upon Conversion in Connection with a Make-Whole Fundamental Change, Notice of Redemption or Notice of Tax Redemption.*

(a) *Increase in the Conversion Rate.* If (i) a Make-Whole Fundamental Change occurs or (ii) the Company gives a Notice of Redemption or Notice of Tax Redemption with respect to any or all of the Notes and the Conversion Date occurs during the period after the date that the Company gives a Notice of Redemption or Notice of Tax Redemption to the Close of Business on the Business Day immediately preceding the Redemption Date or Tax Redemption Date, and a Holder elects to convert its Notes in connection with such Make-Whole Fundamental Change or in connection with such Notice of Redemption or Notice of Tax Redemption, as applicable, then the Company shall, to the extent provided herein, increase the Conversion Rate

for the Notes so surrendered for conversion by a number of additional Class C Common Shares (the “**Additional Shares**”), as described in this Section 4.06. A conversion of Notes shall be deemed for these purposes to be “in connection with” a Make-Whole Fundamental Change, Notice of Redemption or Notice of Tax Redemption, if (X) in the case of a Make-Whole Fundamental Change, the relevant Conversion Notice is received by the Conversion Agent during the period from, and including, the Effective Date of the Make-Whole Fundamental Change up to, and including, the Close of Business on the Business Day immediately prior to the related Fundamental Change Purchase Date or, if such Make-Whole Fundamental Change is not also a Fundamental Change, the 35th Trading Day immediately following the Effective Date for such Make-Whole Fundamental Change (such period, the “**Make-Whole Fundamental Change Period**”) and (Y) in the case of a Notice of Redemption or Notice of Tax Redemption the relevant Conversion Notice is received by the Conversion Agent from, but excluding, the date the Company gives a Notice of Redemption or Notice of Tax Redemption, as applicable, to the Close of Business on the Business Day immediately preceding the Redemption Date or Tax Redemption Date, as applicable.

(b) *Cash Mergers.* Notwithstanding anything to the contrary herein, if the consideration paid to holders of the Class C Common Shares in any Make-Whole Fundamental Change described in clause (2) of the definition of “Fundamental Change” is comprised entirely of cash, then, for any conversion of Notes following the Effective Date of such Make-Whole Fundamental Change, the payment and delivery obligations upon the conversion of each \$1,000 principal amount of Notes shall be calculated based solely on the Share Price (determined in the manner described in Section 4.06(c)) for such Make-Whole Fundamental Change and shall be deemed to be an amount equal to the applicable Conversion Rate (including any adjustment as described in this Section 4.06) multiplied by such Share Price. In such event, the Company’s conversion obligation will be determined and paid to Holders in cash on the second Business Day following the applicable Conversion Date. Otherwise, the Company will settle any conversion of the Notes following the Effective Date for a Make-Whole Fundamental Change in accordance with Section 4.03 hereof (but subject to Section 4.04 hereof).

(c) *Determining the Number of Additional Shares.* The number of Additional Shares, if any, by which the Conversion Rate will be increased for a Holder that converts its Notes in connection with a Make-Whole Fundamental Change or Notice of Redemption or Notice of Tax Redemption shall be determined by reference to the table attached as Schedule A hereto, based on the Effective Date of the Make-Whole Fundamental Change and the date of the Notice of Redemption or Notice of Tax Redemption, as the case may be, and the price per Class C Common Share paid (or deemed paid) in the Make-Whole Fundamental Change or with respect to the redemption, as the case may be, (the “**Share Price**”), as determined under the two immediately following sentences. If the holders of the Class C Common Shares receive only cash in a Make-Whole Fundamental Change described in clause (2) of the definition of “Fundamental Change,” the Share Price shall be the cash amount paid per Class C Common Share. Otherwise, the Share Price shall be the average of the Last Reported Sale Prices of the Class C Common Shares over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Effective Date of the Make-Whole Fundamental Change, the Notice of Redemption or Notice of Tax Redemption, as the case may be. In the event that a conversion in connection with a Notice of Redemption or Notice of Tax Redemption would also be deemed to be in connection with a Make-Whole Fundamental Change, a Holder of the Notes to be converted will be entitled to a single increase to the Conversion Rate with respect to the first to occur of (i) the applicable date of the Notice of Redemption or Notice of Tax Redemption and (ii) the Effective Date of the applicable Make-Whole Fundamental Change, and the later event will be deemed not to have occurred for purposes of this section for purposes of such Converted Notes.

(d) *Interpolation and Limits.* The exact Share Prices and Effective Dates, as the case may be, may not be set forth in the table in Schedule A, in which case:

(i) If the Share Price is between two Share Prices in the table or the Effective Date is between two Effective Dates in the table, the number of Additional Shares shall be determined by a straight-line interpolation between the number of Additional Shares set forth for the higher and lower Share Prices and the earlier and later dates, as applicable, based on a 365- or 366-day year, as applicable.

(ii) If the Share Price is greater than \$135.00 per share (subject to adjustment in the same manner as the Share Prices set forth in the column headings of the table in Schedule A hereof), no Additional Shares will be added to the Conversion Rate.

(iii) If the Share Price is less than \$18.15 per share (subject to adjustments in the same manner as the Share Prices set forth in the column headings of the table in Schedule A hereof), no Additional Shares will be added to the Conversion Rate.

Notwithstanding the foregoing, in no event will the Conversion Rate be increased on account of a Make-Whole Fundamental Change, Notice of Redemption or Notice of Tax Redemption to exceed 55.0964 Class C Common Shares per \$1,000 principal amount of Notes, subject to adjustments in the same manner as the Conversion Rate is required to be adjusted as set forth in



Section 4.04 hereof.

(iv) The Share Prices set forth in the column headings of the table in Schedule A hereto shall be adjusted as of any date on which the Conversion Rate of the Notes is otherwise required to be adjusted. The adjusted Share Prices shall equal the Share Prices applicable immediately prior to such adjustment, *multiplied by* a fraction, the numerator of which is the Conversion Rate immediately prior to such adjustment giving rise to the Share Price adjustment and the denominator of which is the Conversion Rate as so adjusted. The number of Additional Shares set forth in such table shall be adjusted in the same manner and at the same time as the Conversion Rate is required to be adjusted as set forth in Section 4.04.

(e) *Notices.* The Company shall notify the Holders of the Effective Date of any Make-Whole Fundamental Change and issue a press release announcing such Effective Date no later than five Business Days after such Effective Date.

Section 4.07 *Effect of Recapitalization, Reclassification, Consolidation, Amalgamation, Merger or Sale.*

(a) *Share Exchange Events.* In the case of:

(i) any recapitalization, reclassification or change of Class C Common Shares (other than changes resulting from a share sub-division, reverse share split or other subdivision or consolidation);

(ii) any consolidation, merger, amalgamation, combination or similar transaction involving the Company;

(iii) any sale, lease or other transfer to a third party of substantially all of the consolidated assets of the Company, its Subsidiaries and its variable interest entities, taken together as a whole; or

(iv) any statutory share exchange,

in each case, as a result of which the Class C Common Shares would be converted into, or exchanged for, or represent solely the right to receive, stock, other securities or other property or assets (including cash or any combination thereof) (any such event, a “**Share Exchange Event**” and any such stock, other securities or other property or assets, “**Reference Property**,” and the amount of Reference Property that a holder of one Class C Common Share immediately prior to such Share Exchange Event would have been entitled to receive upon the occurrence of such Share Exchange Event, a “**Reference Property Unit**”), then the Company or the successor or purchasing company, as the case may be, shall execute with the Trustee a supplemental indenture providing that, at and after the effective time of such Share Exchange Event, the consideration due upon conversion of any Notes, and the conditions to any such conversion, will be determined in the same manner as if each reference to any number of Class C Common Shares in Article 4 were instead a reference to the same number of Reference Property Units.

If a Share Exchange Event causes the Class C Common Shares to be converted into, or exchanged for, or represent solely the right to receive, more than a single type of consideration (determined based in part upon any form of shareholder election), then (i) the Reference Property shall be deemed to be the weighted average, per Class C Common Share, of the types and amounts of consideration actually received by the holders of Class C Common Shares, and (ii) the Reference Property Unit for purposes of the immediately preceding paragraph shall refer to the consideration referred to in clause (i) attributable to one Class C Common Share. The Company shall notify Holders, the Trustee and the Conversion Agent (if other than the Trustee) of such weighted average as soon as practicable after such determination is made. Notwithstanding anything to the contrary herein, if the Reference Property Unit consists entirely of cash, then the Company will be deemed to elect Cash Settlement in respect of all conversions whose Conversion Date occurs after the effective date of the Share Exchange Event described above, and the Company will pay the cash due upon such conversions no later than the second Business Day after the Conversion Date. For these purposes, the Daily VWAP or Last Reported Sale Price of any Reference Property Unit or portion thereof that does not consist of a class of securities will be the fair value of such Reference Property unit or portion thereof, as applicable, determined in good faith by the Company (or, in the case of cash denominated in U.S. dollars, the face amount thereof).

Such supplemental indenture described in the second immediately preceding paragraph shall provide, to the extent the Reference Property is comprised, in whole or in part, of Common Equity, for anti-dilution and other adjustments that are as nearly equivalent as possible to the adjustments provided for in this Article 4. If the Reference Property in respect of any Share Exchange Event includes shares of stock, securities or other property or assets of a Person other than the Company or, in the case of a transaction described in Article 9, the Successor Company, then such supplemental indenture shall also be executed by such other Person and shall contain such additional provisions to protect the interests of the Holders of Notes, including the right of Holders to require the Company to purchase their Notes upon a Fundamental Change pursuant to Article 3, as the Board of Directors shall reasonably consider necessary by reason of the foregoing.

(b) If the Company executes a supplemental indenture pursuant to this Section 4.07, as promptly as practicable, the Company shall file with the Trustee an Officer's Certificate briefly describing such Share Exchange Event, the composition of a Reference Property Unit for such Share Exchange Event, any adjustment to be made with respect thereto and that all conditions precedent to such Share Exchange Event under this Indenture have been complied with. Any failure to deliver such Officer's Certificate shall not affect the legality or validity of such supplemental indenture. The Company shall also issue a press release containing such information and shall make such press release available on its website.

(c) The Company shall not become a party to any Share Exchange Event unless its terms are consistent with this Section 4.07. None of the foregoing provisions shall affect the right of a Holder to convert its Notes as set forth in Section 4.01 and Section 4.02 prior to the effective date of such Share Exchange Event.

(d) The provisions of this Section 4.07 shall apply successively to successive Share Exchange Events.

#### Section 4.08 *Certain Covenants.*

(a) *Reservation of Shares.* To the extent necessary to satisfy its obligations under this Indenture, prior to issuing any Class C Common Shares, the Company will maintain a sufficient number of authorized but unissued Class C Common Shares to permit the conversion of the Notes.

(b) *Certain other Covenants.* The Company covenants that all Class C Common Shares that may be issued upon conversion of Notes shall be issued in book-entry format, shall be newly issued shares or treasury shares, shall be duly authorized, validly issued, fully paid and non-assessable and shall be free from preemptive rights and free from any lien (other than those created by the Holder or due to a change in registered owner). The Company shall list or cause to have quoted any Class C Common Shares to be issued upon conversion of Notes on each national securities exchange or over-the-counter or other domestic market on which the Class C Common Shares are then listed or quoted.

Section 4.09 *Responsibility of Trustee/Conversion Agent.* The Trustee and any Conversion Agent shall not at any time be under any duty or responsibility to any Holder to determine or calculate the Conversion Rate, to determine whether any facts exist which may require any adjustment of the Conversion Rate, or to confirm the accuracy of any such adjustment when made or the appropriateness of the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. The Trustee and any other Conversion Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any Class C Common Shares or of any other securities or property that may at any time be issued or delivered upon the conversion of any Notes; and the Trustee and the Conversion Agent make no representations with respect thereto. Neither the Trustee nor any Conversion Agent shall be responsible for any failure of the Company to issue, transfer or deliver any Class C Common Shares or share certificates or other securities or property or cash upon the surrender of any Notes for the purpose of conversion or to comply with any of the duties, responsibilities or covenants of the Company contained in this Article 4. The rights, privileges, protections, immunities and benefits given to the Trustee, including without limitation its right to be compensated, reimbursed and indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, including its capacity as Conversion Agent.

Section 4.10 *Notice of Adjustment to the Trustee.* Whenever the Conversion Rate is adjusted as herein provided, the Company shall promptly (i) file with the Trustee and any Conversion Agent (if other than the Trustee) an Officer's Certificate setting forth the Conversion Rate after such adjustment and setting forth a brief statement of the facts requiring such adjustment; *provided* that unless and until a Responsible Officer of the Trustee shall have received such Officer's Certificate, the Trustee shall not be deemed to have knowledge of any adjustment of the Conversion Rate and may assume that the last Conversion Rate of which it has knowledge is still in effect and (ii) deliver written notice to the Holders, at his or her last address appearing on the Register provided for in Section 2.06 of this Indenture, stating that such adjustment has become effective and the Conversion Rate or conversion privilege as adjusted. Failure to deliver such notice shall not affect the legality, effectiveness or validity of any such adjustment and shall not be an Event of Default under this Indenture.

#### Section 4.11 *Notice to Holders.*

(a) *Notice to Holders Prior to Certain Actions.* The Company shall deliver written notices of the events specified below at the times specified below and containing the information specified below unless, in each case (i) pursuant to this Indenture, the Company is already required to deliver notice of such event containing at least the information specified below at an earlier time or (ii) the Company, at the time it is required to deliver a notice, does not have knowledge of all of the information required to be included in such notice, in which case, the Company shall (A) deliver notice at such time containing only the information that it has knowledge of at such time (if it has knowledge of any such information at such time), and (B) promptly upon obtaining knowledge of any such information not already included in a notice delivered by the Company, deliver notice to each Holder containing such information. In each case, the failure by the Company to give such notice, or any defect therein, shall not affect the legality or validity of such event.

(i) *Issuances, Distributions, and Dividends and Distributions.* If the Company (A) announces any issuance of any rights, options or warrants that would require an adjustment in the Conversion Rate pursuant to Section 4.04(b) hereof; (B) authorizes any distribution that would require an adjustment in the Conversion Rate pursuant to Section 4.04(c) hereof (including any separation of rights from the Class C Common Shares described in Section 4.04(g) hereof); or (C) announces any dividend or distribution that would require an adjustment in the Conversion Rate pursuant to Section 4.04(d) hereof, then the Company shall deliver to the Holders, as promptly as practicable after the holders of the Class C Common Shares are notified of such event, notice describing such issuance, dividend or distribution, as the case may be, and stating the expected Ex-Dividend Date and record date for such issuance, dividend or distribution, as the case may be. In addition, the Company shall deliver to the Holders written notice if the consideration included in such issuance, dividend or distribution, or the Ex-Dividend Date or record date of such issuance, dividend or distribution, as the case may be, changes.

(ii) *Tender and Exchange Offers.* If the Company announces any tender or exchange offer that could require an adjustment in the Conversion Rate pursuant to Section 4.04(e) hereof, the Company shall deliver to the Holders on the day it announces such tender or exchange offer, and, if the Company is required to file with the Commission a Schedule TO in connection with such tender or exchange offer, an additional written notice (i) when the Company first files such Schedule TO, which notice shall include the address at which such Schedule TO is available on the Commission's EDGAR system (or any successor thereto), and (ii) whenever the Company files an amendment to such Schedule TO, which notice shall include the address at which such amendment is available on the Commission's EDGAR system (or any successor thereto).

(iii) *Voluntary Increases.* If the Company increases the Conversion Rate pursuant to Section 4.05(b), the Company shall deliver notice to the Holders at least two Scheduled Trading Days prior to the date on which such increase will become effective, which notice shall state the date on which such increase will become effective and the amount by which the Conversion Rate will be increased.

(iv) *Dissolutions, Liquidations and Winding-Ups.* If there is a voluntary or involuntary dissolution, liquidation or winding-up of the Company, the Company shall deliver notice to the Holders at promptly as possible, but in any event prior to the earlier of (i) the date on which such dissolution, liquidation or winding-up, as the case may be, is expected to become effective or occur, and (ii) the date as of which it is expected that holders of Class C Common Shares of record shall be entitled to exchange their Class C Common Shares for securities or other property deliverable upon such dissolution, liquidation or winding-up, as the case may be, which notice shall state the expected effective date and record date for such event, as applicable, and the amount and kind of property that a holder of one Class C Common Share is expected to be entitled to, or may elect, to receive in such event. The Company shall deliver an additional written notice to Holders, as promptly as practicable, whenever the expected effective date or record date, as applicable, or the amount and kind of property that a holder of one Class C Common Share is expected to be entitled to receive in such event, changes.

## ARTICLE 5. COVENANTS

### Section 5.01 *Payment of Principal, Interest, Fundamental Change Purchase Price and Redemption Price.*

The Company covenants and agrees that it will cause to be paid the principal of (including the Fundamental Change Purchase Price and the Redemption Price, if applicable) and accrued and unpaid interest, if any, on each of the Notes at the places, at the respective times and in the manner provided herein and in the Notes.

### Section 5.02 *Maintenance of Office or Agency.*

The Company will maintain in the continental United States an office of the Paying Agent, an office of the Registrar and an office or agency where Notes may be surrendered for conversion ("**Conversion Agent**") and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office or the office or agency of the Trustee.

The Company may also from time to time designate as co-registrars one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided* that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the continental United States for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency. The terms "Paying Agent" and "Conversion Agent" include any such

additional or other offices or agencies, as applicable.

The Company hereby initially designates the Trustee as the Paying Agent, Registrar, Custodian and Conversion Agent, and its Corporate Trust Office, which shall be in the continental United States, shall be considered as one such office or agency of the Company for each of the aforesaid purposes. The Company may, however, change the Paying Agent or Registrar without notice to the Holders. The Company or its Affiliates may act as Paying Agent or Registrar.

With respect to any Global Note, the Corporate Trust Office of the Trustee or any Paying Agent shall be the place of payment where such Global Note may be presented or surrendered for payment or conversion or for registration of transfer or exchange, or where successor Notes may be delivered in exchange therefor; *provided, however*, that any such payment, conversion, presentation, surrender or delivery effected pursuant to the Applicable Procedures for such Global Note shall be deemed to have been effected at the place of payment for such Global Note in accordance with the provisions of this Indenture.

Section 5.03 *Provisions as to Paying Agent.*

(a) If the Company shall appoint a Paying Agent other than the Trustee, the Company will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 5.03:

(i) that it will hold all sums held by it as such agent for the payment of the principal of, any premium on, accrued and unpaid interest, if any, on, or any Fundamental Change Purchase Price or Redemption Price for, the Notes held in trust for the benefit of the holders of the Notes;

(ii) that it will give the Trustee prompt written notice of any failure by the Company to make any payment of the principal of, any premium on, accrued and unpaid interest, if any, on, or any Fundamental Change Purchase Price or Redemption Price for, the Notes when the same shall be due and payable; and

(iii) that at any time during the continuance of an Event of Default, upon request of the Trustee, it will forthwith pay to the Trustee all sums so held in trust.

The Company shall, on or before each due date of the principal of, any premium on, accrued and unpaid interest, if any, on, or any Fundamental Change Purchase Price or Redemption Price for, the Notes, deposit with the Paying Agent a sum in U.S. dollars sufficient to pay such principal, premium, accrued and unpaid interest, or any Redemption Price or Fundamental Change Purchase Price, as the case may be, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee in writing of any failure to take such action, provided that, if such deposit is made on the due date, such deposit must be received by the Paying Agent by 10:00 a.m., New York City time, on such date.

(b) If the Company shall act as its own Paying Agent, it will, on or before each due date of the principal of, any premium on, accrued and unpaid interest, if any, on, or any Fundamental Change Purchase Price or Redemption Price for, the Notes, set aside, segregate and hold in trust for the benefit of the Holders of the Notes a sum sufficient to pay such amount so becoming due and will promptly notify the Trustee in writing of any failure to take such action and of any failure by the Company to make any such payment when the same shall become due and payable.

(c) Anything in this Section 5.03 to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by the Company or any Paying Agent hereunder as required by this Section 5.03, such sums to be held by the Trustee upon the trusts herein contained and upon such payment by the Company or any Paying Agent to the Trustee, the Company or such Paying Agent shall be released from all further liability with respect to such sums.

(d) Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, any premium on, accrued and unpaid interest, if any, on, or any Fundamental Change Purchase Price or Redemption Price for, any Note and remaining unclaimed for two years after such principal, premium, accrued and unpaid interest, or any Redemption Price or Fundamental Change Purchase Price has become due and payable shall be paid to the Company on request of the Company contained in an Officer's Certificate, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; *provided, however*, that before the Trustee or such Paying Agent are required to make any such repayment, the Company shall cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in The Borough of Manhattan, The City of New York, New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 calendar days from the date of such publication, any unclaimed balance of such money then remaining

will be repaid to the Company.

#### Section 5.04 *Reports.*

(a) The Company will file with the Trustee, within 15 calendar days after it is required to file the same with the Commission, copies of the quarterly and annual reports and of the information, documents and other reports, if any, that it is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act. Any such report, information or document that the Company files with the Commission through the EDGAR system (or any successor thereto) will be deemed to be delivered to the Trustee for the purposes of this Section 5.04 at the time of such filing through the EDGAR system (or such successor thereto); *provided, however*, that the Trustee shall have no responsibility to determine whether such filings have been made.

(b) Delivery of any such reports, information and documents to the Trustee shall be for informational purposes only, and the Trustee's receipt of such reports, information and documents shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

(c) At any time the Company is not subject to Section 13 or 15(d) of the Exchange Act, the Company will, so long as any of the Notes or the Class C Common Shares delivered upon conversion of the Notes will, at such time, constitute "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, promptly provide to the Trustee and will, upon written request, provide to any Holder, beneficial owner or prospective purchaser of such Notes or such Class C Common Shares the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to facilitate the resale of such Notes or such Class C Common Shares pursuant to Rule 144A under the Securities Act. The Company will take such further action as any Holder or beneficial owner of such Notes or such Class C Common Shares may reasonably request from time to time to enable such Holder or beneficial owner to sell such Notes or such Class C Common Shares in accordance with Rule 144A under the Securities Act, as such rule may be amended from time to time.

Section 5.05 *Statements as to Defaults.* The Company is required to deliver to the Trustee, within 135 days after the end of each fiscal year beginning with the end of the year of the original issue date of the Notes, an Officer's Certificate, stating whether or not to the knowledge of the signer thereof the Company is in default in the performance and observance of any of the terms, provisions and conditions of this Indenture (without regard to any period of grace or requirement of notice provided under this Indenture) and, if the Company is in default, specifying all such Default or Event of Defaults and the nature and the status thereof of which he or she may have knowledge. In addition, the Company shall deliver to the Trustee, as soon as possible, and in any event within 30 calendar days after the Company becomes aware of the occurrence of any Default or Event of Default, an Officer's Certificate setting forth the details of such Default or Event of Default, its status and the action that the Company proposes to take with respect thereto. Such Officer's Certificate shall also comply with any additional requirements set forth in Section 5.07 hereof. The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has received written notice thereof at the Corporate Trust Office.

Section 5.06 *Additional Interest Notice.* If Additional Interest is payable by the Company pursuant to Section 5.08 hereof or Section 6.03 hereof, the Company shall deliver to the Trustee an Officer's Certificate, prior to the Regular Record Date for each applicable Interest Payment Date, to that effect stating (a) the amount of such Additional Interest that is payable and (b) the date on which such interest is payable. Unless and until a Responsible Officer of the Trustee receives at the Corporate Trust Office such a certificate, the Trustee may assume without inquiry that no such Additional Interest is payable. If the Company has paid Additional Interest directly to the Persons entitled to it, the Company shall deliver to the Trustee an Officer's Certificate setting forth the particulars of such payment.

#### Section 5.07 *Compliance Certificate and Opinions of Counsel.*

(a) Except as otherwise expressly provided in this Indenture, upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

(b) Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that each individual signing such certificate or opinion has read such covenant or condition and

the definitions herein relating thereto;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(iv) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

(c) All applications, requests, certificates, statements or other instruments given under this Indenture shall be without personal recourse to any individual giving the same and may include an express statement to such effect.

#### Section 5.08 *Additional Interest.*

(a) If, at any time during the six-month period beginning on, and including, the date which is six months after the Last Original Issuance Date, the Company fails to timely file any document or report that the Company is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act, as applicable (other than Current Reports on Form 8-K), or the Notes are not otherwise Freely Tradable, including pursuant to Rule 144 under the Securities Act, by Holders other than “affiliates” (within the meaning of Rule 144) of the Company or Holders that were “affiliates” (within the meaning of Rule 144) of the Company during the three months immediately preceding the date of the proposed transfer (as a result of restrictions pursuant to U.S. securities laws or the terms of this Indenture or the Notes) the Company shall pay Additional Interest that will accrue on the Notes at the rate of 0.50% per annum of the principal amount of Notes then Outstanding for each day during such period for which the Company’s failure to file has occurred and is continuing or the Notes are not otherwise Freely Tradable by Holders other than “affiliates” (within the meaning of Rule 144) of the Company or Holders that were “affiliates” (within the meaning of Rule 144) of the Company during the three months immediately preceding the date of the proposed transfer; *provided* that such period shall end on the date that is one year from the Last Original Issuance Date.

(b) The Company will use reasonable efforts to cause the Notes, to bear an unrestricted CUSIP number no later than the 375<sup>th</sup> day after the Last Original Issuance Date of the Notes, subject to the Applicable Procedures. If, and for so long as, the Restricted Notes Legend has not been removed (or deemed removed) from the Notes, the Notes are not assigned (or deemed assigned) an unrestricted CUSIP number or the Notes are not otherwise Freely Tradable by Holders other than “affiliates” (within the meaning of Rule 144) of the Company or Holders that were “affiliates” (within the meaning of Rule 144) of the Company during the three months immediately preceding the date of the proposed transfer (without restrictions pursuant to U.S. securities laws or the terms of this Indenture or the Notes) as of the 375<sup>th</sup> day after the Last Original Issuance Date, the Company will pay Additional Interest on the Notes. Additional Interest will accrue on the Notes at the rate of 0.50% per annum of the principal amount of Notes then Outstanding until such Restricted Notes Legend is removed (or deemed removed), the Notes are assigned (or deemed assigned) an unrestricted CUSIP number and the Notes are Freely Tradable by Holders other than “affiliates” (within the meaning of Rule 144) of the Company or Holders that were “affiliates” (within the meaning of Rule 144) of the Company during the three months immediately preceding the date of the proposed transfer.

(c) Such Additional Interest that is payable shall be payable in arrears on each Interest Payment Date following accrual in the same manner as regular interest on the Notes and, subject to 5.08(d), will be in addition to any Additional Interest that may accrue as described under Section 6.03.

Section 5.09 *Corporate Existence.* Subject to Article 9, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory) and franchises; *provided, however*, that the Company shall not be required to preserve any such right or franchise if, in the judgment of the Company, the preservation thereof is no longer desirable in the conduct of the business of the Company.

Section 5.10 *Restriction on Resales.* The Company shall not, and shall use reasonable efforts to not permit any Affiliate of the Company to, resell any of the Notes that have been reacquired by the Company or any of such Affiliate.

Section 5.11 *Company to Furnish Trustee Names and Addresses of Holders.* The Trustee will preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If at any time the Trustee is not the Registrar, the Company will furnish or cause to be furnished to the Trustee

(a) semi-annually, not later than the 15th day after each Regular Record Date, a list, in such form as the Trustee may reasonably require, containing all the information in the possession or control of the Company, or any of its Paying Agents

other than the Trustee, of the names and addresses of the Holders, as of such preceding Regular Record Date, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished.

#### Section 5.12 *Additional Amounts.*

(a) (i) All payments and deliveries made by, or on behalf of the Company (including, for the purposes of this Section 5.12, any successor to the Company) under or with respect to the Notes, including, but not limited to, payments of principal (including, if applicable, the Fundamental Change Purchase Price or the Redemption Price), payments of interest, and/or deliveries of cash and/or Class C Common Shares and/or other Reference Property, if any (together with payment of cash in lieu of any fractional Class C Common Shares, if applicable) upon conversion, shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (including interest and penalties related thereto) (collectively, “**Applicable Taxes**”) imposed or levied by or within the jurisdiction in which the Company is, for tax purposes, organized or resident or doing business or through which payment is made or deemed made by or on behalf of the Company for purposes of the tax law of that jurisdiction (or, in each case, any political subdivision or taxing authority thereof or therein) (each, as applicable, a “**Relevant Taxing Jurisdiction**”), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company shall pay to the Holder of each Note such additional amounts (the “**Additional Amounts**”) as may be necessary to ensure that the net amount received by the beneficial owners after such withholding or deduction (and after deducting any Applicable Taxes imposed by a Relevant Taxing Jurisdiction on the Additional Amounts) shall equal the amounts that would have been received by such beneficial owners had no such withholding or deduction been required; *provided, however*, that no Additional Amounts will be payable for or on account of:

(A) any Applicable Taxes to the extent such Applicable Taxes would not have been imposed but for:

(1) the existence of any present or former connection between the Holder or beneficial owner of such Note and the Relevant Taxing Jurisdiction, including, without limitation, being or having been a national, domiciliary or resident of such Relevant Taxing Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein, but excluding the mere holding or enforcement of such Note or the receipt of payments thereunder;

(2) the presentation of such Note (in cases in which presentation is required) more than 30 days after the date on which the applicable payment of the principal of (including the Fundamental Change Purchase Price or Redemption Price, if applicable) or interest on such Note or the delivery of cash, Class C Common Shares or other Reference Property (together with payment of cash in lieu of any fractional Class C Common Shares) upon applicable conversion of such Note became due and payable pursuant to the terms thereof or was made or duly provided for; or

(3) the failure of the Holder or beneficial owner (to the extent it was legally entitled to do so) to comply with a timely request, addressed to the Holder or beneficial owner, as the case may be, to provide certification, information, documents or other evidence concerning such Holder’s or beneficial owner’s nationality, residence, identity or connection with the Relevant Taxing Jurisdiction, or to make any declaration or satisfy any other reporting requirement relating to such matters, if and to the extent that compliance with such request is required by statute, regulation, treaty or administrative practice of the Relevant Taxing Jurisdiction in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder or beneficial owner;

(B) any estate, inheritance, gift, sale, transfer, personal property or similar Applicable Taxes;

(C) any Applicable Taxes to the extent such Applicable Taxes result from the presentation of any Note for payment (where presentation is required for payment) and the payment can be made without such withholding or deduction by the presentation of the Note for payment by at least one other Paying Agent in a member state of the European Union;

(D) any Applicable Taxes that are payable otherwise than by withholding from payments under or with respect to the Notes;

(E) any taxes required by sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (“**FATCA**”), any current or future Treasury Regulations or rulings promulgated thereunder, any

law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA or any law enacted by such other jurisdiction to give effect to such agreement, or any agreement with the U.S. Internal Revenue Service under FATCA;

(F) any Applicable Taxes with respect to any payment of the principal of (including, if applicable, the Fundamental Change Purchase Price or the Redemption Price) or interest on such Note or the delivery of cash, Class C Common Shares or other Reference Property (together with payment of cash in lieu of any fractional Class C Common Shares) upon conversion of such Note to a Holder, if the Holder is a fiduciary, partnership or person other than the sole beneficial owner of that payment or delivery to the extent that a beneficiary or settlor with respect to the fiduciary, a partner or member of that partnership or the beneficial owner would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, member or beneficial owner been the Holder thereof; or

(G) any combination of Applicable Taxes referred to in the preceding clauses (A) through (F).

(ii) In addition to the foregoing, the Company shall pay and indemnify the Holder or beneficial owner of the Notes for any present or future stamp, issue, registration, transfer, court or documentary taxes, or any other excise or property taxes, charges or similar levies levied (in each case) by any Relevant Taxing Jurisdiction on the execution, delivery, registration or enforcement of any of the Notes or any other document or instrument referred to therein.

(iii) If the Company becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes, the Company shall deliver to the Trustee and each Paying Agent on a date at least 30 days prior to the date of payment (unless the Company becomes aware of the obligation to pay Additional Amounts after the 30th day prior to that payment date, in which case the Company shall notify the Trustee and each Paying Agent promptly thereafter) an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer's Certificate must also set forth any other information reasonably necessary to enable the Paying Agent to pay Additional Amounts on the relevant payment date. The Trustee and each Paying Agent shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary. The Company shall provide the Trustee with documentation reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts.

(iv) The Company shall make all withholdings and deductions required by law to be made by the Company with respect to the Notes and will remit the full amount so deducted or withheld to the relevant taxing authority in accordance with applicable law. The Company shall use reasonable efforts to obtain tax receipts from each taxing authority evidencing the payment of any Applicable Taxes so deducted or withheld. The Company shall furnish to the Holders upon written request, within 60 days after the date the payment of any Applicable Taxes so deducted or withheld is made, certified copies of tax receipts evidencing payment by the Company or if, notwithstanding the Company's efforts to obtain receipts, receipts are not obtained, other evidence of payments by the Company.

(v) Furthermore, Additional Amounts shall not be paid for any Applicable Taxes with respect to any payment of the principal of (including the Fundamental Change Purchase Price or Redemption Price, if applicable) and interest on, such Note or the delivery of Class C Common Shares or other Reference Property (together with payment of cash in lieu of any fractional Class C Common Shares) upon conversion of such Note to a Holder, if the Holder is a fiduciary, partnership or Person other than the sole beneficial owner of that payment to the extent that such payment would be required to be included in the income under the laws of the Relevant Taxing Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a partner or member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, member or beneficial owner been the Holder thereof.

(b) Any reference in this Indenture or the Notes in any context to the delivery of cash, Class C Common Shares or other Reference Property (together with payment of cash in lieu of any fractional Class C Common Shares) upon conversion of any Note or the payment of principal of (including the Fundamental Change Purchase Price or Redemption Price, if applicable) and interest on any Note or any other amount payable with respect to such Note, shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to this Section 5.12.

(c) Each Holder entitled to any Additional Amounts shall cooperate with the Company and the Trustee in providing any information or documentation reasonably requested by the Company or the Trustee to confirm the identity and/or tax status of such Holder and any affected beneficial owner (to the extent necessary to establish such Holder's entitlement to Additional Amounts) and to assist the Company or the Trustee in determining the applicable withholding tax rate and the amount of Additional Amounts payable in respect thereof. The Company shall furnish to the Trustee an Officer's Certificate and any other documentation reasonably satisfactory to the Trustee evidencing the payment of any Applicable Taxes so deducted or withheld and the amount of any Additional Amounts payable thereon. Copies of such documentation shall be made available by the Trustee to Holders upon written request to the Trustee.



(d) The above obligations will survive termination, defeasance or discharge of this Indenture or any transfer by a Holder or beneficial owner of its Notes.

## ARTICLE 6. REMEDIES

Section 6.01 *Events of Default.* Each of the following events shall be an “**Event of Default**” with respect to the Notes:

(a) default in any payment of interest on any Note when due and payable, and the default continues for a period of more than 30 calendar days;

(b) default in the payment of the principal of or premium, if any, on any Note (including the Fundamental Change Purchase Price or Redemption Price, if applicable) when due and payable on the Maturity Date, upon required repurchase, upon redemption, upon declaration of acceleration or otherwise;

(c) failure by the Company to comply with its obligations under Article 4 hereof to convert the Notes into cash, Class C Common Shares or a combination of cash and Class C Common Shares, as applicable, upon exercise of a Holder’s conversion right and such failure continues for a period of five Business Days;

(d) failure by the Company to comply with its obligations under Article 9 hereof;

(e) failure by the Company to issue a notice in accordance with the provisions of Section 3.02 hereof;

(f) failure by the Company for 90 days after written notice from the Trustee or the Holders of at least 25% in principal amount of the Notes then Outstanding (a copy of which notice, if given by Holders, must also be given to the Trustee) has been received by the Company to comply with any of its other agreements contained in the Notes or this Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section 6.01 specifically provided for or that is not applicable to the Notes), which notice shall state that it is a “**Notice of Default**” hereunder;

(g) default by the Company or any of its Significant Subsidiaries with respect to any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced any indebtedness for money borrowed in excess of \$100,000,000 (or its foreign currency equivalent at the time) in the aggregate of the Company and/or any of the Significant Subsidiaries of the Company, whether such indebtedness now exists or shall hereafter be created (i) resulting in such indebtedness becoming or being declared immediately due and payable or (ii) after the expiration of any applicable grace period with respect thereto constituting a failure to pay the principal or interest of any such indebtedness when due and payable at its stated maturity, upon required repurchase, upon declaration of acceleration or otherwise;

(h) a final judgment for the payment of \$100,000,000 (or its foreign currency equivalent at the time) or more (excluding any amounts covered by insurance or bond) rendered against the Company or any of its Significant Subsidiaries by a court of competent jurisdiction, which judgment is not discharged, stayed, vacated, paid or otherwise satisfied within 60 days after (i) the date on which the right to appeal thereof has expired if no such appeal has commenced, or (ii) the date on which all rights to appeal have been extinguished; or

(i) the Company or any Significant Subsidiary of the Company shall commence a voluntary case or other proceeding seeking the liquidation, reorganization or other relief with respect to the Company or such Significant Subsidiary or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Company or such Significant Subsidiary of the Company or any substantial part of the Company’s or such Significant Subsidiary of the Company’s property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due; or

(j) an involuntary case or other proceeding shall be commenced against the Company or any Significant Subsidiary of the Company seeking liquidation, reorganization or other relief with respect to the Company or such Significant Subsidiary of the Company or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Company or such Significant Subsidiary of the Company or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty consecutive days.

Section 6.02 *Acceleration; Waiver.*

(a) If an Event of Default (other than an Event of Default specified in Section 6.01(i) hereof or Section 6.01(j) hereof with respect to the Company) occurs and is continuing, and is known to a Responsible Officer of the Trustee, the Trustee by notice to the Company, or the Holders of at least 25% in principal amount of the Notes then Outstanding by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare 100% of the principal of, premium, if any, and accrued and unpaid interest, if any, on all the Notes then Outstanding to be due and payable immediately. Upon such a declaration, such principal, premium, if any, and accrued and unpaid interest, if any, shall be due and payable immediately. If an Event of Default specified in Section 6.01(i) or Section 6.01(j) with respect to the Company occurs and is continuing, 100% of the principal of, premium, if any, and accrued and unpaid interest, if any, on all Notes shall automatically become due and payable.

(b) The Holders of a majority in aggregate principal amount of Notes at the time Outstanding, by written notice to the Trustee and the Company, may waive any current or past Default or Event of Default (except with respect to (i) any failure by the Company to pay the principal of or accrued interest on the Notes (including the Fundamental Change Purchase Price or Redemption Price, if applicable), (ii) any failure by the Company to comply with its obligations to purchase Notes when required to do so under Article 3, (iii) any failure by the Company to pay or deliver, as the case may be, the consideration due upon conversion of the Notes or (iv) any covenant or provision of this Indenture or the Notes that cannot be modified or amended without the consent of all Holders as provided for in Section 8.02) and may rescind any acceleration of the notes if (x) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction, (y) all existing Events of Default, other than the nonpayment of the principal of and interest on the Notes have become due solely by such acceleration, have been cured or waived and (z) the Company has paid the Trustee its reasonable compensation and reimbursed the Trustee for its reasonable expenses (including the fees and expenses of its counsel), disbursements and advances.

(c) Each Holder shall have the right to receive payment or delivery, as the case may be, of: (i) the principal (including the Fundamental Change Purchase Price or Redemption Price, if applicable) of; (ii) accrued and unpaid interest on; and (iii) the consideration due upon conversion of its Notes, on or after the respective due dates expressed or provided for herein, or to institute suit for the enforcement of any such payment or delivery, as the case may be, and such right to receive such payment or delivery, as the case may be, on or after such respective dates shall not be impaired or affected without the consent of such Holder.

#### Section 6.03 *Additional Interest.*

(a) Notwithstanding Section 6.02 hereof, to the extent the Company elects, the sole remedy for an Event of Default under Section 6.01(f) relating to the Company's failure to comply with Section 5.04(a) hereof (such Event of Default, a "**Reporting Event of Default**"), will, after the occurrence of such Reporting Event of Default, consist exclusively of the right to receive Additional Interest on the Notes at a rate equal to 0.50% per annum of the principal amount of the Notes Outstanding for each day during the 180-day period beginning on, and including, the day on which such Reporting Event of Default occurs and is continuing (and neither waived nor cured).

(b) On the 181st day after the date on which the Reporting Event of Default occurred (if such Reporting Event of Default has not been cured or waived prior to such 181st day), the Notes will be subject to acceleration as provided in Section 6.02 hereof.

(c) In order to elect to pay the Additional Interest as the sole remedy during the first 180 days after the occurrence of a Reporting Event of Default, the Company must notify all Holders of Notes, the Trustee and the Paying Agent of such election prior to the beginning of such 180-day period. Upon the Company's failure to timely give such notice, the Notes shall be immediately subject to acceleration as provided in Section 6.02 hereof. In the event the Company does not elect to pay Additional Interest following a Reporting Event of Default or the Company elects to pay Additional Interest but does not pay the Additional Interest when due, the Notes will be subject to acceleration as provided in Section 6.02 hereof. Except as provided in the Section 6.03(d) below, nothing in this Section 6.03 shall affect the rights of Holders of Notes in the event of the occurrence of any other Event of Default.

(d) Such Additional Interest will be payable in arrears on each Interest Payment Date following accrual in the same manner as regular interest on the Notes and will be separate and distinct from, and in addition to any Additional Interest that may accrue pursuant to Section 5.08.

(e) With regard to any Reporting Event of Default, no Additional Interest shall accrue, and no right to declare the principal or other amounts due and payable in respect of the Notes shall exist, after such Reporting Event of Default has been cured.

Section 6.04 *Control by Majority.* At any time, the Holders of a majority of the aggregate principal amount of the then Outstanding Notes may direct in writing the time, method and place of conducting any proceeding for any remedy available to the

Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to the Trustee's duties under Article 10 hereof, that the Trustee determines to be unduly prejudicial to the rights of a Holder or to the Trustee, or that would potentially involve the Trustee in personal liability unless the Trustee is offered indemnity or security satisfactory to it against any loss, liability or expense to the Trustee that may result from the Trustee's instituting such proceeding as the Trustee. Prior to taking any action hereunder, the Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

Section 6.05 *Limitation on Suits*. Subject to Section 6.06 hereof, no Holder may pursue a remedy with respect to this Indenture or the Notes unless:

- (a) such Holder has previously delivered to the Trustee written notice that an Event of Default has occurred and is continuing;
- (b) the Holders of at least 25% of the aggregate principal amount of the then Outstanding Notes deliver to the Trustee a written request that the Trustee pursue a remedy with respect to such Event of Default;
- (c) such Holder or Holders have offered and, if requested, provided to the Trustee indemnity satisfactory to the Trustee against any loss, liability or other expense of compliance with such written request;
- (d) the Trustee has not complied with such written request within 60 days after receipt of such written request and offer of indemnity; and
- (e) during such 60-day period, the Holders of a majority of the aggregate principal amount of the then Outstanding Notes did not deliver to the Trustee a direction inconsistent with such written request.

Section 6.06 *Rights of Holders to Receive Payment and to Convert*. Notwithstanding anything to the contrary elsewhere in this Indenture, the right, which is absolute and unconditional, of any Holder to receive payment of the principal of, premium, if any, interest on, Fundamental Change Purchase Price or Redemption Price for, on or after the respective due date, and to convert its Notes and receive the payment or delivery of cash, Class C Common Shares or combination of cash and Class C Common Shares, if any, as the case may be, due with respect to such Notes in accordance with Article 4 hereof, or to bring suit for the enforcement of any such payment or conversion rights, will not be impaired or affected without the consent of such Holder and will not be subject to the requirements of Section 6.05 hereof.

Section 6.07 *Collection of Indebtedness; Suit for Enforcement by Trustee*. If an Event of Default specified in Section 6.01(a), 6.01(b) or 6.01(c) hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal of, premium on, interest on, Fundamental Change Purchase Price or Redemption Price for, and the amount of cash, the number of Class C Common Shares or the combination of cash and Class C Common Shares, if any, as the case may be, due upon the conversion of, the Notes, as the case may be, and such further amount as is sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, as well as any other amounts that may be due under Section 10.07 hereof.

Section 6.08 *Trustee May Enforce Claims Without Possession of Notes*. All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the compensation, and reasonable expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders in respect of which such judgment has been recovered.

Section 6.09 *Trustee May File Proofs of Claim*. The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable to have the claims of the Trustee and the Holders allowed in any judicial proceedings relative to the Company, its creditors or its property and, unless prohibited by law or applicable regulations, will be entitled to collect, receive and distribute any money or other property payable or deliverable on any such claims, and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and, in the event that the Trustee consents to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 10.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 10.07 hereof out of the estate in any such proceeding, will be denied for any reason, payment of the same will be secured by a lien on, and is paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding, whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained will be deemed to authorize the Trustee to authorize or consent to, or to accept or to adopt on behalf of any Holder, any plan of reorganization, arrangement, adjustment or composition

affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 *Restoration of Rights and Remedies*. If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 6.11 *Rights and Remedies Cumulative*. Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes in Section 2.09 hereof, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.12 *Delay or Omission Not a Waiver*. No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article 6 or by law to the Trustee or to the Holders may be exercised from time to time and as often as may be deemed expedient by the Trustee (subject to the limitations contained in this Indenture) or by the Holders, as the case may be.

Section 6.13 *Priorities*. If the Trustee collects any money pursuant to this Article 6, it will pay out the money in the following order:

FIRST: to the Trustee, its agents and attorneys for amounts due under Section 10.07 hereof, including payment of all compensation, expenses and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

SECOND: to the Holders, for any amounts due and unpaid on the principal of, premium on, accrued and unpaid interest on, Fundamental Change Purchase Price or Redemption Price for, and any cash due upon conversion of, any Note, without preference or priority of any kind, according to such amounts due and payable on all of the Notes; and

THIRD: the balance, if any, to the Company or to such other party as a court of competent jurisdiction directs.

The Trustee may fix a record date and payment date for any payment to the Holders pursuant to this Section 6.13. If the Trustee so fixes a record date and a payment date, at least 15 calendar days prior to such record date, the Trustee will deliver to each Holder a written notice, which notice will state such record date, such payment date and the amount of such payment.

Section 6.14 *Undertaking for Costs*. All parties to this Indenture agree, and each Holder, by such Holder's acceptance of a Note, shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; *provided, however*, that the provisions of this Section 6.14 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in aggregate principal amount of the Notes then Outstanding, or to any suit instituted by any Holder for the enforcement of the payment of the principal of, any premium on, accrued and unpaid interest, if any, on, Fundamental Change Purchase Price or Redemption Price for, any Note on or after the due date expressed or provided for in this Indenture or to any suit for the enforcement of the right to convert any Note in accordance with the provisions of Article 4 hereof.

Section 6.15 *Waiver of Stay, Extension and Usury Laws*. The Company covenants that, to the extent that it may lawfully do so, it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company, to the extent that it may lawfully do so, hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will instead suffer and permit the execution of every such power as though no such law has been enacted.

## ARTICLE 7. SATISFACTION AND DISCHARGE

Section 7.01 *Discharge of Liability on Notes*. When (a) the Company shall deliver to the Registrar for cancellation all Notes

theretofore authenticated (other than any Notes that have been destroyed, lost or stolen and in lieu of or in substitution for which other Notes shall have been authenticated and delivered) and not theretofore canceled, or (b) all the Notes not theretofore canceled or delivered to the Trustee for cancellation shall have become due and payable (whether on the Maturity Date, on any Fundamental Change Purchase Date, any Redemption Date or Tax Redemption Date, upon conversion or otherwise) and the Company shall deposit with the Trustee, in trust, or deliver to the Holders, as applicable, an amount of cash, a number of Class C Common Shares, or a combination of cash and Class C Common Shares, if any, as the case may be (solely to settle amounts due with respect to outstanding conversions), sufficient to pay all amounts due on all of such Notes (other than any Notes that shall have been mutilated, destroyed, lost or stolen and in lieu of or in substitution for which other Notes shall have been authenticated and delivered) not theretofore canceled or delivered to the Trustee for cancellation, including principal and interest due, accompanied, except in the event the Notes are due and payable solely in cash at the Maturity Date, upon an earlier Fundamental Change Purchase Date, Redemption Date or Tax Redemption Date, by a verification report as to the sufficiency of the deposited amount from an independent certified accountant or other financial professional reasonably satisfactory to the Trustee, and if the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, then this Indenture shall cease to be of further effect (except as to (i) rights hereunder of Holders to receive from such trust all amounts owing upon the Notes and the other rights, duties and obligations of Holders, as beneficiaries hereof with respect to the amounts, if any, so deposited with the Trustee and (ii) the rights, obligations and immunities of the Trustee hereunder), and the Trustee, on written demand of the Company accompanied by an Officer's Certificate and an Opinion of Counsel and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture; the Company, however, hereby agrees to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee, including the fees and expenses of its counsel, and to compensate the Trustee for any services thereafter reasonably and properly rendered by the Trustee in connection with this Indenture or the Notes.

Section 7.02 *Deposited Monies to Be Held in Trust by Trustee.* Subject to Section 7.04 hereof, all monies deposited with the Trustee pursuant to Section 7.01 hereof shall be held in trust for the sole benefit of the Holders of the Notes, and such monies shall be applied by the Trustee to the payment, either directly or through any Paying Agent (including the Company if acting as its own Paying Agent), to the Holders of the particular Notes for the payment or settlement of which such monies have been deposited with the Trustee, of all sums or amounts due and to become due thereon for principal and interest, if any.

Section 7.03 *Paying Agent to Repay Monies Held.* Upon the satisfaction and discharge of this Indenture, all monies then held by any Paying Agent (if other than the Trustee) shall, upon written request of the Company, be repaid to it or paid to the Trustee, and thereupon such Paying Agent shall be released from all further liability with respect to such monies.

Section 7.04 *Return of Unclaimed Monies.* Subject to the requirements of applicable law, any monies deposited with or paid to the Trustee for payment of the principal of or interest, if any, on the Notes and not applied but remaining unclaimed by the Holders of the Notes for two (2) years after the date upon which the principal of or interest, if any, on such Notes, as the case may be, shall have become due and payable, shall be repaid to the Company by the Trustee on demand, and all liability of the Trustee shall thereupon cease with respect to such monies; and the Holder shall thereafter look only to the Company for any payment or delivery that such Holder may be entitled to collect unless an applicable abandoned property law designates another Person.

Section 7.05 *Reinstatement.* If the Trustee or the Paying Agent is unable to apply any money, in accordance with Section 7.02 hereof by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under the Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 7.01 hereof until such time as the Trustee or the Paying Agent is permitted to apply all such money in accordance with Section 7.02 hereof; *provided, however,* that if the Company makes any payment of interest on, principal of or payment or delivery in respect of any Note following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money, if any, held by the Trustee or Paying Agent.

## ARTICLE 8. SUPPLEMENTAL INDENTURES

### Section 8.01 *Supplemental Indentures Without Consent of Holders.*

Without the consent of any Holder, the Company and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

- (a) to cure any ambiguity, defect or inconsistency in this Indenture or the Notes;
- (b) to conform the terms of this Indenture or the Notes to the description thereof in the Preliminary Offering Memorandum, as supplemented by the pricing term sheet related to the offering of the Notes;
- (c) to evidence the succession by a Successor Company and to provide for the assumption by a Successor Company of the Company's obligations under the Indenture;

- (d) to add guarantees with respect to the Notes;
- (e) to secure the Notes;
- (f) to add to the Company's covenants such further covenants, restrictions or conditions for the benefit of the Holders or surrender any right or power conferred upon the Company by the Indenture;
- (g) to make any other change that does not adversely affect the rights of any Holder in any material respect (other than any Holder that consents to such change);
- (h) to provide for a successor Trustee;
- (i) upon the occurrence of a Share Exchange Event, solely (x) to provide that the Notes are convertible into Reference Property, as required under Section 4.07, and (y) to effect the related changes to the terms of the Notes required under Section 4.07, in each case, in accordance with the applicable provisions hereof;
- (j) to comply with the Applicable Procedures; or
- (k) to irrevocably elect a Settlement Method or eliminate, in the aggregate, any one or two Settlement Methods or, in the case of Combination Settlement, irrevocably elect a Specified Dollar Amount.

Section 8.02 *Supplemental Indentures With Consent of Holders.*

With the consent of the Holders of not less than a majority in principal amount of the Outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender or exchange offer for, Notes) (i) the Company, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders under this Indenture and (ii) any past Default or compliance with any covenants or provisions of this Indenture may be waived (other than a Default or an Event of Default resulting from the failure to pay principal or interest on the Notes, the Fundamental Change Purchase Price or Redemption Price, to pay or deliver, as the case may be, the amount of cash, the number of Class C Common Shares or combination of cash and Class C Common Shares, if any, as the case may be, due upon conversion of a Note); *provided, however*, that no such supplemental indenture or waiver shall, without the consent of the Holder of each Outstanding Note affected thereby:

- (a) reduce the percentage in aggregate principal amount of Notes then Outstanding necessary to waive any past Default or Event of Default;
- (b) reduce the rate of interest on any Note or change the time for payment of interest on any Note;
- (c) reduce the principal of or premium, if any, on any Note or change the Maturity Date of any Note;
- (d) change the place or currency of payment on any Note;
- (e) make any change that impairs or adversely affects the conversion rights of any Notes;
- (f) reduce the Fundamental Change Purchase Price or Redemption Price of any Note or amend or modify in any manner adverse to the rights of the Holders of the Notes the Company's obligation to pay the Fundamental Change Purchase Price or Redemption Price, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise;
- (g) impair the right of any Holder to receive payment of principal of, premium, if any, and interest, if any, on, its Notes, or the right to receive payment or delivery, as the case may be, of the amount of cash, the number of Class C Common Shares or the combination of cash and Class C Common Shares, if any, as the case may be, due upon conversion of its Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment or delivery, as the case may be, with respect to such Holder's Notes;
- (h) modify the ranking provisions of this Indenture in a manner that is adverse to the rights of the Holders of the Notes;
- (i) change the provisions of Section 5.12; or
- (j) make any change to the provisions of this Article 8 that requires each Holder's consent or in the waiver provisions of this Indenture if such change is adverse to the rights of Holders of the Notes.

Notwithstanding the foregoing, any Holder may agree to waive any rights such Holder (and only such Holder) may have with respect to Notes held by such Holder.

It shall not be necessary for any Act or consent of Holders under this Section 8.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act or consent shall approve the substance thereof. The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Persons entitled to consent to any indenture supplemental hereto. If a record date is fixed, the Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to consent to such supplemental indenture, whether or not such Holders remain Holders after such record date; *provided* that, unless such consent shall have become effective by virtue of the requisite percentage having been obtained prior to the date which is 90 calendar days after such record date, any such consent previously given shall automatically and without further action by any Holder be cancelled and of no further effect.

Section 8.03 *Notice of Amendment or Supplement.* After an amendment or supplement under this Article 8 becomes effective, the Company shall provide to the Holders a written notice briefly describing such amendment or supplement. However, the failure to give such notice to all the Holders, or any defect in the notice, shall not impair or affect the validity of the amendment or supplement.

Section 8.04 *Trustee to Sign Amendments, Etc.* The Trustee shall sign any amendment or supplement authorized pursuant to this Article 8 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing or refusing to sign such amendment or supplement, the Trustee shall receive, and, shall be fully protected in conclusively relying upon, an Officer's Certificate and an Opinion of Counsel provided at the expense of the Company, each stating, in addition to the matters set forth in Section 5.07, that such amendment or supplement is authorized or permitted by the Indenture and that such amendment or supplement is the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

## ARTICLE 9. SUCCESSOR COMPANY

Section 9.01 *Company May Consolidate, Etc. on Certain Terms.* The Company shall not amalgamate or consolidate with, merge with or into or convey, transfer or lease its properties and assets substantially as an entirety to another Person, unless:

- (a) the resulting, surviving or transferee Person (the "**Successor Company**") is a corporation organized and validly existing under the laws of the United States of America, any State thereof, the District of Columbia, the Commonwealth of the Bahamas, the Islands of Bermuda, the British Virgin Islands, the Cayman Islands, the Netherlands, Switzerland, Luxembourg, Spain, the United Kingdom or the Republic of Ireland and the Successor Company (if not the Company) expressly assumes, by a supplemental indenture, executed and delivered to the Trustee, all of the obligations of the Company under the Notes and this Indenture as applicable to the Notes (including, for the avoidance of doubt, the obligation to pay Additional Amounts, as set forth in Section 5.12);
- (b) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing under this Indenture with respect to the Notes;
- (c) if, upon the occurrence of any such transaction, the Notes would become convertible into, or exchangeable for, securities issued by an issuer other than the Successor Company pursuant to the terms of this Indenture, then (x) such securities are common shares issued by a corporation organized and existing under the laws of the United States of America, any State thereof, the District of Columbia, the Commonwealth of the Bahamas, the Islands of Bermuda, the British Virgin Islands, the Cayman Islands, the Netherlands, Switzerland, Luxembourg, Spain, the United Kingdom or the Republic of Ireland and (y) if such Successor Company is a wholly owned subsidiary of the issuer of such securities based on which the Notes have become convertible or exchangeable, such other issuer shall fully and unconditionally guarantee on a senior basis the Successor Company's obligations under the Notes; and
- (d) all the conditions specified in this Article 9 are met.

Upon any such amalgamation, consolidation, merger, conveyance, transfer or lease, the Successor Company (if not the Company) shall succeed to, and may exercise every right and power of the Company under this Indenture, and the Company shall be discharged from its obligations under the Notes and the Indenture except in the case of any such lease.

For purposes of this Section 9.01, the conveyance, transfer or lease of the properties and assets of one or more Subsidiaries of the Company substantially as an entirety to another Person, which properties and assets, if held by the Company instead of such Subsidiary or Subsidiaries, would constitute the properties and assets of the Company substantially as an entirety on a consolidated basis, shall be deemed to be the transfer of the properties and assets of the Company substantially as an entirety to another Person.

Section 9.02 *Successor Corporation to Be Substituted.* In case of any such amalgamation, consolidation, merger, conveyance, transfer or lease and upon the assumption by the Successor Company (if other than the Company), by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment of the principal of and premium (including any Fundamental Change Purchase Price or Redemption Price), if any, accrued and unpaid interest, if any, on all of the Notes, the due and punctual delivery or payment, as the case may be, of any Settlement Amount due upon conversion of the Notes and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Company under this Indenture, such Successor Company shall succeed to and be substituted for, and may exercise every right and power of, the Company under this Indenture, with the same effect as if it had been named herein as the party of the first part; *provided, however,* that in the case of a conveyance, transfer or lease to one or more of its Subsidiaries of all or substantially all of the properties and assets of the Company, the Notes will remain convertible based on the Class C Common Shares and into cash, Class C Common Shares, or a combination of cash and Class C Common Shares, if any, as the case may be, in accordance with Section 4.03 hereof, but subject to adjustment (if any) in accordance with Section 4.07 hereof. Such Successor Company thereupon may cause to be signed, and may issue either in its own name or in the name of the Company any or all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such Successor Company instead of the Company and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver, or cause to be authenticated and delivered, any Notes that previously shall have been signed and delivered by the officers of the Company to the Trustee for authentication, and any Notes that such Successor Company thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Notes so issued shall in all respects have the same legal rank and benefit under this Indenture as the Notes theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Notes had been issued at the date of the execution hereof. In the event of any such amalgamation, consolidation, merger, conveyance or transfer (but not in the case of a lease), the Person named as the “Company” in the first paragraph of this Indenture or any successor that shall thereafter have become such in the manner prescribed in this Article 9 may be dissolved, wound up and liquidated at any time thereafter and, except in the case of a lease, such Person shall be released from its liabilities as obligor and maker of the Notes and from its obligations under this Indenture.

In case of any such amalgamation, consolidation, merger, conveyance, transfer or lease, such changes in phraseology and form (but not in substance) may be made in the Notes thereafter to be issued as may be appropriate.

Section 9.03 *Opinion of Counsel to Be Given to Trustee.* In the case of any such amalgamation, merger, consolidation, conveyance, transfer or lease the Trustee shall receive an Officer’s Certificate and an Opinion of Counsel each stating that any such amalgamation, consolidation, merger, conveyance, transfer or lease and any such assumption and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture, complies with the provisions of this Indenture.

## ARTICLE 10. THE TRUSTEE

### Section 10.01 *Duties and Responsibilities of Trustee.*

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee. In case an Event of Default has occurred (which has not been cured or waived) and a Responsible Officer of the Trustee has notice of such fact in accordance with Section 10.03(i), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care in their exercise, as a prudent person would use in the conduct of his or her own affairs.

(b) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred:

(A) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture and applicable law, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(B) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but, in the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty



to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of any mathematical calculations or other facts stated therein);

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Trustee, unless the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the Holders of not less than a majority in principal amount of the Notes at the time Outstanding determined as provided in Section 1.03 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture;

(iv) whether or not therein provided, every provision of this Indenture relating to the conduct or affecting the liability of, or affording protection to, the Trustee shall be subject to the provisions of this Section;

(v) the Trustee shall not be liable in respect of any payment (as to the correctness of amount, entitlement to receive or any other matters relating to payment) or notice effected by the Company or any Paying Agent or any records maintained by any co-Registrar with respect to the Notes; and

(vi) if any party fails to deliver a notice relating to an event the fact of which, pursuant to this Indenture, requires notice to be sent to the Trustee, the Trustee may conclusively rely on its failure to receive such notice as reason to act as if no such event occurred.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

Section 10.02 *Notice of Defaults*. The Trustee shall give the Holders notice of any Default of which a Responsible Officer of the Trustee has received written notice of within 90 days after the occurrence thereof so long as such Default is continuing; *provided*, that (except in the case of any Default in the payment of principal amount of, or interest on, any of the Notes or Fundamental Change Purchase Price, Redemption Price or a default in the delivery of the consideration due upon conversion), the Trustee shall be protected in withholding such notice if and so long as it in good faith determines that the withholding of such notice is in the interest of the Holders of Notes.

Section 10.03 *Reliance on Documents, Opinions, Etc*. Except as otherwise provided in Section 10.01:

(a) the Trustee may conclusively rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, note, coupon or other paper or document (whether in its original, PDF or facsimile form) believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officer's Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board of Directors may be evidenced to the Trustee by a Board Resolution;

(c) the Trustee may consult with counsel of its own selection and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in reliance on such advice or Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Holders pursuant to the provisions of this Indenture (including upon the occurrence and during the continuance of an Event of Default), unless such Holders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against any loss, expenses and liabilities which may be incurred therein or thereby;

(e) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney (at the reasonable expense of the Company and shall incur no liability of any kind by reason of such inquiry or investigation);

(f) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or

by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care hereunder;

(g) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(h) in no event shall the Trustee be responsible or liable for special, indirect, consequential or punitive loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action;

(i) the Trustee shall not be deemed to have notice of any Default or Event of Default unless written notice of any event which is in fact such a default is received by a Responsible Officer of the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and the Indenture;

(j) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder;

(k) the Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder;

(l) the Trustee may request that the Company deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture; and

(m) the permissive rights of the Trustee enumerated herein shall not be construed as duties.

Section 10.04 *No Responsibility for Recitals, Etc.* The recitals contained herein and in the Notes (except in the Trustee's certificate of authentication) shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Notes. The Trustee shall not be accountable for the use or application by the Company of any Notes or the proceeds of any Notes authenticated and delivered by the Trustee in conformity with the provisions of this Indenture.

Section 10.05 *Trustee, Paying Agents, Exchange Agents or Registrar May Own Notes.* The Trustee, any Paying Agent, any Conversion Agent or Registrar, in its individual or any other capacity, may become the owner or pledgee of Notes with the same rights it would have if it were not Trustee, Paying Agent, Conversion Agent or Registrar.

Section 10.06 *Monies to be Held in Trust.* Subject to the provisions of Section 10.07, all monies and properties received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as may be agreed in writing from time to time by the Company and the Trustee.

Section 10.07 *Compensation, Expenses and Indemnity of Trustee.* The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, such compensation for all services rendered by it hereunder in any capacity (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) as mutually agreed to from time to time in writing between the Company and the Trustee, and the Company will pay or reimburse the Trustee upon its request for all reasonable, out-of-pocket expenses, disbursements and advances reasonably incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all Persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or willful misconduct.

The Company also covenants to indemnify the Trustee (or any officer, director or employee of the Trustee), in any capacity under this Indenture and its agents and any Authenticating Agent for, and to hold them harmless against, any and all loss, liability, claim or expense incurred without negligence or willful misconduct on the part of the Trustee or such officers, directors, employees and agent or Authenticating Agent, as the case may be, and arising out of or in connection with the acceptance or administration of this trust or in any other capacity hereunder, including the costs and expenses of defending themselves against any claim (whether asserted by the Company, a Holder or any other Person) of liability in the premises. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder. At the request of the Trustee, the Company shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have one firm of separate counsel except in the event local counsel shall be required and the Company shall pay the reasonable fees and expenses of such counsel and local counsel, as applicable. The Company need not pay for any settlement

made without its consent, which consent shall not be unreasonably withheld.

The obligations of the Company under this Section 10.07 to compensate or indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall be secured by a lien prior to that of the Notes upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the Holders of particular Notes. The obligation of the Company under this Section shall survive the satisfaction and discharge of this Indenture and the resignation or removal of the Trustee.

When the Trustee and its agents and any Authenticating Agent incur expenses or render services after an Event of Default specified in Section 6.01(i) and 6.01(j) with respect to the Company occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under any bankruptcy, insolvency or similar laws.

**Section 10.08 *Officer's Certificate as Evidence.*** Except as otherwise provided in Section 10.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by an Officer's Certificate delivered to the Trustee.

**Section 10.09 *[Reserved]*.**

**Section 10.10 *Eligibility of Trustee.*** There shall at all times be a Trustee hereunder which shall be a Person that has a combined capital and surplus of at least \$50,000,000 (or if such Person is a member of a bank holding company system, its bank holding company shall have a combined capital and surplus of at least \$50,000,000). If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 10.10, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

**Section 10.11 *Resignation or Removal of Trustee.***

(a) The Trustee may at any time resign by giving written notice of such resignation to the Company and to the Holders of Notes. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment thirty (30) days after the mailing of such notice of resignation to the Holders, the resigning Trustee may, upon ten (10) Business Days' notice to the Company and the Holders, petition, at the expense of the Company, any court of competent jurisdiction for the appointment of a successor trustee, or, if any Holder who has been a bona fide Holder of a Note or Notes for at least six (6) months may, subject to the provisions of Section 6.14, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(i) the Trustee shall cease to be eligible in accordance with the provisions of Section 10.10 and shall fail to resign after written request therefor by the Company or by any such Holder; or

(ii) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, the Company may remove the Trustee and appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 6.14, any Holder who has been a bona fide Holder of a Note or Notes for at least six (6) months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee; *provided, however*, that if no successor Trustee shall have been appointed and have accepted appointment thirty (30) days after either the Company or the Holders has removed the Trustee, the Trustee so removed may petition at the Company's expense any court of competent jurisdiction for an appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The Holders of a majority in aggregate principal amount of the Notes at the time Outstanding may at any time remove the Trustee and nominate a successor trustee which shall be deemed appointed as successor trustee unless, within ten

(10) days after notice to the Company of such nomination, the Company objects thereto, in which case the Trustee so removed or any Holder, or if such Trustee so removed or any Holder fails to act, the Company, upon the terms and conditions and otherwise as provided in Section 10.11(a), may petition, at the expense of the Company, any court of competent jurisdiction for an appointment of a successor trustee.

(d) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section 10.11 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 10.12.

Section 10.12 *Acceptance by Successor Trustee.* Any successor trustee appointed as provided in Section 10.11 shall execute, acknowledge and deliver to the Company and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the written request of the Company or of the successor trustee, the trustee ceasing to act shall, upon payment of any amount then due it pursuant to the provisions of Section 10.07, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Company shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property and funds held or collected by such trustee as such, except for funds held in trust for the benefit of Holders of particular Notes, to secure any amounts then due it pursuant to the provisions of Section 10.07.

No successor trustee shall accept appointment as provided in this Section 10.12 unless, at the time of such acceptance, such successor trustee shall be eligible under the provisions of Section 10.10.

Upon acceptance of appointment by a successor trustee as provided in this Section 10.12, the Company (or the successor trustee, at the written direction of the Company) shall mail or cause to be mailed notice of the succession of such trustee hereunder to the Holders of Notes at their addresses as they shall appear on the Register. If the Company fails to mail such notice within ten (10) days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Company.

Section 10.13 *Succession by Merger, Etc.* Any corporation into which the Trustee may be merged or exchanged or with which it may be consolidated, or any corporation resulting from any merger, exchange or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee (including any trust created by this Indenture), shall be the successor to the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that in the case of any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, such corporation shall be eligible under the provisions of Section 10.10.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee or Authenticating Agent appointed by such predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee or any Authenticating Agent appointed by such successor trustee may authenticate such Notes in the name of the successor trustee; and in all such cases such certificates shall have the full force that is provided in the Notes or in this Indenture; *provided, however*, that the right to adopt the certificate of authentication of any predecessor Trustee or authenticate Notes in the name of any predecessor Trustee shall apply only to its successor or successors by merger, exchange or consolidation.

Section 10.14 *[Reserved]*.

Section 10.15 *Trustee's Application for Instructions from the Company.* Any application by the Trustee for written instructions from the Company (other than with regard to any action proposed to be taken or omitted to be taken by the Trustee that affects the rights of the Holders of the Notes under this Indenture) may, at the option of the Trustee, set forth in writing any action proposed to be taken or omitted by the Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Trustee shall not be liable for any action taken by, or omission of, the Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than three (3) Business Days after the date any officer of the Company actually receives such application, unless any such officer shall have consented in writing to any earlier date) unless prior to taking any such action (or the effective date in the case of an omission), the Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

Section 11.01 *Optional Redemption*. No sinking fund is provided for the Notes. Other than as described in this Article 11, the Notes shall not be redeemable by the Company prior to July 19, 2022. The Company has the right, at its election (an “**Optional Redemption**”), to redeem all, or any portion having a principal amount equal to an integral multiple of \$1,000, of the Notes, on a Redemption Date on or after July 19, 2022 but prior to the 85<sup>th</sup> Scheduled Trading Day immediately preceding the Maturity Date, for cash if the Last Reported Sale Price of the Class C Common Shares has been at least 130% of the Conversion Price then in effect on (i) each of at least 20 Trading Days (whether or not consecutive) during the 30 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date on which the Company provides the Notice of Redemption in accordance with Section 11.03 and (ii) the Trading Day immediately preceding the date the Company sends the Notice of Redemption.

Section 11.02 *Optional Redemption for Changes in the Tax Law of the Relevant Taxing Jurisdiction*.

(a) The Company may redeem the Notes, in whole but not in part (except in respect of Holders that elect otherwise as described below), at the Company’s option on a Tax Redemption Date prior to the 85<sup>th</sup> Scheduled Trading Day immediately preceding the Maturity Date (a “**Tax Redemption**”) upon giving not less than 90 nor more than 110 Scheduled Trading Days’ prior written notice (the date for Tax Redemption specified in such notice, the “**Tax Redemption Date**”) (provided that, if the Company is otherwise permitted to settle conversions by Physical Settlement, then the Company may instead elect to provide such notice at least 20 Scheduled Trading Days (but no more than 40 Scheduled Trading Days) prior to the Tax Redemption Date and, in that case, the Company will be required to settle all conversions with a Conversion Date occurring after the date the Company provides such Notice of Tax Redemption and prior to the Close of Business on the Business Day immediately preceding the related Tax Redemption Date by Physical Settlement, and the Company will describe the same in the Notice of Tax Redemption and related press release issued pursuant to Section 11.03(b) to the Trustee, the Conversion Agent (if other than the Trustee), the Paying Agent and each Holder (which notice shall be irrevocable), at the Redemption Price if, on the next date on which any amount would be payable or delivery owed in respect of the Notes, the Company would be required to pay any Additional Amounts, and the Company cannot avoid any such payment obligation by taking reasonable measures available to the Company, as a result of:

(i) any amendment to, or change in, the laws, regulations or rulings promulgated thereunder of a Relevant Taxing Jurisdiction that is announced and becomes effective after June 25, 2019 (or, if the applicable Relevant Taxing Jurisdiction becomes a Relevant Taxing Jurisdiction on a date after June 25, 2019, such later date); or

(ii) any amendment to, or change in, an official interpretation or application regarding such laws, regulations or rulings that is announced and becomes effective after June 25, 2019 (or, if the applicable Relevant Taxing Jurisdiction becomes a Relevant Taxing Jurisdiction on a date after June 25, 2019, such later date) (any such amendment or change described in clauses (i) or (ii), a “**Change in Tax Law**”).

In connection with providing such written notice to the Trustee, the Company shall deliver an Opinion of Counsel from external counsel of recognized standing in the Relevant Taxing Jurisdiction and an Officer’s Certificate attesting to such Change in Tax Law and obligation to pay Additional Amounts.

(b) The Company will not give any such notice of a Tax Redemption (the “**Notice of Tax Redemption**”) earlier than 130 days prior to the earliest date on which the Company would be obligated to pay Additional Amounts, and, at the time such Notice of Tax Redemption is given, the obligation to pay Additional Amounts must remain in effect. A Notice of Tax Redemption shall be irrevocable. Simultaneously with providing a Notice of Tax Redemption, the Company shall publish a notice containing this information in a newspaper of general circulation in The City of New York or publish the information on its website or through such other public medium as it may use at that time.

Section 11.03 *Notice of Optional Redemption; Selection of Notes*(a) . (a) In case the Company exercises its Optional Redemption right to redeem all or, as the case may be, any part of the Notes pursuant to Section 11.01, it shall fix a date for redemption (each, a “**Redemption Date**”) and it shall deliver or cause to be delivered a written notice of such Optional Redemption (a “**Notice of Redemption**”) and issue the related press release referenced in Section 11.03(b) not less than 90 nor more than 110 Scheduled Trading Days prior to the Redemption Date to the Trustee, the Paying Agent (if other than the Trustee) and each Holder (provided that, if the Company is otherwise permitted to settle conversions by Physical Settlement, then the Company may instead elect to provide such notice at least 20 Scheduled Trading Days (but not more than 40 Scheduled Trading Days) prior to the Redemption Date and, in that case, the Company will be required to settle all conversions with a Conversion Date occurring after the date the Company provides such Notice of Redemption and prior to the Close of Business on the Business Day immediately preceding the related Redemption Date by Physical Settlement, and the Company will describe the same in the Notice of Redemption and such press release). The Redemption Date must be a Business Day. The Company shall not specify a Redemption Date that falls on or after the 85<sup>th</sup> Scheduled Trading Day immediately preceding the Maturity Date.

(b) Each Notice of Redemption and Notice of Tax Redemption shall identify the provision of this Indenture permitting Optional Redemption and shall specify:

- (i) the Redemption Date or Tax Redemption Date, as applicable;
- (ii) the Redemption Price;
- (iii) the Settlement Method that will apply to all conversions with a Conversion Date that occurs after the date the Company sends such Notice of Redemption or Notice of Tax Redemption and before the Close of Business on the Business Day immediately before the related the Redemption Date or Tax Redemption Date;
- (iv) that on the Redemption Date or Tax Redemption Date, as applicable, the Redemption Price will become due and payable upon each Note to be redeemed, and that interest thereon, if any, shall cease to accrue on and after the Redemption Date or Tax Redemption Date, as applicable, unless the Company defaults in the payment of the Redemption Price;
- (v) the place or places where such Notes subject to Optional Redemption or Tax Redemption, as applicable, are to be surrendered for payment of the Redemption Price;
- (vi) that Holders may surrender Notes for conversion at any time prior to the Close of Business on the Business Day immediately preceding the Redemption Date or Tax Redemption Date, as applicable (unless the Company fails to pay the Redemption Price, in which case a Holder may convert such Notes until the Business Day immediately preceding the date on which the Redemption Price has been paid or duly provided for);
- (vii) the procedures a converting Holder must follow to convert its Notes subject to Optional Redemption or Tax Redemption, as applicable, and the Settlement Method and Specified Cash Amount, if applicable;
- (viii) the Conversion Rate and, if applicable, the number of Additional Shares added to the Conversion Rate in accordance with Section 4.06;
- (ix) the CUSIP, ISIN or other similar numbers, if any, assigned to such Notes subject to Optional Redemption or Tax Redemption, as applicable, and that no representation is made as to the correctness or accuracy of the CUSIP or ISIN number listed in such notice or printed on the Notes; and
- (x) in case any Note is to be redeemed in part only, the portion of the principal amount thereof to be redeemed, and that upon surrender of such Note, a new Note in principal amount equal to the unredeemed portion thereof shall be issued.

The Company shall issue a press release through such national newswire service as it then uses containing the information set forth in each Notice of Redemption or Notice of Tax Redemption. At the Company's prior written request, the Trustee shall give the Notice of Redemption or Notice of Tax Redemption in the Company's name and at its expense; *provided, however*, that the Company shall have delivered to the Trustee not later than the Close of Business five Business Days prior to the date the Notice of Redemption or Notice of Tax Redemption is to be sent (unless a shorter period shall be satisfactory to the Trustee), an Officer's Certificate and a Company Order requesting that the Trustee give such Notice of Redemption or Notice of Tax Redemption together with the Notice of Redemption or Notice of Tax Redemption to be given setting forth the information to be stated therein as provided in the preceding paragraph. The Notice of Redemption or Notice of Tax Redemption, if given in the manner herein provided, shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice. In any case, failure to give such Notice of Redemption or Notice of Tax Redemption or any defect in the respective notice to the Holder of any Note designated for Optional Redemption or Tax Redemption as a whole or in part shall not affect the validity of the proceedings for the Optional Redemption or Tax Redemption of any other Note.

(c) If the Company elects to redeem fewer than all of the Outstanding Notes, the Notes to be redeemed will be selected according to the Depository's applicable procedures, in the case of Notes represented by a Global Note, or, in the case of Physical Notes, the Trustee shall select, pro rata or by lot in such manner as it shall deem appropriate and fair. If the Trustee selects a portion of a Holder's Notes for redemption and such Holder converts a portion of such Notes, the converted portion will be deemed to be from the portion selected for redemption. In the event of any redemption in part, the Company will not be required to register the transfer of or exchange any Note so selected for redemption, in whole or in part, except the unredeemed portion of any such Note being redeemed in part.

Section 11.04 *Payment of Notes Called for Redemption*(a) . (a) If any Notice of Redemption or Notice of Tax Redemption has been given in respect of the Notes in accordance with Section 11.03, the Notes shall become due and payable on the Redemption Date or Tax Redemption Date, as case may be, at the place or places stated in the Notice of Redemption or Notice of Tax Redemption, and at the applicable Redemption Price. On presentation and surrender of the Notes at the place or places stated in the Notice of Redemption or Notice of Tax Redemption, the Notes shall be paid and redeemed by the Company at the applicable Redemption Price.

(b) Prior to 11:00 a.m., New York City time, on the Redemption Date or Tax Redemption Date, the Company shall deposit

with the Paying Agent or, if the Company or a Subsidiary of the Company is acting as the Paying Agent, shall segregate and hold in trust as provided in Section 5.03 an amount of cash (in immediately available funds if deposited on the Redemption Date or Tax Redemption Date), sufficient to pay the Redemption Price of all of the Notes to be redeemed on such Redemption Date or Tax Redemption Date. Subject to receipt of funds by the Paying Agent, payment for the Notes to be redeemed shall be made on the Redemption Date or Tax Redemption Date for such Notes. The Paying Agent shall, promptly after such payment and upon written demand by the Company, return to the Company any funds in excess of the Redemption Price.

(c) If the Paying Agent holds money sufficient to pay the Redemption Price of the Notes to be redeemed on the Redemption Date or Tax Redemption Date, then, with respect to the Notes to be redeemed on such dates (which, for the avoidance of doubt, shall not include Notes converted by Holders thereof after delivery of the Notice of Redemption or Notice of Tax Redemption and prior to the Business Day immediately preceding Redemption Date or Tax Redemption Date), such Notes will cease to be Outstanding and interest will cease to accrue (whether or not book-entry transfer of the Notes is made or whether or not the Notes are delivered to the Paying Agent), and all other rights with respect to such Notes of the Holder thereof will terminate (other than the right to receive the Redemption Price).

Section 11.05 *Restrictions on Redemption.* The Company may not redeem any Notes on any date if the principal amount of the Notes has been accelerated in accordance with the terms of this Indenture, and such acceleration has not been rescinded on or prior to the Redemption Date or Tax Redemption Date, as applicable (except in the case of an acceleration resulting from a Default by the Company in the payment of the Redemption Price with respect to such Notes).

Section 11.06 *Holders' Right to Avoid Tax Redemption.* Notwithstanding anything to the contrary in this Article 11, if the Company has given a Notice of Tax Redemption as described in Section 11.02, each Holder will have the right to elect that such Holder's Notes will not be subject to the Tax Redemption. If a Holder elects that its Notes will not be subject to the Tax Redemption, following the Tax Redemption Date, all payments or delivery made in respect of such Holder's Notes will be subject to any Applicable Taxes required to be withheld or deducted under the laws of the Relevant Taxing Jurisdiction and the Company will not be required to pay those Additional Amounts with respect to such subsequent payments or delivery that arise solely as a result of the applicable Change in the Tax Law. The obligation to pay Additional Amounts, if any, to any electing Holder for payments made in periods prior to the Tax Redemption Date shall continue to apply, subject to the exceptions set forth under Section 5.12. Holders must exercise their option to elect to avoid the Tax Redemption by written notice thereof to the Trustee no later than the 15<sup>th</sup> day prior to the Tax Redemption Date; provided that a Holder complying with the requirements for conversion pursuant to Section 4.02 before the Close of Business on the Business Day immediately preceding the Tax Redemption Date shall be deemed to have validly delivered a notice of its election not to have its Notes redeemed in the Tax Redemption, and the Company will pay Additional Amounts, if any are due, with respect to such Holder's conversion of its Notes to the extent required under Section 5.12. A Holder may withdraw any notice of its election under this Section 11.06 (other than such a deemed notice of election in connection with a conversion) by delivering to the Company and the Paying Agent a written notice of withdrawal prior to the Close of Business on the Business Day immediately preceding the Tax Redemption Date (or, if the Company fails to pay the Redemption Price on the Tax Redemption Date, such later date on which the Company pays the Redemption Price). If no election is made or deemed to have been made, the Holder will have its Notes redeemed without any further action.

## ARTICLE 12. MISCELLANEOUS

Section 12.01 *Effect on Successors and Assigns.* All agreements of the Company, the Trustee, the Registrar, the Paying Agent, the Bid Solicitation Agent and the Conversion Agent in this Indenture and the Notes will bind their respective successors.

Section 12.02 *Governing Law.* This Indenture and the Notes, and any claim, controversy or dispute arising under or related to the Indenture or the Notes, will be governed by, and construed in accordance with, the laws of the State of New York. To the fullest extent permitted by applicable law, the Company hereby irrevocably submits to the jurisdiction of any Federal or State court located in the Borough of Manhattan in The City of New York, New York in any suit, action or proceeding based on or arising out of or relating to this Indenture or any Notes and irrevocably agrees that all claims in respect of such suit or proceeding may be determined in any such court. The Company irrevocably waives, to the fullest extent permitted by law, any objection which it may have to the laying of the venue of any such suit, action or proceeding brought in an inconvenient forum. The Company agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon the Company, and may be enforced in any courts to the jurisdiction of which the Company is subject by a suit upon such judgment, provided, that service of process is effected upon the Company in the manner specified herein or as otherwise permitted by law.

Section 12.03 *No Note Interest Created.* Nothing in this Indenture or in the Notes, expressed or implied, shall be construed to constitute a security interest under the Uniform Commercial Code or similar legislation, as now or hereafter enacted and in effect, in any jurisdiction.

Section 12.04 *Voting*. In determining whether the Holders of the requisite aggregate principal amount of Notes have concurred in any direction, consent, waiver or other action under this Indenture, Notes that are owned by the Company, by any of its Subsidiaries or by any person or entity directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any of its Subsidiaries shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that in determining whether the Trustee shall be protected in relying upon any request, demand, authorization, direction, notice, consent or waiver or other action that is to be made by a requisite principal amount of Outstanding Notes, only such Notes which a Responsible Officer of the Trustee actually knows to be so owned shall be disregarded. Notes so owned that have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee shall establish its right to so act with respect to such Notes and that the pledgee is not the Company, one of its Subsidiaries or a person or entity directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or one of its Subsidiaries.

Section 12.05 *Benefits of Indenture*. Nothing in this Indenture or in the Notes, expressed or implied, will give to any Person, other than the parties hereto, any Paying Agent, any Conversion Agent, any Authenticating Agent, any Registrar or their successors hereunder or the Holders of the Notes, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 12.06 *Calculations*. Except as otherwise provided in this Indenture, the Company shall be responsible for making all calculations called for under the Indenture and the Notes. These calculations include, but are not limited to, determinations of the Last Reported Sale Prices, Trading Prices and Daily VWAPs of the Class C Common Shares, accrued interest payable on the Notes and the Conversion Rate. The Company shall make all these calculations in good faith and, absent manifest error, its calculations will be final and binding on Holders. The Company shall provide a schedule of its calculations to each of the Trustee, the Bid Solicitation Agent and the Conversion Agent, and each of the Trustee, the Bid Solicitation Agent and the Conversion Agent is entitled to rely conclusively upon the accuracy of the Company's calculations without independent verification. The Trustee shall forward the Company's calculations to any Holders upon the written request of that Holder.

Whenever the Company is required to calculate or make adjustments to the Conversion Rate, the Company will do so to the nearest 1/10,000th of a Class C Common Share, rounding any additional decimal places up or down in a commercially reasonable manner.

Section 12.07 *Execution in Counterparts*. This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 12.08 *Notices, Etc. to Trustee and Company*.

(a) Except as otherwise provided herein, any request, demand, authorization, direction, notice, consent, election, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(i) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing (including facsimile or electronically in PDF format) to or with the Trustee at its Corporate Trust Office; or

(ii) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid (and, in the case of securities held in book-entry form, by facsimile or by electronic transmission), to the Company addressed to it at the address of its principal office at 2 Church Street, Hamilton HM 11 Bermuda or at any other address furnished in writing to the Trustee by the Company prior to such mailing or electronically in PDF format.

(b) The Company or the Trustee, by notice given to the other in the manner provided in this Section 12.08, may designate additional or different addresses for subsequent notices or communications.

(c) Whenever the Company is required to deliver notice to the Holders, the Company will, by the date it is required to deliver such notice to the Holders, deliver a copy of such notice to the Trustee, the Paying Agent, the Registrar and the Conversion Agent. Each notice to the Trustee, the Paying Agent, the Registrar and the Conversion Agent shall be sufficiently given if in writing and mailed, first-class postage prepaid to the address most recently sent by the Trustee, the Paying Agent, the Registrar or the Conversion Agent, as the case may be, to the Company.

(d) Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers



of notice by the Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

(e) Where this Indenture provides for notice of any event to a Holder of a Global Note, such notice shall be sufficiently given if given to the Depository for such Note (or its designee), pursuant to its Applicable Procedures, not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed for the giving of such notice.

Section 12.09 *No Recourse Against Others.* No director, officer, employee, incorporator or shareholder of the Company shall have any liability for any obligations of the Company under the Notes, the Indenture or any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder, by accepting a Note, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

Section 12.10 *Tax Withholding.* Notwithstanding anything herein to the contrary, the Company or any other withholding agent is permitted to withhold, or backup withhold, from interest payments and payments upon conversion, repurchase or maturity of the Notes, any amounts the Company or other withholding agent is required to withhold or backup withhold by law. If the Company or other withholding agent pays withholding taxes or backup withholding on behalf of a Holder or beneficial owner, the Company or other withholding agent may, at its option, set off any such payment against payments of cash and Class C Common Shares payable on the Notes or proceeds paid or credited to the Holder or beneficial owner.

Section 12.11 *Waiver of Jury Trial.* EACH OF THE COMPANY AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, AND EACH HOLDER, BY ITS HOLDING OF A NOTE SHALL BE DEEMED TO HAVE IRREVOCABLY WAIVED, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTION CONTEMPLATED HEREBY.

Section 12.12 *U.S.A. Patriot Act.* In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA PATRIOT Act of the United States (“**Applicable AML Law**”), the Trustee is required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Trustee. Accordingly, each of the parties agree to provide to the Trustee, upon its request from time to time such identifying information and documentation as may be available for such party in order to enable the Trustee to comply with Applicable AML Law.

Section 12.13 *Force Majeure.* In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

[Remainder of the page intentionally left blank]

**IN WITNESS WHEREOF**, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

LIBERTY LATIN AMERICA LTD.

By: \_\_\_\_\_  
Name:  
Title:

THE BANK OF NEW YORK MELLON, as Trustee

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE A**

The following table sets forth the number of Additional Shares by which the Conversion Rate shall be increased pursuant to Section 4.06 based on the Share Price and the Effective Date set forth below.

<b>Effective Date</b>	<b>\$18.15</b>	<b>\$19.00</b>	<b>\$20.00</b>	<b>\$22.23</b>	<b>\$25.00</b>	<b>\$28.90</b>	<b>\$35.00</b>	<b>\$45.00</b>	<b>\$60.00</b>	<b>\$80.00</b>	<b>\$105.00</b>	<b>\$135.00</b>
June 28, 2019	10.1197	10.1197	9.5722	7.5214	5.7467	4.1270	2.7015	1.6045	0.9181	0.5177	0.2732	0.0000
July 15, 2020	10.1197	10.1197	9.1726	7.0341	5.2231	3.6228	2.2824	1.3197	0.7550	0.4308	0.2289	0.0000
July 15, 2021	10.1197	9.9701	8.6497	6.4012	4.5538	2.9959	1.7847	1.0012	0.5794	0.3373	0.1808	0.0000
July 15, 2022	10.1197	9.3697	7.9281	5.5304	3.6534	2.1922	1.1962	0.6578	0.3953	0.2364	0.1280	0.0000
July 15, 2023	10.1197	8.4863	6.8312	4.1932	2.3297	1.1291	0.5381	0.3171	0.2047	0.1252	0.0687	0.0000
July 15, 2024	10.1197	7.6549	5.0233	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

**EXHIBIT A**

[FORM OF FACE OF NOTE]

[For Global Notes, include the following legend:]

**[THIS SECURITY IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]**

[For all Notes that are Restricted Notes, include the following legend (the “**Restricted Notes Legend**”):]

**[NO AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”)) OF LIBERTY LATIN AMERICA LTD. (THE “COMPANY”) OR PERSON THAT HAS BEEN AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY DURING THE IMMEDIATELY PRECEDING THREE MONTHS MAY PURCHASE, OTHERWISE ACQUIRE OR HOLD THIS SECURITY OR A BENEFICIAL INTEREST HEREIN.**

**THIS SECURITY AND THE CLASS C COMMON SHARES, IF ANY, ISSUABLE UPON CONVERSION OF THIS SECURITY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, AND ACCORDINGLY, PRIOR TO THE RESALE RESTRICTION TERMINATION DATE (AS DEFINED BELOW), MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:**

- (1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A “QUALIFIED INSTITUTIONAL BUYER” (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, AND**
- (2) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN PRIOR TO THE RESALE**

**RESTRICTION TERMINATION DATE (AS DEFINED BELOW), EXCEPT:**

- (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF;**
- (B) PURSUANT TO, AND IN ACCORDANCE WITH, A REGISTRATION STATEMENT THAT IS EFFECTIVE UNDER THE SECURITIES ACT AT THE TIME OF SUCH TRANSFER;**
- (C) TO A PERSON THAT YOU REASONABLY BELIEVE TO BE A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT; OR**
- (D) UNDER ANY OTHER AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (INCLUDING, IF AVAILABLE, THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT).**

THE “RESALE RESTRICTION TERMINATION DATE” MEANS THE LATEST OF: (1) THE DATE THAT IS ONE YEAR AFTER THE LAST DATE OF ORIGINAL ISSUANCE OF THIS SECURITY OR SUCH SHORTER PERIOD OF TIME PERMITTED BY RULE 144 OR ANY SUCCESSOR PROVISION THERETO; (2) THE DATE ON WHICH THE COMPANY HAS INSTRUCTED THE TRUSTEE THAT THE FOREGOING RESTRICTIONS WILL NO LONGER APPLY IN ACCORDANCE WITH THE PROCEDURES DESCRIBED IN THE INDENTURE AND (3) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW.

WITH RESPECT TO ANY TRANSFER PURSUANT TO THE FOREGOING CLAUSE (D), PRIOR TO THE RESALE RESTRICTION TERMINATION DATE, THE COMPANY AND THE TRUSTEE RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THEY MAY REASONABLY REQUIRE AND MAY RELY UPON TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.]

Liberty Latin America Ltd.

2.00% Convertible Senior Notes due 2024

No.: [       ]

CUSIP:[       ]

ISIN:       [       ]

Principal

Amount [       ] [*For Global Notes, include the following:* as revised by the Schedule of Increases and Decreases in the Global Note attached hereto]  
\$

Liberty Latin America, Ltd., a Bermuda exempted company (the “**Company**”), promises to pay to [       ] [include “*Cede & Co.*” *for Global Note*] or registered assigns, the principal amount of [*add principal amount in words*] \$[       ] on July 15, 2024 (the “**Maturity Date**”).

Interest Payment Dates: January 15 and July 15.

Regular Record Dates: January 1 and July 1.

Additional provisions of this Note are set forth on the other side of this Note.

IN WITNESS WHEREOF, Liberty Latin America Ltd. has caused this instrument to be signed manually or by PDF or facsimile by one of its duly authorized Officers.

LIBERTY LATIN AMERICA LTD.

By: \_\_\_

Name:  
Title:

This is one of the Notes of the series designated herein, referred to in the within-mentioned Indenture.

Dated:

THE BANK OF NEW YORK MELLON, as Trustee

By: —  
Authorized Signatory

[FORM OF REVERSE OF NOTE]

Liberty Latin America Ltd.

2.00% Convertible Senior Notes due 2024

This Note is one of a duly authorized issue of securities of the Company (herein called the “Notes”), issued under the Indenture dated as of June 28, 2019 by and between the Company and The Bank of New York Mellon, herein called the “Trustee,” and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered. In the event of a conflict between the terms of the Indenture and this Note, the terms of the Indenture shall govern.

The Company will pay cash interest on the unpaid principal amount of this Note at a rate of 2.00% per year. Interest will accrue from the most recent date on which interest has been paid or duly provided for or, if no interest has been paid, from June 28, 2019. Except as provided in the Indenture, interest will be paid to the Person in whose name this Note is registered at the Close of Business on the Regular Record Date immediately preceding the relevant Interest Payment Date semiannually in arrears on each Interest Payment Date; *provided* that, if any Interest Payment Date, Maturity Date, Fundamental Change Purchase Date, Redemption Date or Tax Redemption Date with respect to this Note falls on a day that is not a Business Day, the required payment will be made on the next succeeding Business Day and no interest on such payment will accrue in respect of the additional period of time before payment. Interest on the Notes shall be computed on the basis of a 360-day year consisting of twelve 30-day months and, for partial months, on the basis of the number of days actually elapsed in a 30-day month. Except as provided in the Indenture, no interest shall be paid with respect to Notes surrendered for conversion.

Other than a Tax Redemption, the Notes shall not be redeemable by the Company prior to July 19, 2022. The Company has the right, at its election, to redeem all, or any portion having a principal amount equal to an integral multiple of \$1,000, of the Notes, on a Redemption Date on or after July 19, 2022 but prior to the 85<sup>th</sup> Scheduled Trading Day immediately preceding the Maturity Date, for cash if the Last Reported Sale Price of the Class C Common Shares has been at least 130% of the Conversion Price then in effect on (i) each of at least 20 Trading Days (whether or not consecutive) during the 30 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date on which the Company provides the Notice of Redemption and (ii) the Trading Day immediately preceding the date the Company sends the Notice of Redemption. This Note does not benefit from a sinking fund.

As provided in and subject to the provisions of the Indenture, upon the occurrence of a Fundamental Change the Holder of this Note will have the right, at such Holder’s option, to require the Company to purchase this Note, or any portion of this Note such that the principal amount of this Note that is not purchased equals \$1,000 or an integral multiple of \$1,000 in excess thereof, on the Fundamental Change Purchase Date at a price equal to the Fundamental Change Purchase Price for such Fundamental Change Purchase Date.

As provided in and subject to the provisions of the Indenture, the Holder hereof has the right, at its option (i) during certain periods and upon the occurrence of certain conditions specified in the Indenture, prior to the Close of Business on the Business Day immediately preceding January 15, 2024, and (ii) on or after January 15, 2024, at any time prior to the Close of Business on the second Scheduled Trading Day immediately preceding the Maturity Date, to convert this Note or a portion of this Note such that the principal amount of this Note that is not converted equals \$1,000 or an integral multiple of \$1,000 in excess thereof, into an amount of cash, a number of Class C Common Shares, or a combination of cash and Class C Common Shares, if any, as the case may be, determined in accordance with Article 4 of the Indenture.

As provided in and subject to the provisions of the Indenture, the Company will make all payments in respect of the Fundamental Change Purchase Price or Redemption Price, as applicable for, and the principal amount of, this Note to the Holder that surrenders this Note to the Paying Agent to collect such payments in respect of this Note. The Company will pay cash amounts in

money of the United States that at the time of payment is legal tender for payment of public and private debts.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Notes to be effected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Notes at the time Outstanding. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Notes at the time Outstanding, on behalf of the Holders of all Notes, to waive compliance by the Company with certain provisions of the Indenture and certain past Defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

As provided in and subject to the provisions of the Indenture, the Holder of this Note shall not have the right to institute any proceeding with respect to the Indenture, or for the appointment of a receiver or trustee, or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Note, the Holders of not less than 25% in principal amount of the Notes at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee indemnity satisfactory to the Trustee, and the Trustee shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity, and shall not have received from the Holders of a majority in principal amount of Notes at the time Outstanding a direction inconsistent with such request. The foregoing shall not apply to any suit instituted by the Holder of this Note for the enforcement of any payment of the principal hereof, premium, if any, or interest hereon, the Fundamental Change Purchase Price or Redemption Price, and the amount of cash, the number of Class C Common Shares or the combination thereof, as the case may be, due upon conversion of this Note or after the respective due dates expressed in the Indenture.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay or deliver, as the case may be, the principal of (including the Fundamental Change Purchase Price or Redemption Price), premium, interest on and the amount of cash, the number of Class C Common Shares or a combination of cash and Class C Common Shares, if any, as the case may be, due upon conversion of this Note at the time, place and rate, and in the coin and currency herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable in the Register, upon surrender of this Note for registration of transfer to the Trustee, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Registrar duly executed by, the Holder hereof or its attorney duly authorized in writing, and thereupon a new Note of this series and of like tenor for the same aggregate principal amount will be issued to the designated transferee.

The Notes are issuable only in registered form without coupons in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Notes are exchangeable for a like aggregate principal amount of Notes and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

Prior to due presentment of this Note for registration of transfer and registration thereof, the Company, the Trustee and any agent of the Company or Trustee shall treat the Person in whose name the Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with rights of survivorship and not as tenants in common), CUST (= custodian) and U/G/M/A (= Uniform Gift to Minors Act).

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

All defined terms used in this Note that are defined in the Indenture shall have the meanings assigned to them in the Indenture. If any provision of this Note limits, qualifies or conflicts with a provision of the Indenture, such provision of the Indenture shall control.

ATTACHMENT 1

[FORM OF NOTICE OF CONVERSION]

To: Liberty Latin America Ltd.

The Bank of New York Mellon  
240 Greenwich Street 7E  
New York, NY 10286  
Attention: Corporate Trust

The undersigned owner of this Note hereby irrevocably exercises the option to convert this Note, or a portion hereof (which is such that the principal amount of the portion of this Note that will not be converted equals \$1,000 or an integral multiple of \$1,000 in excess thereof) below designated, into an amount of cash, a number of Class C Common Shares or a combination of cash and Class C Common Shares, if any, as the case may be, in accordance with the terms of the Indenture referred to in this Note, and directs that any cash payable and any Class C Common Shares issuable and deliverable upon conversion, together with any Notes representing any unconverted principal amount hereof, be paid and/or issued and/or delivered, as the case may be, to the registered Holder hereof unless a different name is indicated below.

Subject to certain exceptions set forth in the Indenture, if this notice is being delivered after the Close of Business on a Regular Record Date and prior to the Open of Business on the Interest Payment Date corresponding to such Regular Record Date, this notice must be accompanied by payment of an amount equal to the interest payable on such Interest Payment Date on the principal amount of this Note to be converted. If any Class C Common Shares are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer taxes payable with respect to such issuance and transfer as set forth in the Indenture.

Principal amount to be converted (if less than all):

\$\_\_

Dated: \_\_

Signature(s)

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee

(Signature(s) must be guaranteed by an institution which is a member of one of the following recognized signature Guarantee Programs:

(i) The Notes Transfer Agent Medallion Program (STAMP); (ii) The New York Stock Exchange Medallion Program (MNSP); (iii) The Stock Exchange Medallion Program (SEMP) or (iv) another guarantee program acceptable to the Trustee.)

Fill in if a check is to be issued, or Class C Common Shares or Notes are to be registered, otherwise than to or in the name of the registered Holder.

(Name)

(Address)

Please print name and address  
(including zip code)

(Social Security or other Taxpayer  
Identifying Number)

Dated: \_\_

Signature(s)

(Sign exactly as such Person's name appears above)

Signature Guarantee

(Signature(s) must be guaranteed by an institution which is a member of one of the following recognized signature Guarantee Programs:

(i) The Notes Transfer Agent Medallion Program (STAMP); (ii) The New York Stock Exchange Medallion Program (MNSP); (iii) The Stock Exchange Medallion Program (SEMP) or (iv) another guarantee program acceptable to the Trustee.)

ATTACHMENT 2

[FORM OF FUNDAMENTAL CHANGE PURCHASE NOTICE]

To: Liberty Latin America Ltd.

The Bank of New York Mellon  
240 Greenwich Street 7E  
New York, NY 10286  
Attention: Corporate Trust

The undersigned registered owner of this Note hereby acknowledges receipt of a notice from Liberty Latin America Ltd. (the "Company") as to the occurrence of a Fundamental Change with respect to the Company and specifying the Fundamental Change Purchase Date and requests and instructs the Company to pay to the registered holder hereof in accordance with the applicable provisions of the Indenture referred to in this Note (i) the entire principal amount of this Note, or the portion thereof (that is such that the portion not to be purchased has a principal amount equal to \$1,000 or an integral multiple of \$1,000 in excess thereof) below designated, and (ii) if such Fundamental Change Purchase Date does not occur during the period after a Regular Record Date and on or prior to the Interest Payment Date corresponding to such Regular Record Date, accrued and unpaid interest, if any, thereon to, but excluding, such Fundamental Change Purchase Date.

Principal amount to be purchased (if less than all):

\$

Certificate number (if Notes are in certificated form)

Dated: \_\_

Signature(s)

(Sign exactly as your name appears on the other side of this Note)

Social Security or Other Taxpayer Identification Number

ATTACHMENT 3

[FORM OF ASSIGNMENT AND TRANSFER]

For value received, \_\_

hereby sell(s), assign(s) and transfer(s) unto

(Please insert social security or Taxpayer Identification Number of assignee)

the within Note, and hereby irrevocably constitutes and appoints to transfer the said Note on the books of the Company, with full power of substitution in the premises.

In connection with any transfer of the within Note occurring prior to the Resale Restriction Termination Date, as defined in the Indenture governing such Note, the undersigned confirms that such Note is being transferred:

To Liberty Latin America Ltd. or a subsidiary thereof; or

Pursuant to a registration statement which has become effective under the Securities Act of 1933, as amended; or

To a qualified institutional buyer in compliance with Rule 144A under the Securities Act of 1933, as amended; or

Pursuant to an exemption from registration provided by Rule 144 under the Securities Act of 1933, as amended, or any other available exemption from the registration requirements of the Securities Act of 1933, as amended.

**TO BE COMPLETED BY PURCHASER IF THE THIRD BOX ABOVE IS CHECKED**

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned’s foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Date: \_\_\_\_\_ Signed: \_\_\_\_\_

Unless one of the above boxes is checked, the Registrar will refuse to register any of the Notes evidenced by this certificate in the name of any Person other than the registered Holder thereof, provided that if the fourth box is checked, the Company or the Trustee may require, prior to registering any such transfer of the Notes, in its sole discretion, such legal opinions, certifications and other information as the Company or the Trustee may reasonably request to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

If none of the foregoing boxes is checked, the Trustee or Registrar shall not be obligated to register this Note in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 2.11 of the Indenture shall have been satisfied.

Dated: \_\_ \_\_

Signature(s)

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee

(Signature(s) must be guaranteed by an institution which is a member of one of the following recognized signature Guarantee Programs: (i) The Notes Transfer Agent Medallion Program (STAMP); (ii) The New York Stock Exchange Medallion Program (MNSP); (iii) The Stock Exchange Medallion Program (SEMP) or (iv) another guarantee program acceptable to the Trustee)

ATTACHMENT 4

[Insert for Global Note]

**SCHEDULE OF INCREASES AND DECREASES IN THE GLOBAL NOTE**

Initial Principal Amount of Global Note: [       ]

Date	Amount of Increase in Principal Amount of Global Note	Amount of Decrease in Principal Amount of Global Note	Principal Amount of Global Note After Increase or Decrease	Notation by Registrar, Note Custodian or authorized signatory of Trustee



[FORM OF FREE TRANSFERABILITY CERTIFICATE]

Officer's Certificate

[NAME OF OFFICER], the [TITLE] of Liberty Latin America Ltd., a Bermuda exempted company (the "**Company**"), does hereby certify, in connection with the sale of \$[ ~ ] aggregate principal amount of the Company's 2.00% Convertible Senior Notes due 2024 (the "**Notes**") pursuant to the terms of the Indenture, dated as of June 28, 2019 (as may be amended or supplemented from time to time, the "**Indenture**"), by and among the Company and The Bank of New York Mellon (the "**Trustee**"), that:

1. The undersigned is permitted to sign this "Officer's Certificate" on behalf of the Company, as the term "Officer's Certificate" is defined in the Indenture.
2. The undersigned has read the Indenture and the definitions therein relating thereto.
3. In the opinion of the undersigned, the undersigned has made such examination as is necessary to enable the undersigned to express an informed opinion as to whether or not all conditions precedent to the delivery of this certificate provided for in the Indenture have been complied with.
4. To the best knowledge of the undersigned, all conditions precedent described herein as provided for in the Indenture have been complied with.

In accordance with Section 2.08 of the Indenture, the Company hereby notifies the Trustee as follows:

1. The Restricted Notes Legend and set forth on the Restricted Global Notes shall be deemed removed from such Global Notes in accordance with the terms and conditions of the Notes and as provided in the Indenture, without further action on the part of the Holders.
2. The restricted CUSIP number for the Restricted Global Notes is hereby removed from such Global Notes and replaced with an unrestricted CUSIP number, which unrestricted CUSIP number shall be 53069Q AB5, in accordance with the terms and conditions of the Restricted Global Notes and as provided in the Indenture, without further action on the part of the Holders.

*[Signature page follows.]*

IN WITNESS WHEREOF, we have signed this certificate as of [\_\_\_\_\_].

LIBERTY LATIN AMERICA LTD.

By: \_\_\_  
Name:  
Title:

**EXHIBIT C**

[FORM OF RESTRICTED SHARE LEGEND]

**THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND ACCORDINGLY, PRIOR TO THE RESALE RESTRICTION TERMINATION DATE (AS DEFINED BELOW), MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:**

- (1) **REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, AND**
- (2) **AGREES FOR THE BENEFIT OF LIBERTY LATIN AMERICA LTD. (THE "COMPANY") THAT IT WILL**

**NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN PRIOR TO THE RESALE RESTRICTION TERMINATION DATE (AS DEFINED BELOW), EXCEPT:**

- (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF;**
- (B) PURSUANT TO, AND IN ACCORDANCE WITH, A REGISTRATION STATEMENT THAT IS EFFECTIVE UNDER THE SECURITIES ACT AT THE TIME OF SUCH TRANSFER;**
- (C) TO A PERSON THAT YOU REASONABLY BELIEVE TO BE A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT; OR**
- (D) UNDER ANY OTHER AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (INCLUDING, IF AVAILABLE, THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT).**

**THE “RESALE RESTRICTION TERMINATION DATE” MEANS THE LATEST OF: (1) THE DATE THAT IS ONE YEAR AFTER THE LAST DATE OF ORIGINAL ISSUANCE OF THE COMPANY’S 2.00% CONVERTIBLE SENIOR NOTES DUE 2024 (THE “NOTES”)(INCLUDING THE LAST DATE OF ISSUANCE OF ADDITIONAL NOTES PURSUANT TO THE EXERCISE OF THE INITIAL PURCHASERS’ OPTION TO PURCHASE ADDITIONAL NOTES) OR SUCH SHORTER PERIOD OF TIME PERMITTED BY RULE 144 OR ANY SUCCESSOR PROVISION THERETO; (2) THE DATE ON WHICH THE COMPANY HAS INSTRUCTED THE TRUSTEE FOR THE NOTES THAT THE SUBSTANTIALLY SIMILAR RESTRICTIONS APPLICABLE TO THE NOTES WILL NO LONGER APPLY IN ACCORDANCE WITH THE PROCEDURES DESCRIBED IN THE INDENTURE GOVERNING THE NOTES AND (3) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW.**

**WITH RESPECT TO ANY TRANSFER PURSUANT TO THE FOREGOING CLAUSE (D), PRIOR TO THE RESALE RESTRICTION TERMINATION DATE, THE COMPANY AND THE COMPANY’S TRANSFER AGENT RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THEY MAY REASONABLY REQUIRE AND MAY RELY UPON TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.**

**LIBERTY LATIN AMERICA  
2018 INCENTIVE PLAN**

**(Effective December 29, 2017)**

**RESTRICTED SHARE UNITS AGREEMENT**

THIS RESTRICTED SHARE UNITS AGREEMENT (this “Agreement”) is made as of [DATE] (the “Grant Date”), by and between LIBERTY LATIN AMERICA LTD., an exempted Bermuda company limited by shares (the “Company”), and the individual whose name, address, and employee number appear on the signature page hereto (the “Grantee”).

The Company has adopted the Liberty Latin America 2018 Incentive Plan effective December 29, 2017 (the “Plan”), which by this reference is made a part hereof, for the benefit of eligible employees of the Company and its Subsidiaries. Capitalized terms used and not otherwise defined herein will have the meaning given thereto in the Plan. [CLICK HERE TO READ THE PLAN.]

Pursuant to the Plan, the Compensation Committee appointed by the Board pursuant to Article III of the Plan to administer the Plan (the “Committee”) has determined that it is in the best interest of the Company and its Shareholders to award Restricted Share Units to the Grantee, subject to the conditions and restrictions set forth herein and in the Plan, in order to provide the Grantee additional remuneration for services rendered, to encourage the Grantee to continue to provide services to the Company or its Subsidiaries and to increase the Grantee’s personal interest in the continued success and progress of the Company.

The Company and the Grantee therefore agree as follows:

**1. Definitions.** The following terms, when used in this Agreement, have the following meanings:

“Act” means the Bermuda Companies Act of 1981, as amended from time to time, and the rules and regulations thereunder.

“Business Day” means any day other than Saturday, Sunday or a day on which banking institutions in Denver, Colorado, are required or authorized to be closed.

“Cause” has the meaning specified for “cause” in Section 11.2(c) of the Plan.

“Code” means the U.S. Internal Revenue Code of 1986, as it may be amended from time to time, or any successor statute thereto. References to any specific Code section shall include any successor section.

“Committee” has the meaning specified in the preamble to this Agreement.

“Company” has the meaning specified in the preamble to this Agreement.

“Corresponding Day” means with respect to each month, the day of that month that is the same day of the month as the Grant Date; provided that, for any month for which there is not a day corresponding to the Grant Date, then the Corresponding Day shall be the last day of such month. By way of example, if the Grant Date was the 31<sup>st</sup> of December, the Corresponding Day in June would be the 30<sup>th</sup>.

“Good Reason” for a Grantee to terminate his or her service with the Company and its Subsidiaries means that any of the following occurs without the consent of such Grantee prior to the 12 month anniversary of an Approved Transaction:

- a. any material diminution in the Grantee’s base compensation;
- b. the material diminution of the Grantee’s official position or authority, but excluding isolated or inadvertent action not taken in bad faith that is remedied promptly after notice; or
- c. the Company requires the Grantee to relocate his/her principal business office to a different country.

“Grant Date” has the meaning specified in the preamble to this Agreement.

“Grantee” has the meaning specified in the preamble to this Agreement.

“Plan” has the meaning specified in the preamble to this Agreement.

“Required Withholding Amount” has the meaning specified in Section 13 of this Agreement.

“Retirement” means the voluntary termination of a Grantee’s employment with the Company or its Subsidiaries, on or after the date that the sum of the Grantee’s years of age and years of continuous employment with the Company or its Subsidiaries is at least 70 (the “Rule of 70”). For clarity, the Company will count years of continuous employment with Liberty Global plc or any of its Subsidiaries for calculating the Rule of 70 for any service rendered by the Grantee to such entities immediately prior to joining the Company or any of its Subsidiaries.

“Restricted Share Units” has the meaning specified in Section 2 of this Agreement. Restricted Share Units represent an Award of Restricted Shares that provides for the issuance of the Shares subject to the Award at or following the end of the Restriction Period within the meaning of Article IX of the Plan.

“RSU Dividend Equivalents” means, to the extent specified by the Committee only, an amount equal to all dividends and other distributions (or the economic equivalent thereof) which are payable or transferable to Shareholders of record during the Restriction Period on a like number of the Shares represented by the Restricted Share Units.

“Section 409A” means Section 409A of the Code and related Regulations and Treasury pronouncements.

“Share” means the [Class \_\_\_] common shares, par value \$0.01 per share, of the Company.

“Termination of Service” means the termination for any reason of Grantee’s provision of services to the Company and its Subsidiaries, as an officer, employee or independent contractor.

“Vesting Date” means each date on which any Restricted Share Units cease to be subject to a risk of forfeiture, as determined in accordance with this Agreement and the Plan.

**2. Grant of Restricted Share Units.** Subject to the terms and conditions herein and pursuant to the Plan, the Company grants to the Grantee effective as of the Grant Date an Award of the number of Restricted Share Units set forth on the signature page hereof, each representing the right to receive one Share.

**3. Settlement of Restricted Share Units.** Settlement of Restricted Share Units that vest in accordance with Section 5 or 6 of this Agreement or Section 11.1(b) of the Plan shall be made as soon as administratively practicable after the applicable Vesting Date, but in no event later than 30 days following such Vesting Date. Settlement of vested Restricted Share Units shall be made by issuance of Shares, together with any related RSU Dividend Equivalents, in accordance with Section 7.

**4. Shareholder Rights; RSU Dividend Equivalents.** The Grantee shall have no rights of a Shareholder with respect to any Shares represented by any Restricted Share Units unless and until such time as Shares represented by vested Restricted Share Units have been delivered to the Grantee in accordance with Section 7. The Grantee will have no right to receive, or otherwise have any rights with respect to, any RSU Dividend Equivalents until such time, if ever, as the Restricted Share Units with respect to which such RSU Dividend Equivalents relate shall have become vested and, if vesting does not occur, the related RSU Dividend Equivalents will be forfeited. RSU Dividend Equivalents shall not bear interest or be segregated in a separate account. Notwithstanding the foregoing, the Committee may, in its sole discretion, accelerate the vesting of any portion of the RSU Dividend Equivalents (the “Vested RSU Dividend Equivalents”). The settlement of any Vested RSU Dividend Equivalents shall be made as soon as administratively practicable after the accelerated Vesting Date, but in no event later than 30 days following such Vesting Date.

**5. Vesting.** Unless the Committee otherwise determines in its sole discretion, subject to earlier vesting in accordance with Section 6 of this Agreement or Section 11.1(b) of the Plan and subject to the last paragraph of this Section 5, the Restricted Share Units shall become vested in accordance with the following schedule (each date specified below being a Vesting Date):

(a) On the Corresponding Day in the [\_\_\_] month following the Grant Date, [\_\_\_]% of the Restricted Share Units shall become vested; and

(b) On the Corresponding Day in the [ ] month following the Grant Date and on the Corresponding Day on each [ ] month thereafter, an additional [ ]% of the Restricted Share Units shall become vested, until the Restricted Share Units are vested in full on the Corresponding Day in the [ ] month following the Grant Date.

[Please refer to the website of the Third Party Administrator, UBS Financial Services Inc., which maintains the database for the Plan and provides related services, for the specific Vesting Dates related to the Restricted Share Units (click on the specific grant under the tab labeled “Grants/Award/Units”).]

On each Vesting Date, and upon the satisfaction of any other applicable restrictions, terms and conditions, any RSU Dividend Equivalents with respect to the Restricted Share Units that have not theretofore become Vested RSU Dividend Equivalents (“Unpaid RSU Dividend Equivalents”) will become vested to the extent that the Restricted Share Units related thereto shall have become vested in accordance with this Agreement.

Notwithstanding the foregoing, the Grantee will not vest, pursuant to this Section 5, in Restricted Share Units as to which the Grantee would otherwise vest as of a given date if his or her Termination of Service or a breach of any applicable restrictions, terms or conditions with respect to such Restricted Share Units has occurred at any time after the Grant Date and prior to such Vesting Date (the vesting or forfeiture of such Restricted Share Units to be governed instead by Section 6). In addition, in the event the Grantee is suspended (with or without compensation) or is otherwise not in good standing with the Company or any Subsidiary as determined by the Company’s Chief Legal Officer due to an alleged violation of the Company’s Code of Business Conduct, applicable law or other misconduct (a “Suspension Event”), the Company has the right to suspend the vesting of the Restricted Share Units until the day after the Company (as determined by the Chief Legal Officer or his/her designee) has determined (x) the suspension is lifted or (y) the Company determines lack of good standing has been cured (each, the “Recovery Date”). If the Suspension Event has occurred and prior to the Recovery Date, the Grantee dies, is disabled or is terminated without cause, then the provisions of this Section 5 and Section 6 continue to apply notwithstanding the Suspension Event. If the Grantee resigns (including due to retirement) or is terminated for cause prior to the Recovery Date then the unvested Restricted Share Units will be terminated without any further vesting after the date of the Suspension Event, unless otherwise agreed by the Company.

#### **6. Early Vesting or Forfeiture.**

(a) Unless otherwise determined by the Committee in its sole discretion:

i) If Termination of Service occurs by reason of the Grantee’s death or Disability, the Restricted Share Units, to the extent not theretofore vested, and any related Unpaid RSU Dividend Equivalents, will immediately become fully vested.

ii) If the Termination of Service is due to the Grantee’s Retirement, then any unvested Restricted Share Units and Unpaid Dividend Equivalents shall immediately vest to the extent that such Restricted Share Units (including any related Unpaid RSU Dividend

Equivalents) would have become vested had the Grantee remained in continuous employment with the Company through the date that is one year after the date of the Grantee's Retirement. Such Restricted Share Units and any related Unpaid RSU Dividend Equivalents will be settled in accordance with Section 3.

iii) If Termination of Service is by the Company or a Subsidiary without Cause (as determined in the sole discretion of the Committee) and occurs more than six months after the Grant Date and prior to vesting in full of the Restricted Share Units, then an additional percentage of the Restricted Share Units, together with any related Unpaid RSU Dividend Equivalents, will become vested on the date of Termination of Service equal to the product of (x) one-third (1/3) of the additional percentage of Restricted Share Units that would have become vested on the next following Vesting Date in accordance with the schedule in Section 5, times (y) the number of full months of employment completed since the most recent Vesting Date preceding the Termination of Service, and the balance of the Restricted Share Units to the extent not theretofore vested, together with any related Unpaid RSU Dividend Equivalents, will be forfeited immediately.

iv) If Termination of Service occurs for any reason other than as specified in Section 6(a)(i), 6(a)(ii) or 6(a)(iii) above or 6(d) below, then the Restricted Share Units, to the extent not theretofore vested, together with any related Unpaid RSU Dividend Equivalents, will be forfeited immediately.

v) If the Grantee breaches any restrictions, terms or conditions provided in or established by the Committee pursuant to the Plan or this Agreement with respect to the Restricted Share Units prior to the vesting thereof (including any attempted or completed transfer of any such unvested Restricted Share Units contrary to the terms of the Plan or this Agreement), the unvested Restricted Share Units, together with any related Unpaid RSU Dividend Equivalents, will be forfeited immediately.

(b) Upon forfeiture of any unvested Restricted Share Units, and any related Unpaid RSU Dividend Equivalents, such Restricted Share Units and any related Unpaid RSU Dividend Equivalents will be immediately cancelled, and the Grantee will cease to have any rights with respect thereto.

(c) Unless the Committee otherwise determines, neither a change of the Grantee's employment from the Company to a Subsidiary or from a Subsidiary to the Company or another Subsidiary, nor a change in Grantee's status from an independent contractor to an employee, will be a Termination of Service for purposes of this Agreement if such change of employment or status is made at the request or with the express consent of the Company. Unless the Committee otherwise determines, however, any such change of employment or status that is not made at the request or with the express consent of the Company and any change in Grantee's status from an employee to an independent contractor will be a Termination of Service within the meaning of this Agreement; provided, however, that, to the extent Section 409A is applicable to Grantee, any amounts otherwise payable hereunder as nonqualified deferred compensation within the meaning of Section 409A on account of Termination of Service shall not be payable before Grantee "separates

from service”, as that term is defined in Section 409A, and shall be paid in accordance with Section 7 of this Agreement.

(d) Notwithstanding anything to the contrary contained herein, if Termination of Service occurs (x) by the Company or a Subsidiary without Cause or (y) by the Grantee for Good Reason, in each case, on or prior to (A) the 12 month anniversary of an Approved Transaction or (B) with respect to clause (y) of this Section 6(d) only, the later of such 12 month anniversary or the first day following the expiration of the cure period described below, then all unvested Restricted Share Units, together with any related Unpaid RSU Dividend Equivalents, will become vested in full on the date of Termination of Service. For the Grantee’s Termination of Service to qualify as for Good Reason, the Grantee must notify the Committee in writing within 30 days of the occurrence of the event giving rise to the Good Reason, and the Company must have failed to take corrective action within 30 days after such notice is given to cure the event giving rise to the Good Reason for Termination of Service.

**7. Delivery by the Company.** As soon as practicable after the vesting of Restricted Share Units and any related Unpaid RSU Dividend Equivalents, pursuant to Section 5 or 6 hereof or Section 11.1(b) of the Plan, and subject to the withholding referred to in Section 13 of this Agreement, the Company will deliver or cause to be delivered to or at the direction of the Grantee (i)(a) a statement of holdings reflecting that the Shares represented by such vested Restricted Share Units are for the benefit of the Grantee in uncertificated form by a third party service provider designated by the Company, or (c) a confirmation of deposit of the Shares represented by such vested Restricted Share Units, in book-entry form, into the broker’s account designated by the Grantee, (ii) any securities constituting related vested Unpaid RSU Dividend Equivalents by any applicable method specified in clause (i) above, and (iii) any cash payment constituting related vested Unpaid RSU Dividend Equivalents. Any delivery of securities will be deemed effected for all purposes when (1) a statement of holdings reflecting such securities and, in the case of any Unpaid RSU Dividend Equivalents, any other documents necessary to reflect ownership thereof by the Grantee has been delivered personally to the Grantee or, if delivery is by mail, when the Company or its share transfer agent has deposited the statement of holdings and/or such other documents in the United States or local country mail, addressed to the Grantee, or (2) confirmation of deposit into the designated broker’s account of such securities, in written or electronic format, is first made available to the Grantee. Any cash payment will be deemed effected when a check from the Company, payable to or at the direction of the Grantee and in the amount equal to the amount of the cash payment, has been delivered personally to or at the direction of the Grantee or deposited in the United States or local country mail, addressed to the Grantee or his or her nominee.

**8. Nontransferability of Restricted Share Units Before Vesting.**

(a) Before vesting and during Grantee’s lifetime, the Restricted Share Units and any related Unpaid RSU Dividend Equivalents may not be sold, assigned, transferred by gift or otherwise, pledged, exchanged, encumbered or disposed of (voluntarily or involuntarily), other than by an assignment pursuant to a Domestic Relations Order. In the event of an assignment pursuant



to a Domestic Relations Order, the unvested Restricted Share Units and any related Unpaid RSU Dividend Equivalents so assigned shall be subject to all the restrictions, terms and provisions of this Agreement and the Plan, and the assignee shall be bound by all applicable provisions of this Agreement and the Plan in the same manner as the Grantee.

(b) The Grantee may designate a beneficiary or beneficiaries to whom the Restricted Share Units, to the extent then vested, and any related Unpaid RSU Dividend Equivalents will pass upon the Grantee's death and may change such designation from time to time by filing a written designation of beneficiary or beneficiaries with the Committee on such form as may be prescribed by the Committee, provided that no such designation will be effective unless so filed prior to the death of the Grantee. If no such designation is made or if the designated beneficiary does not survive the Grantee's death, the Restricted Share Units, to the extent then vested, and any related Unpaid RSU Dividend Equivalents will pass by will or the laws of descent and distribution. Following the Grantee's death, the person to whom such vested Restricted Share Units and any related Unpaid RSU Dividend Equivalents pass according to this Section 8(b) will be deemed the Grantee for purposes of any applicable provisions of this Agreement. [CLICK HERE TO ACCESS THE DESIGNATION OF BENEFICIARY FORM.]

**9. Adjustments.** The Restricted Share Units and any related Unpaid RSU Dividend Equivalents will be subject to adjustment pursuant to Section 4.2 of the Plan in such manner as the Committee may deem equitable and appropriate in connection with the occurrence following the Grant Date of any of the events described in Section 4.2 of the Plan.

**10. Company's Rights.** The existence of this Agreement will not affect in any way the right or power of the Company or its Shareholders to accomplish any corporate act, including, without limitation, the acts referred to in Section 11.16 of the Plan.

**11. Limitation of Rights.** Nothing in this Agreement or the Plan will be construed to give the Grantee any right to be granted any future Award other than in the sole discretion of the Committee or to give the Grantee or any other person any interest in any fund or in any specified asset or assets of the Company or any of its Subsidiaries. Neither the Grantee nor any person claiming through the Grantee will have any right or interest in Shares represented by any Restricted Share Units or any related Unpaid RSU Dividend Equivalents unless and until there shall have been full compliance with all the terms, conditions and provisions of this Agreement and the Plan.

**12. Restrictions Imposed by Law.** Without limiting the generality of Section 11.8 of the Plan, the Company shall not be obligated to deliver any Shares represented by vested Restricted Share Units or securities constituting any Unpaid RSU Dividend Equivalents if counsel to the Company determines that the issuance or delivery thereof would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange upon which the Shares or such other securities are listed. The Company will in no event be obligated to take any affirmative action in order to cause the delivery of Shares represented by vested Restricted Share Units or securities constituting any Unpaid RSU Dividend Equivalents to comply with any such law, rule, regulation, or agreement. Any

certificates representing any such securities issued or transferred under this Agreement may bear such legend or legends as the Company deems appropriate in order to assure compliance with the Act and applicable tax or securities laws.

**13. Mandatory Withholding for Taxes.** To the extent the Grantee or Company is subject to withholding tax or employee social security withholding requirements under any national, state, local or other governmental law with respect to either (i) the award of Restricted Share Units to the Grantee or the vesting thereof, or (ii) the designation of any RSU Dividend Equivalents as payable or distributable or the payment, distribution or vesting thereof, in each case as determined by the Company in its sole and absolute discretion (collectively, the “Required Withholding Amount”), then the Grantee agrees that the Company shall withhold (i) from the Shares represented by vested Restricted Share Units and otherwise deliverable to the Grantee a number of Shares and/or (ii) from any related RSU Dividend Equivalents otherwise deliverable to the Grantee an amount of such RSU Dividend Equivalents, which collectively have a value (or, in the case of securities withheld, a Fair Market Value) equal to the Required Withholding Amount, unless the Grantee remits the Required Withholding Amount to the Company in cash in such form and by such time as the Company may require or other provisions for withholding such amount satisfactory to the Company have been made. Without limitation to the foregoing sentence, the Grantee hereby agrees that the Required Withholding Amount can also be collected by (i) deducting from cash amounts otherwise payable to the Grantee (including wages or other cash compensation) or (ii) withholding from proceeds of the sale of Shares acquired upon vesting of the Restricted Share Units through a sale arranged by the Company (on the Grantee’s behalf pursuant to this authorization without further consent). Notwithstanding any other provisions of this Agreement, the delivery of any Shares represented by vested Restricted Share Units and any related RSU Dividend Equivalents may be postponed until any required withholding taxes have been paid to the Company.

**14. Notice.** Unless the Company notifies the Grantee in writing of a different procedure, any notice or other communication to the Company with respect to this Agreement will be in writing and will be delivered personally or sent by United States first class or local country mail, postage prepaid, sent by overnight courier, freight prepaid or sent by facsimile and addressed as follows:

Liberty Latin America Ltd.  
1550 Wewatta Street, Suite 710  
Denver, CO 80202  
Attn: Chief Legal Officer

Any notice or other communication to the Grantee with respect to this Agreement will be in writing and will be delivered personally, or will be sent by United States first class or local country mail, postage prepaid, to the Grantee’s address as listed in the records of the Company on the Grant Date, unless the Company has received written notification from the Grantee of a change of address.

**15. Amendment.** Notwithstanding any other provision hereof, this Agreement may be supplemented or amended from time to time as approved by the Committee. Without limiting the generality of the foregoing, without the consent of the Grantee,

(a) this Agreement may be amended or supplemented from time to time as approved by the Committee (i) to cure any ambiguity or to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or (ii) to add to the covenants and agreements of the Company for the benefit of the Grantee or surrender any right or power reserved to or conferred upon the Company in this Agreement, subject to any required approval of the Shareholders and, provided, in each case, that such changes or corrections will not adversely affect the rights of the Grantee with respect to the Award evidenced hereby, or (iii) to reform the Award made hereunder as contemplated by Section 11.18 of the Plan or to exempt the Award made hereunder from coverage under Code Section 409A, or (iv) to make such other changes as the Company, upon advice of counsel, determines are necessary or advisable because of the adoption or promulgation of, or change in or of the interpretation of, any law or governmental rule or regulation, including the Act and any applicable tax or securities laws; and

(b) subject to any required action by the Board or the Shareholders, the Restricted Share Units granted under this Agreement may be canceled by the Company and a new Award made in substitution therefor, provided that the Award so substituted will satisfy all of the requirements of the Plan as of the date such new Award is made and no such action will adversely affect any Restricted Share Units that are then vested.

## **16. Grantee Employment.**

(a) Nothing contained in this Agreement, and no action of the Company or the Committee with respect hereto, will confer or be construed to confer on the Grantee any right to continue in the employ or service of the Company or any of its Subsidiaries or interfere in any way with any right of the Company or any Subsidiary, subject to the terms of any separate employment agreement to the contrary, to terminate the Grantee's employment or service at any time, with or without Cause.

(b) The Award hereunder is special incentive compensation that will not be taken into account, in any manner, as salary, earnings, compensation, bonus or benefits, in determining the amount of any payment under any pension, retirement, profit sharing, 401(k), life insurance, salary continuation, severance or other employee benefit plan, program or policy of the Company or any of its Subsidiaries or any employment agreement or arrangement with the Grantee.

(c) It is a condition of the Grantee's Award that, in the event of Termination of Service for whatever reason, whether lawful or not, including in circumstances which could give rise to a claim for wrongful and/or unfair dismissal (whether or not it is known at the time of Termination of Service that such a claim may ensue), the Grantee will not by virtue of such Termination of Service, subject to Section 6 of this Agreement, become entitled to any damages or severance or any additional amount of damages or severance in respect of any rights or expectations of whatsoever nature the Grantee may have hereunder or under the Plan. Notwithstanding any other provision of the Plan or this Agreement, the Award hereunder will not form part of the Grantee's entitlement to remuneration or benefits pursuant to the Grantee's employment agreement or

arrangement, if any. The rights and obligations of the Grantee under the terms of his or her employment agreement or arrangement, if any, will not be enhanced hereby.

(d) In the event of any inconsistency between the terms hereof or of the Plan and any employment, severance or other agreement or arrangement with the Grantee, the terms hereof and of the Plan shall control.

**17. Nonalienation of Benefits.** Except as provided in Section 8 of this Agreement, (i) no right or benefit under this Agreement will be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same will be void, and (ii) no right or benefit hereunder will in any manner be liable for or subject to the debts, contracts, liabilities or torts of the Grantee or other person entitled to such benefits.

**18. Data Privacy.**

(a) The Grantee's acceptance hereof shall evidence the Grantee's explicit and unambiguous consent to the collection, use and transfer, in electronic or other form, of the Grantee's personal data by and among, as applicable, the Grantee's employer (the "Employer") and the Company and its Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company and the Employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, bonus and employee benefits, nationality, job title and description, any Shares or directorships or other positions held in the Company, its Subsidiaries and Affiliates, details of all options, share appreciation rights, restricted shares, restricted share units or any other entitlement to Shares or other Awards granted, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, annual performance objectives, performance reviews and performance ratings, for the purpose of implementing, administering and managing Awards under the Plan ("Data").

(b) The Grantee understands that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Grantee's country or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Grantee may elect to deposit any Shares acquired with respect to an Award.

(c) The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may at any time view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. Further, the Grantee understands that he or she is providing the consents herein on a purely voluntary basis. If the Grantee does not consent, or if the Grantee later seeks to revoke his or her consent, the Grantee's employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the Grantee's consent is that the Company would not be able to grant him or her RSUs or other equity awards or administer or maintain such awards. Therefore, the Grantee understands that refusing or withdrawing the Grantee's consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of a refusal to consent or withdrawal of consent, the Grantee may contact the Grantee's local human resources representative.

**19. Governing Law.** The validity, interpretation, construction and performance of this Agreement shall be governed in all respects exclusively by the internal laws of the State of Colorado as a contract to be performed in such state and without regard to any principles of conflicts of law thereof. Each party to this Agreement hereby irrevocably consents to the exclusive jurisdiction of, and agrees that any action to enforce, interpret or construe this Agreement or any other agreement or document delivered in connection with this Agreement shall be conducted in, the federal or state courts of the State of Colorado sitting in the City and County of Denver, and the Grantee hereby submits to the personal jurisdiction of such courts and irrevocably waives any defense of improper venue or *forum non conveniens* to any such action brought in such courts. Each party hereby waives its right to trial by jury.

**20. Construction.** References in this Agreement to "this Agreement" and the words "herein," "hereof," "hereunder" and similar terms include all Exhibits and Schedules appended hereto, including the Plan. This Agreement is entered into, and the Award evidenced hereby is granted, pursuant to the Plan and shall be governed by and construed in accordance with the Plan and the administrative interpretations adopted by the Committee thereunder. The word "include" and all variations thereof are used in an illustrative sense and not in a limiting sense. All decisions of the Committee upon questions regarding this Agreement will be conclusive. Unless otherwise expressly stated herein, in the event of any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan will control. The headings of the sections of this Agreement have been included for convenience of reference only, are not to be considered a part hereof and will in no way modify or restrict any of the terms or provisions hereof.

**21. Duplicate Originals.** The Company and the Grantee may sign any number of copies of this Agreement. Each signed copy will be an original, but all of them together represent the same agreement. Counterparts to this Agreement may be delivered via PDF or other electronic means.

**22. Rules by Committee.** The rights of the Grantee and the obligations of the Company hereunder will be subject to such reasonable rules and regulations as the Committee may adopt from time to time.

**23. Entire Agreement.** This Agreement is in satisfaction of and in lieu of all prior discussions and agreements, oral or written, between the Company and the Grantee regarding the subject matter hereof. The Grantee and the Company hereby declare and represent that no promise or agreement not herein expressed has been made and that this Agreement contains the entire agreement between the parties hereto with respect to the Award and replaces and makes null and void any prior agreements between the Grantee and the Company regarding the Award. This Agreement will be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

**24. Grantee Acceptance.** The Grantee will signify acceptance of the terms and conditions of this Agreement by signing in the space provided at the end hereof and returning a signed copy to the Company. If the Grantee does not execute and return this Agreement within 60 days of the Grant Date, the grant of Restricted Share Units shall be null and void.

**Signature Page to Restricted Share Units Agreement  
dated as of \_\_\_\_\_, 20\_\_ , between Liberty Latin America Ltd. and Grantee**

LIBERTY LATIN AMERICA LTD.

By: /s/ Authorized Signatory  
Name: Authorized Signatory  
Title: Senior Vice President

ACCEPTED:

Grantee Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Country: \_\_\_\_\_  
Grantee ID: \_\_\_\_\_

Grant No. \_\_\_\_\_

Number of Restricted Share Units (Class\_\_\_\_) Awarded: \_\_\_\_\_

## CERTIFICATION

I, Balan Nair, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Latin America Ltd.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and
  - d) Disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2019

/s/ Balan Nair

---

Balan Nair

President and Chief Executive Officer





**Certification**  
**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**  
**(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Liberty Latin America Ltd. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the period ended June 30, 2019 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of June 30, 2019 and December 31, 2018, and for the three and six months ended June 30, 2019, and 2018.

Dated: August 6, 2019

/s/ Balan Nair

\_\_\_\_\_  
Balan Nair  
President and Chief Executive Officer

Dated: August 6, 2019

/s/ Christopher Noyes

\_\_\_\_\_  
Christopher Noyes  
Senior Vice President and Chief Financial Officer  
(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.