
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): September 9, 2015



Charter Communications, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

001-33664

(Commission File Number)

43-1857213

(I.R.S. Employer Identification Number)

**400 Atlantic Street, 10th Floor
Stamford, Connecticut 06901**

(Address of principal executive offices including zip code)

(203) 905-7801

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events

As previously disclosed, Charter Communications, Inc., a Delaware corporation (“Charter”) entered into an Agreement and Plan of Mergers (the “Merger Agreement”), dated as of May 23, 2015, by and among, Charter, Time Warner Cable Inc., a Delaware corporation (“TWC”), CCHI, LLC, a Delaware limited liability company (“New Charter”), Nina Corporation I, Inc., a Delaware corporation, Nina Company II, LLC, a Delaware limited liability company, and Nina Company III, LLC, a Delaware limited liability company.

This Current Report on Form 8-K is being filed in connection with a Memorandum of Understanding (the “MOU”) regarding the settlement of certain litigation related to the Merger Agreement and the mergers contemplated therein (the “Mergers”), and certain other announcements and updates relating to the Mergers and the definitive joint proxy statement/prospectus filed with the Securities and Exchange Commission (the “SEC”) by Charter on August 20, 2015 (the “Joint Proxy Statement/Prospectus”). TWC and Charter commenced mailing the Joint Proxy Statement/Prospectus to their respective stockholders on or about August 20, 2015.

Certain New York Litigation Matters

As previously disclosed on pages 234-235 of the Joint Proxy Statement/Prospectus, beginning on February 14, 2014, numerous putative class action complaints in connection with the contemplated merger of TWC and Comcast Corporation (“Comcast”) pursuant to a different merger agreement were filed on behalf of purported TWC stockholders in the Supreme Court of the State of New York, New York County (the “NY Supreme Court”), naming as defendants TWC, the members of the TWC board of directors, Comcast and Comcast’s merger subsidiary. Five of the New York complaints were consolidated into a class action in the NY Supreme Court captioned *Barrett, Wedeking, Graulich IRA, Lassoff and Thomas v. Time Warner Cable Inc., et al.*, Index No 650507/2014 (the “New York Action”).

Following the announcement of the Mergers on May 26, 2015, on June 29, 2015, the parties in the New York Action filed a stipulation agreeing that plaintiffs could file a Second Consolidated Class Action Complaint (the “Second Amended Complaint”), and dismissing with prejudice Comcast and Comcast’s merger subsidiary. After the court so ordered the stipulation, the plaintiffs in the New York Action filed the Second Amended Complaint on July 1, 2015. The Second Amended Complaint names as defendants TWC, the members of the TWC board of directors, Charter and the other parties to the Merger Agreement. The Second Amended Complaint generally alleges, among other things, that members of the TWC board of directors breached their fiduciary duties to TWC stockholders during the Charter merger negotiations and by entering into the Merger Agreement and approving the Mergers, and that Charter aided and abetted such breaches of fiduciary duties.

On September 9, 2015, the parties to the New York Action entered into the MOU providing for the settlement of the New York Action. While the defendants in the New York Action continue to vigorously deny all allegations of wrongdoing, fault, liability or damage to any of the plaintiffs or the class of stockholders of TWC, and believe that no supplemental disclosure is required under the applicable law, in order to (i) avoid the burden, inconvenience,

expense and distraction of further litigation in connection with the New York Action, (ii) finally put to rest and terminate all of the claims that were or could have been asserted against the defendants in the New York Action and (iii) permit the Mergers to proceed without risk of the NY Supreme Court ordering an injunction or damages in connection with the New York Action, TWC, Charter and New Charter have agreed, without admitting any liability or wrongdoing, pursuant to the terms of the MOU, to make certain supplemental disclosures related to the proposed Mergers, all of which are set forth below. The MOU contemplates that the parties will enter into a stipulation of settlement. The stipulation of settlement will be subject to customary conditions, including court approval following notice to TWC stockholders. In the event that the parties enter into a stipulation of settlement, a hearing will be scheduled at which the NY Supreme Court will consider the fairness, reasonableness and adequacy of the settlement. If the settlement is finally approved by the court, it will resolve and release all claims by stockholders of TWC challenging any aspect of the proposed Mergers, the Merger Agreement and any disclosure made in connection therewith, including in the Joint Proxy Statement/Prospectus, pursuant to terms that will be disclosed to TWC's and Charter's respective stockholders prior to final approval of the settlement. The settlement is also contingent upon, among other things, the Mergers becoming effective under Delaware law. There can be no assurance that the parties will ultimately enter into a stipulation of settlement or that the court will approve the settlement contemplated by the MOU. In the event that the settlement is not approved or such conditions are not satisfied, the defendants will continue to vigorously defend against the allegations in the New York Action.

Certain Delaware Litigation Matters

On August 21, 2015, a purported stockholder of Charter filed a lawsuit in the Delaware Court of Chancery, on behalf of a putative class of Charter stockholders, challenging the transactions between Charter, TWC, Advance/Newhouse Partnership ("A/N"), and Liberty Broadband Corporation ("Liberty Broadband") announced by Charter on May 26, 2015 (collectively, the "Transactions"). The lawsuit was captioned *Sciabacucchi v. Liberty Broadband Corp.*, C.A. No. 11418-VCG (the "Delaware Action"), and named as defendants Liberty Broadband, Charter, the board of directors of Charter, and New Charter. The plaintiff requested, among other things, that the Delaware Court of Chancery enjoin the special meeting of Charter stockholders at which Charter stockholders will be asked to vote on the Transactions, scheduled for September 21, 2015, until the defendants disclosed certain information relating to Charter and the Transactions. The information demanded by the plaintiff included (i) certain unlevered free cash flow projections for Charter and (ii) a certain Form of Proxy and Right of First Refusal Agreement ("Proxy") by and among Liberty Broadband, A/N and, for the limited purposes set forth therein, Charter and New Charter, which was referenced in the description of the Second Amended and Restated Stockholders Agreement, dated May 23, 2015, among Charter, New Charter, Liberty Broadband and A/N, which description was included in the Joint Proxy Statement/Prospectus.

The defendants in the Delaware Action believe that the complaint is without merit. Nevertheless, while Charter and New Charter believe that no supplemental disclosure is required under applicable laws, solely to avoid the costs, disruption and distraction of an application for a preliminary injunction, and without admitting the validity of any allegations

asserted by plaintiff, defendants in the Delaware Action have disclosed the Proxy as Exhibit 99.1 to this Current Report on Form 8-K. The Proxy was previously publicly filed by Liberty Broadband as Exhibit 10.9 to its Current Report on Form 8-K filed with the SEC on May 29, 2015. In light of the disclosure of the Proxy, and the disclosure of unlevered free cash flow projections for Charter, which are set forth on this Current Report on Form 8-K in connection with the settlement of the New York Action, the plaintiff in the Delaware Action has concluded that his disclosure claims have been mooted and has determined not to seek to enjoin the special meeting of Charter stockholders to vote on the Transactions.

SUPPLEMENT TO JOINT PROXY STATEMENT/PROSPECTUS

In connection with the matters described above in this Current Report on Form 8-K, Charter, New Charter and TWC agree to make these supplemental disclosures to the Joint Proxy Statement/Prospectus. The additional disclosures contained in this Current Report on Form 8-K supplement the disclosures contained in the Joint Proxy Statement/Prospectus. Charter and TWC commenced mailing the Joint Proxy Statement/Prospectus to their respective stockholders on or about August 20, 2015. These disclosures should be read in connection with the Joint Proxy Statement/Prospectus, which should be read in its entirety. To the extent that information herein differs from or updates information contained in the Joint Proxy Statement/Prospectus, the information contained herein supersedes the information contained in the Joint Proxy Statement/Prospectus. Defined terms used but not defined herein have the meanings set forth in the Joint Proxy Statement/Prospectus.

The following changes are made to the last bullet point on pages 153-154 of the Joint Proxy Statement/Prospectus (with additions in italics and underlined):

- that, in connection with the BHN transactions and the additional investment by Liberty Broadband in connection with the mergers and the other transactions contemplated by the merger agreement, the leverage ratio of the combined company is expected to be lower than what TWC believed the expected leverage ratio of the combined company would have been in connection with Charter's proposals to acquire TWC in 2013 and 2014, ***and the combined company is expected to be able to achieve an investment grade debt rating on a significant portion of the combined company's debt.***

The table in the first paragraph under the caption "The Transactions – Opinions of TWC's Financial Advisors – Summary of Joint Financial Analyses – TWC Financial Analyses – Selected Precedent Transactions Analysis" on page 173 of the Joint Proxy Statement/Prospectus is replaced in its entirety with the following:

Announcement Date	Acquiror	Target	One-Year Forward EBITDA Multiples	
			Tax-Adjusted	Not Tax-Adjusted
May 20, 2015*	Altice S.A.	Suddenlink Communications	9.2x	9.6x
March 31, 2015*	Charter Communications, Inc.	Bright House Networks, LLC	NA	7.6x
April 28, 2014*	Charter Communications, Inc./Comcast Corporation	Greatland Connections Inc. (spin-off and related transactions)	NA	7.1x

February 13, 2014*	Comcast Corporation	Time Warner Cable Inc.	8.0x	8.2x
March 19, 2013	Liberty Media Corporation	Charter Communications, Inc. (27% equity stake)	8.0x	8.6x
February 7, 2013	Charter Communications, Inc.	Bresnan Broadband Holdings, LLC	NA	8.0x
July 18, 2012	BC Partners Ltd.	Suddenlink Communications	NA	8.3x
July 18, 2012	Cogeco Cable, Inc.	Atlantic Broadband	NA	8.3x
June 1, 2012	Oak Hill Capital Partners	WaveDivision Holdings, LLC	NA	8.0x
August 14, 2011	Time Warner Cable Inc.	Insight Communications Company, Inc.	7.7x	8.4x
June 14, 2010	Cablevision Systems Corporation	Bresnan Broadband Holdings, LLC	NA	8.2x

“NA” denotes not applicable.

* Transactions terminated or not yet consummated as of May 23, 2015.

The fifth sentence of the paragraph under the caption “The Transactions – Opinions of TWC’s Financial Advisors – Summary of Joint Financial Analyses – TWC Financial Analyses – Discounted Cash Flow Analysis” on page 174 of the Joint Proxy Statement/Prospectus is replaced in its entirety with the following:

The cash flows and terminal values were then discounted to present value (as of March 31, 2015) using discount rates ranging from 6.25% to 7.25%, derived from a weighted average cost of capital calculation.

The fifth sentence of the paragraph under the caption “The Transactions – Opinions of TWC’s Financial Advisors – Summary of Joint Financial Analyses – Charter Financial Analyses – Discounted Cash Flow Analysis” on page 175 of the Joint Proxy Statement/Prospectus is replaced in its entirety with the following:

The cash flows and terminal values were then discounted to present value (as of March 31, 2015) using discount rates ranging from 6.25% to 7.25%, derived from a weighted average cost of capital calculation.

The fifth bullet point under the caption “The Transactions – Opinions of TWC’s Financial Advisors – Summary of Joint Financial Analyses – Other Factors” on page 176 of the Joint Proxy Statement/Prospectus is revised by deleting “and” at the end of such bullet point, adding a new sixth bullet point and replacing the previous sixth bullet point in its entirety as a new seventh bullet point under such caption as follows:

- comparisons of certain operational metrics of each of TWC and Charter on a standalone basis and selected companies in the cable industry relative to TWC and Charter on a pro forma combined basis (including the Bright House acquisition), utilizing the TWC forecasts and Wall Street research consensus estimates for TWC, the Charter forecasts (including financial forecasts and other estimates reflected in the Charter forecasts relating to Bright House) and publicly available information for the selected companies, which indicated:
 - estimated compounded annual revenue growth rates, compounded annual EBITDA growth rates and compounded annual EBITDA less capital expenditures growth rates for calendar years 2015 through 2017 of approximately 1.1% to 7.5%, 3.0% to 10.3% and 6.9% to 22.6%, respectively, on an overall and standalone basis for TWC, Charter, Bright House and the selected companies and approximately 6.0% (5.8% including dis-synergies), 8.4% (11.2% with potential synergies) and 16.6% (23.2% with potential synergies), respectively, for TWC and Charter on a pro forma combined basis (including the Bright House acquisition);

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- estimated EBITDA margins for calendar year 2015 relative to calendar year 2017 of approximately 27.7% to 40.1% (calendar year 2015) and 28.8% to 40.2% (calendar year 2017) on an overall and standalone basis for TWC, Charter, Bright House and the selected companies relative to approximately 35.0% (calendar year 2015), 36.5% (calendar year 2017 without potential synergies) and 38.7% (calendar year 2017 with potential synergies) for TWC and Charter on a pro forma combined basis (including the Bright House acquisition);
 - estimated capital expenditures as a percentage of estimated revenue for calendar year 2015 relative to calendar year 2017 of approximately 13.3% to 18.5% (calendar year 2015) and 12.7% to 16.1% (calendar year 2017) on an overall and standalone basis for TWC, Charter, Bright House and the selected companies relative to approximately 17.8% (calendar year 2015), 15.8% (calendar year 2017 without potential synergies) and 15.4% (calendar year 2017 with potential synergies) for TWC and Charter on a pro forma combined basis (including the Bright House acquisition); and
 - estimated EBITDA less capital expenditure margins for calendar year 2015 relative to calendar year 2017 of approximately 14.4% to 25.6% (calendar year 2015) and 16.1% to 26.6% (calendar year 2017) on an overall and standalone basis for TWC, Charter, Bright House and the selected companies relative to approximately 17.2% (calendar year 2015), 20.8% (calendar year 2017 without potential synergies) and 23.3% (calendar year 2017 with potential synergies) for TWC and Charter on a pro forma combined basis (including the Bright House acquisition); and
 - potential pro forma financial effects of the transaction on Charter's calendar years 2016 and 2017 estimated levered free cash flow per share based on, in the case of TWC, the TWC forecasts and, in the case of Charter, the Charter forecasts (including the financial forecasts and other estimates reflected in the Charter forecasts relating to Bright House) after taking into account potential phased-in and run-rate cost synergies anticipated by the management of Charter to result from the transaction, which indicated the following:
 - assuming merger consideration of \$100 per share in cash and 0.5409 of a share of Charter Class A common stock utilizing, for the stock portion of the consideration, the closing price of Charter Class A common stock of \$175.33 per share on May 22, 2015 and including the Bright House acquisition, that the

transaction could be accretive by approximately 18.0% (after taking into account potential phased-in cost synergies) and 27.0% (after taking into account potential run-rate cost synergies) to Charter's estimated calendar year 2016 estimated levered free cash flow per share, and could be accretive by approximately 8.3% (after taking into account potential phased-in cost synergies) and 11.6% (after taking into account potential run-rate cost synergies) to Charter's estimated calendar year 2017 estimated levered free cash flow per share;

- assuming merger consideration of \$100 per share in cash and 0.5409 of a share of Charter Class A common stock utilizing, for the stock portion of the consideration, the closing price of Charter Class A common stock of \$175.33 per share on May 22, 2015, both including and excluding the Bright House acquisition and after taking into account potential phased-in cost synergies, that the transaction could be accretive by approximately 18.0% (including the Bright House acquisition) and 19.5% (excluding the Bright House acquisition) to Charter's estimated calendar year 2016 estimated levered free cash flow per share, and could be accretive by approximately 8.3% (including the Bright House acquisition) and 11.4% (excluding the Bright House acquisition) to Charter's estimated calendar year 2017 estimated levered free cash flow per share; and
- assuming merger consideration of \$115 per share in cash and 0.4562 of a share of Charter Class A common stock utilizing, for the stock portion of the consideration, the closing price of Charter Class A common stock of \$175.33 per share on May 22, 2015, both including and excluding the Bright House acquisition and after taking into account potential phased-in cost synergies, that the transaction could be accretive by approximately 19.6% (including the Bright House acquisition) and 21.6% (excluding the Bright House acquisition) to Charter's estimated calendar year 2016 estimated levered free cash flow per share, and could be accretive by approximately 10.6% (including the Bright House acquisition) and 14.6% (excluding the Bright House acquisition) to Charter's estimated calendar year 2017 estimated levered free cash flow per share.

Actual results achieved by the combined company may vary from forecasted results and variations may be material.

The table in the first paragraph under the caption “The Transactions – Opinion of Financial Advisor to the TWC Independent Directors – Summary of Centerview Financial Analyses – TWC Financial Analyses – Selected Precedent Transactions Analysis” on page 182 of the Joint Proxy Statement/Prospectus is replaced in its entirety with the following:

Announcement Date	Acquiror	Target	One-Year Forward EBITDA Multiples	
			Tax-Adjusted	Not Tax-Adjusted
May 2015	Altice S.A.	Suddenlink Communications	9.2x	9.6x
March 2015	Charter Communications, Inc.	Bright House Networks, LLC	6.6x	7.1x/7.4x*
April 2014	Charter Communications, Inc./Comcast Corporation	Greatland Connections Inc. (spin-off and related transactions)	NA	7.1x
February 2014	Comcast Corporation	Time Warner Cable Inc.	7.9x	8.2x
March 2013	Liberty Media Corporation	Charter Communications, Inc. (27% equity stake)	8.0x	8.6x
February 2013	Charter Communications, Inc.	Bresnan Broadband Holdings, LLC	NA	8.0x
July 2012	BC Partners Ltd.	Suddenlink Communications	NA	8.3x
July 2012	Cogeco Cable, Inc.	Atlantic Broadband	NA	8.3x
June 2012	Oak Hill Capital Partners	WaveDivision Holdings, LLC	NA	8.0x
August 2011	Time Warner Cable Inc.	Insight Communications Company, Inc.	7.6x	8.4x
June 2010	Cablevision Systems Corporation	Bresnan Broadband Holdings, LLC	NA	8.2x

“NA” denotes not applicable.

* Represents unaffected implied multiple pre-announcement.

The fifth sentence of the paragraph under the caption “The Transactions – Opinion of Financial Advisor to the TWC Independent Directors – Summary of Centerview Financial Analyses – TWC Financial Analyses – Discounted Cash Flow Analysis” on page 183 of the Joint Proxy Statement/Prospectus is replaced in its entirety with the following:

The cash flows and terminal values were then discounted to present value (as of May 22, 2015) using discount rates ranging from 6.5% to 7.5%, derived from a weighted average cost of capital calculation.

The fifth sentence of the paragraph under the caption “The Transactions – Opinion of Financial Advisor to the TWC Independent Directors – Summary of Centerview Financial Analyses – Charter Financial Analyses – Discounted Cash Flow Analysis” on page 184 of the Joint Proxy Statement/Prospectus is replaced in its entirety with the following:

The cash flows and terminal values were then discounted to present value (as of May 22, 2015) using discount rates ranging from 7.5% to 8.5%, derived from a weighted average cost of capital calculation.

The fifth bullet point under the caption “The Transactions – Opinion of Financial Advisor to the TWC Independent Directors – Summary of Centerview Financial Analyses – Charter Financial Analyses – Other Factors” on page 184 of the Joint Proxy Statement/Prospectus is revised by deleting “and” at the end of such bullet point, adding a new sixth bullet point and replacing the previous sixth bullet point in its entirety as a new seventh bullet point under such caption as follows:

- comparisons of certain operational metrics of each of TWC and Charter on a standalone basis and selected companies in the cable industry relative to TWC and Charter on a pro forma basis (including the Bright House acquisition) assuming a phase-in of synergies

over two years, utilizing the TWC forecasts, the Charter forecasts (including financial forecasts and other estimates reflected in the Charter forecasts relating to Bright House) and publicly available information for the selected companies, which indicated:

- estimated compounded annual revenue growth rates and compounded annual EBITDA growth rates for calendar years 2016 through 2018 of approximately 2.1% to 7.1% and 5.1% to 8.8%, respectively, on an overall and standalone basis for TWC, Charter and the selected companies and approximately 5.7% and 7.5%, respectively, for TWC and Charter on a pro forma combined basis (including the Bright House acquisition);
- estimated EBITDA margins for calendar year 2016 relative to calendar year 2018 of approximately 28.5% to 41.1% (calendar year 2016) and 30.4% to 41.4% (calendar year 2018) on an overall and standalone basis for TWC, Charter and the selected companies and 37.5% (calendar year 2016) and 38.8% (calendar year 2018) for TWC and Charter on a pro forma combined basis (including the Bright House acquisition); and
- estimated EBITDA less capital expenditure margins for calendar year 2016 relative to calendar year 2018 of approximately 15.6% to 27.5% (calendar year 2016) and 18.3% to 28.7% (calendar year 2018) on an overall and standalone basis for TWC, Charter and the selected companies relative to 21.2% (calendar year 2016) and 24.4% (calendar year 2018) for TWC and Charter on a pro forma combined basis (including the Bright House acquisition); and
- illustrative pro forma financial effects of the transaction on Charter's calendar years 2016 and 2017 estimated levered free cash flow per share based on, in the case of TWC, the TWC forecasts and, in the case of Charter, the Charter forecasts (including the financial forecasts and other estimated reflected in the Charter forecasts relating to Bright House) after taking into account potential synergy phasing and run-rate cost synergies anticipated by the management of Charter to result from the transaction and assuming the Bright House acquisition, which indicated the following:
 - based on merger consideration of \$100 per share in cash and 0.5409 of a share of Charter Class A common stock, utilizing, for the stock portion of the consideration, the closing price of Charter Class A common stock of \$175.33 per share on May 22, 2015, that the transaction could be accretive by approximately 25% (after taking into account potential synergy phasing) and 30% (after taking into account potential run-rate cost synergies) to Charter's estimated calendar year 2016 estimated levered free cash flow per share, and could be accretive by approximately 16% (after taking into account potential synergy phasing) and 15% (after taking into account potential run-rate cost synergies) to Charter's estimated calendar year 2017 estimated levered free cash flow per share; and

- based on merger consideration of \$115 per share in cash and 0.4562 of a share of Charter Class A common stock, utilizing, for the stock portion of the consideration, the closing price of Charter Class A common stock of \$175.33 per share on May 22, 2015, that the transaction could be accretive by approximately 28% (after taking into account potential synergy phasing) and 33% (after taking into account potential run-rate cost synergies) to Charter's estimated calendar year 2016 estimated levered free cash flow per share, and could be accretive by approximately 19% (after taking into account potential synergy phasing) and 18% (after taking into account potential run-rate cost synergies) to Charter's estimated calendar year 2017 estimated levered free cash flow per share.

Actual results achieved by the combined company may vary from forecasted results and variations may be material.

The following disclosure is added to the section entitled "Charter Forecasts" on page 222 of the Joint Proxy Statement/Prospectus immediately after footnote 1 following the tables on such page:

In addition, using financial forecasts provided by Charter's management, Goldman Sachs calculated, and presented to Charter's board of directors, the following forecasts of unlevered free cash flow (which is Charter management's projected earnings before interest, taxes, depreciation and amortization, minus taxes (calculated by multiplying Charter management's estimated full statutory federal and state income tax rate of 39% by Charter management's projected earnings before interest and taxes), minus its projected capital expenditures and taking into account net working capital) for fiscal years 2016 to 2019 (in millions), in connection with its discounted cash flow analysis that is described under "The Transactions—Opinion of Charter's Financial Advisors—Opinion of Goldman, Sachs & Co. Rendered in Connection with the TWC Transactions—Illustrative Discounted Cash Flow Analyses" and "The Transactions—Opinion of Charter's Financial Advisors—Opinion of Goldman, Sachs & Co. Rendered in Connection with the BHN Transactions—Illustrative Discounted Cash Flow Analyses":

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>New Charter, giving effect to the TWC transactions and the BHN transactions</i>	\$4,841	\$5,273	\$6,838	\$8,647
<i>New Charter, giving effect to the TWC transactions, but not the BHN transactions</i>	4,430	4,768	6,119	7,737
<i>Charter, giving effect to the BHN transactions, but not the TWC transactions</i>	1,736	2,032	2,507	2,966
<i>Charter, without giving effect to the BHN transactions or TWC transactions</i>	1,344	1,554	1,827	2,109

The unlevered free cash flow forecasts used by Goldman Sachs in connection with its discounted cash flow analysis did not treat stock-based compensation as an expense and did not reflect any integration expenses. As indicated above, in calculating the unlevered free cash flows, Goldman Sachs applied Charter management's estimated full statutory federal and state income tax rate of 39% to earnings before interest and taxes. In addition, the unlevered free cash flow forecasts described above did not reflect the tax benefits associated with Charter's tax assets, including its net operating loss carryforwards and other tax attributes, which were valued separately and included as part of Goldman Sachs' discounted cash flow analysis.

In addition, using financial forecasts provided by Charter's management, and certain other estimates and assumptions, LionTree calculated, and presented to Charter's board of directors, the following forecasts of unlevered free cash flow (which is Charter management's projected earnings before interest, taxes, depreciation and amortization, minus taxes (calculated by multiplying Charter management's estimated full statutory federal and state income tax rate of 39% by Charter management's projected earnings before interest and taxes), minus projected stock-based compensation expenses, minus projected integration expenses, minus projected capital expenditures and taking into account net working capital) for fiscal years 2016 to 2019 (in millions), in connection with its discounted cash flow analysis that is described under "The Transactions—Opinion of Charter's Financial Advisors—Opinion of LionTree Advisors LLC in Connection with the TWC Transactions—Pro Forma Financial Analyses—DCF Analyses" and "The Transactions—Opinion of Charter's Financial Advisors—Opinion of LionTree Advisors LLC in Connection with the BHN Transactions—Pro Forma Financial Analyses—DCF Analyses":

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>New Charter, giving effect to the TWC transactions and the BHN transactions</i>	\$4,552	\$5,069	\$6,716	\$8,525
<i>New Charter, giving effect to the TWC transactions, but not the BHN transactions</i>	4,164	4,564	5,997	7,615
<i>Charter, giving effect to the BHN transactions, but not the TWC transactions</i>	1,681	2,001	2,476	2,936

In connection with its discounted cash flow analysis, LionTree calculated, but did not present to Charter's board, unlevered free cash flow figures for Charter without giving effect to either the transactions with Bright House or the transactions with TWC. The unlevered free cash flow forecasts used by LionTree in connection with its discounted cash flow analysis treated stock-based compensation as an expense and reflected integration expenses, which account for the differences between the unlevered free cash flow forecasts used by LionTree and Goldman Sachs. LionTree estimated stock-based compensation expense based on historical numbers provided by Charter. As indicated above, in calculating the unlevered free cash flows, LionTree applied Charter management's estimated full statutory federal and state income tax rate of 39%

to earnings before interest and taxes. In addition, the unlevered free cash flow forecasts described above did not reflect the tax benefits associated with Charter's tax assets, including its net operating loss carryforwards and other tax attributes, which were valued separately and included as part of LionTree's discounted cash flow analysis.

Certain Amendments and Clarifications to the Joint Proxy Statement/Prospectus

In addition to the supplemental disclosures set forth above, the description of the formula for determining the amount of cash payable for fractional shares held by TWC stockholders and Charter stockholders described in the "What TWC Stockholders Will Receive in the Mergers (See Page 237)" and "What Charter Stockholders Will Receive in the Mergers (See Page 238)" sections of the Summary on page 36 of the Joint Proxy Statement/Prospectus is amended and clarified as follows:

Neither TWC nor New Charter will issue any fractional shares in the mergers. Instead, after giving effect to the first two mergers, the total number of shares of New Charter Class A common stock that each TWC stockholder will receive as a result of the first two mergers will be rounded down to the nearest whole number, and each TWC stockholder will receive cash, without interest, for any fractional share that he or she would otherwise receive in the mergers. The amount of cash for fractional shares will be calculated by multiplying the fraction of a share that the TWC stockholder would otherwise be entitled to receive as a result of the first merger by the Charter Class A common stock closing price as of the trading day immediately prior the closing of the mergers, as adjusted to take account of the Parent Merger Exchange Ratio (i.e., divided by 0.9042).

New Charter will not issue any fractional shares in the third merger. Instead, the total number of shares of New Charter Class A common stock that each Charter stockholder will receive in the third merger will be rounded down to the nearest whole number, and each Charter stockholder will receive cash, without interest, for any fractional share of New Charter Class A common stock that he or she would otherwise receive in the this merger. The amount of cash for fractional shares will be calculated by multiplying the fraction of a share of New Charter Class A common stock that the Charter stockholder would otherwise be entitled to receive in the third merger by the Charter Class A common stock closing price as of the trading day immediately prior the closing of the mergers, as adjusted to take account of the Parent Merger Exchange Ratio (i.e., divided by 0.9042).

Important Information For Investors And Shareholders

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. In connection with the proposed transaction between TWC and Charter, New Charter filed with the SEC a registration statement on Form S-4 that includes a joint proxy statement of Charter and TWC that also constitutes a prospectus of New Charter. The registration statement was declared effective by the SEC on August 20, 2015, and Charter and TWC commenced mailing the Joint Proxy Statement/Prospectus to their respective stockholders on or about August 20, 2015. This communication is not a substitute for the Joint Proxy Statement/Prospectus or registration

statement or for any other document that Charter or TWC may file with the SEC or send to Charter's and/or TWC's stockholders in connection with the proposed transactions. INVESTORS AND SECURITY HOLDERS OF CHARTER AND TWC ARE URGED TO READ THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED OR THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders are able to obtain free copies of the registration statement and the definitive Joint Proxy Statement/Prospectus and other documents filed with the SEC by Charter, New Charter or TWC through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by Charter or New Charter are or will be available free of charge on Charter's website at <http://charter.com>, in the "Investor and News Center" near the bottom of the page, or by contacting Charter's Investor Relations Department at 203-905-7955. Copies of the documents filed with the SEC by TWC are or will be available free of charge on TWC's website at <http://ir.timewamercable.com> or by contacting TWC's Investor Relations Department at 877-446-3689.

Charter and TWC and their respective directors and certain of their respective executive officers may be considered participants in the solicitation of proxies with respect to the proposed transactions under the rules of the SEC. Information about the directors and executive officers of Charter is set forth in the Joint Proxy Statement/Prospectus and in its Annual Report on Form 10-K for the year ended December 31, 2014, which was filed with the SEC on February 24, 2015, and its proxy statement for its 2015 annual meeting of stockholders, which was filed with the SEC on March 18, 2015. Information about the directors and executive officers of TWC is set forth in the Joint Proxy Statement/Prospectus and its Annual Report on Form 10-K for the year ended December 31, 2014, which was filed with the SEC on February 13, 2015, as amended April 27, 2015, its proxy statement for its 2015 annual meeting of stockholders, which was filed with the SEC on May 18, 2015 and its Current Report on Form 8-K, which was filed with the SEC on June 1, 2015. These documents can be obtained free of charge from the sources indicated above.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this communication that are not historical facts are "forward-looking" statements made within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements may include, without limitation, statements regarding the proposed transactions between Charter and TWC, between Bright House Networks, LLC ("BHN") and Charter (the "BHN transactions") and between Charter and Liberty Broadband (the "Liberty transactions"), such as the expected timetable for completing the transactions and the benefits, synergies and costs of such transactions; and the future operations, financial results, operating performance, anticipated business levels, planned activities, anticipated growth, market opportunities, strategies, competition, and other expectations, beliefs, plans, objectives, assumptions or future events with respect to Charter, TWC, BHN and/or New Charter. These statements are often, but not always, made through the use of words or phrases such as "believe," "expect," "anticipate," "should," "planned," "will," "may," "intend," "estimated," "aim," "on

track,” “target,” “opportunity,” “tentative,” “positioning,” “designed,” “create,” “predict,” “project,” “seek,” “would,” “could,” “continue,” “ongoing,” “upside,” “increases,” and “potential,” and similar expressions. All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in the statements. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements include but are not limited to: delays in the completion of the Mergers and/or the BHN transactions; failure to receive necessary stockholder approvals; the risk that a condition to completion of the Mergers, the BHN transactions and/or the Liberty transactions may not be satisfied; the risk that a regulatory or other approval that may be required for the Mergers and/or the BHN transactions is delayed, is not obtained or is obtained subject to conditions that are not anticipated; New Charter’s ability to achieve the synergies and value creation contemplated by the Mergers and/or the BHN transactions, including its ability to achieve such synergies within the expected timeframe; New Charter’s ability to promptly, efficiently and effectively integrate the acquired operations, products and employees; managing a significantly larger company than before the completion of the Mergers and/or the BHN transactions; diversion of management time on issues related to the Mergers and the BHN transactions; changes in Charter’s, TWC’s or BHN’s businesses, future cash requirements, capital requirements, results of operations, revenues, financial condition and/or cash flows; disruption in the existing employee, supplier, customer and other business relationships of Charter, TWC and BHN as a result of the Mergers and/or the BHN transactions; the increase in indebtedness as a result of the Mergers and the BHN transactions, which will increase interest expense and may decrease Charter’s operating flexibility; changes in transaction costs, the amount of fees paid to financial and other advisors and representatives, potential termination fees and the potential payments to TWC’s executive officers in connection with the Mergers and/or the BHN transactions; operating costs and business disruption that may be greater than expected; the ability to retain and hire key personnel and maintain relationships with providers or other business partners pending completion of the Mergers and/or the BHN transactions; and the impact of competition. Furthermore, Charter, TWC and BHN operate in highly competitive, consumer-driven and rapidly changing environments. These environments are affected by government regulation; economic, strategic, political and social conditions; competition affecting the industries in which they operate; consumer response to new and existing products and services; technological developments; and, particularly in view of new technologies, the ability to develop and protect intellectual property rights. Additional information concerning these and other factors can be found in the Joint Proxy Statement/Prospectus and in Charter’s and TWC’s respective other filings with the SEC, including Charter’s and TWC’s most recent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Charter and TWC assume no obligation to update any forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which such statement was made.

Use of Non-GAAP Financial Metrics

Charter uses certain measures that are not defined by Generally Accepted Accounting Principles (“GAAP”) to evaluate various aspects of its business. Adjusted EBITDA is a non-GAAP financial measure and should be considered in addition to, not as a substitute for, net loss or cash flows from operating activities reported in accordance with GAAP. This term, as defined by Charter, may not be comparable to similarly titled measures used by other companies.

Adjusted EBITDA is defined as net loss plus net interest expense, income taxes, depreciation and amortization, stock compensation expense, loss on derivative instruments, net and other operating expenses, such as merger and acquisition costs, special charges and (gain) loss on sale or retirement of assets. As such, it eliminates the significant non-cash depreciation and amortization expense that results from the capital-intensive nature of Charter's businesses as well as other non-cash or special items, and is unaffected by the Charter's capital structure or investment activities. However, this measure is limited in that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues and the cash cost of financing. These costs are evaluated through other financial measures.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Form of Proxy and Right of First Refusal Agreement by and among Liberty Broadband Corporation, Advance/Newhouse Partnership and, for the limited purposes set forth therein, Charter Communications, Inc. and CCH I, LLC.

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 hereunto duly authorized.

CHARTER COMMUNICATIONS, INC.
Registrant

By: /s/ Kevin D. Howard
Name: Kevin D. Howard
Title: Senior Vice President – Finance, Controller and
Chief Accounting Officer

Date: September 9, 2015

EXHIBIT INDEX

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PROXY AND RIGHT OF FIRST REFUSAL AGREEMENT

This Proxy and Right of First Refusal Agreement, dated as of [___], (this “Agreement”), is by and among Liberty Broadband Corporation, a Delaware corporation (“Liberty”), Advance/Newhouse Partnership, a New York general partnership (“A/N”), and, *for the limited purposes of the proviso to Section 2(e) and Section 7(k)*, Charter (as defined below). For purposes of this Agreement, capitalized terms used and not defined herein shall have the respective meanings ascribed to such terms in the Amended and Restated Stockholders Agreement, dated as of May 23, 2015 (the “Stockholders Agreement”), by and among Liberty, A/N, Charter Communications, Inc., a Delaware corporation (“Charter”), and CCH I, LLC, a Delaware limited liability company (“New Charter”), as such Stockholders Agreement is in effect on the date hereof and without giving effect to any amendments or modifications thereto unless it has been amended or modified in accordance with its terms.

WHEREAS, pursuant to the Contribution Agreement, dated March 31, 2015 (as amended) (the “Contribution Agreement”), by and among A/N, A/NPC Holdings LLC, Charter, New Charter and Charter Communications Holdings, LLC (“Charter Holdco”), A/N is contributing (a) all of the issued and outstanding limited liability company membership interests of Bright House Networks, LLC, a Delaware limited liability company, to Charter Holdco in exchange for (i) cash, (ii) preferred units of Charter Holdco (the “Preferred Units”), (iii) common units of Charter Holdco (the “Common Units,” and together with the Preferred Units, the “Holdco Units”) and (b) one share of Class B Common Stock in exchange for the sum of \$1.00;

WHEREAS, the Holdco Units are exchangeable into approximately [___] shares of Class A Common Stock (the number of shares into which the Holdco Units and shares of Class B Common Stock are convertible or exchangeable is hereinafter sometimes referred to as the “A/N Notional Shares”);

WHEREAS, the share of Class B Common Stock issued to A/N will have variable voting rights which will reflect the votes attributable to the A/N Notional Shares as if all Holdco Units and shares of Class B Common Stock had been exchanged into Class A Common Stock immediately prior to any Record Date;

WHEREAS, as a condition to Liberty’s execution of the Stockholders Agreement, A/N has agreed to grant to Liberty a proxy to vote a portion of the votes represented by the Common Shares and a right of first refusal with respect to a Transfer of shares of Class A Common Stock (or shares of Class A Common Stock underlying any Common Units) that A/N proposes to Transfer under certain circumstances, all as provided herein; and

WHEREAS, A/N and Liberty are entering into this Agreement in order to set forth the terms and conditions of the A/N Proxy and the other matters as provided herein.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. CERTAIN DEFINITIONS.

As used in this Agreement, the following terms have the respective meanings set forth below.

“40 Act” means the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder.

“40 Act Event” means any action, event, change in Law, change in composition of assets or other occurrence which in the reasonable opinion of Liberty’s outside counsel results or will result in Liberty becoming required to register as an investment company under the 40 Act; provided, that in making such determination any potential grace period between the date that Liberty determines that it is required to register as an investment company under the 40 Act (or the date the applicable Governmental Entity makes such a determination with respect to Liberty) and the date such registration is required to become effective under the 40 Act shall be disregarded.

“Acquisition Cap” means the greater of (a) 26% and (b) the Voting Cap of Liberty.

“Agreement” has the meaning set forth in the Preamble.

“A/N” has the meaning set forth in the Preamble.

“A/N Notional Shares” has the meaning set forth in the Recitals.

“Beneficial Owner” and “Beneficial Ownership” has the meaning set forth in the Stockholders Agreement; provided, that, for purposes of this Agreement, (i) each holder of Holdco Units will be deemed to Beneficially Own the shares of Class A Common Stock and Class B Common Stock issuable upon the exchange of such Holdco Units (regardless of whether such Holdco Units are then directly or indirectly exchangeable for Class A Common Stock or Class B Common Stock), and (ii) shares of Class A Common Stock issuable upon exercise, conversion or exchange of any Convertible Security (other than Holdco Units and Class B Common Stock) will not be deemed Beneficially Owned by the holder of such Convertible Security until such shares are issued and outstanding following the exercise, conversion or exchange of such Convertible Security. Notwithstanding the foregoing, for purposes of determining the voting power of the Voting Securities of Charter Beneficially Owned (x) by Liberty, the voting power attributable to the Proxy Shares will be excluded from such calculation, and (y) by A/N, the voting power of the Voting Securities Beneficially Owned by it will be determined without duplication as among the different type of securities owned. For the avoidance of doubt, references to the Beneficial Ownership by Liberty or A/N of any securities or control of any voting power will be deemed to refer to the ownership of such securities or control of such voting power by the Liberty Parties collectively or the A/N Parties collectively, as the case may be.

“Board” means the Board of Directors of Charter.

“Business Day” means a day, other than a Saturday or Sunday, on which commercial banks in New York City are open for the general transaction of business.

“Certificate” means the Amended and Restated Certificate of Incorporation of Charter, as in effect at the Effective Time (as the same may be amended from time to time).

A “Change of Control” means,

- (i) with respect to Charter, the occurrence of an event described in clause (i) of Company Change of Control; and
- (ii) with respect to Liberty, a Liberty Change of Control.

“Charter” has the meaning set forth in the Preamble, provided that Charter means (a) until immediately prior to the closing of the TWC Transactions, Charter, and (b) from and thereafter, New Charter, unless the context otherwise requires.

“Charter Holdco” has the meaning set forth in the Preamble.

“Class A Common Stock” means the Class A Common Stock, par value \$0.001 per share, of Charter as it will be constituted immediately following the Effective Time, and any capital stock into which such Class A Common Stock may thereafter be changed (whether as a result of a recapitalization, reorganization, merger, consolidation, share exchange or other transaction or event).

“Class B Common Stock” means the Class B Common Stock of Charter as it will be constituted immediately following the Effective Time, and any capital stock into which such Class B Common Stock may thereafter be changed (whether as a result of a recapitalization, reorganization, merger, consolidation, share exchange or other transaction or event, other than any conversion of shares of Class B Common Stock into Class A Common Stock pursuant to the Amended and Restated Certificate).

“Common Shares” means, collectively, the Class A Common Stock and the Class B Common Stock.

“Common Units” has the meaning set forth in the Recitals.

“Contribution Agreement” has the meaning set forth in the Recitals.

“Convertible Securities” means (x) any securities of a Person that are convertible into or exercisable or exchangeable for any shares of any class or series of common stock of such Person or any other Person, whether upon conversion, exercise, or exchange, pursuant to antidilution provisions of such securities or otherwise (other than, for purposes of this Agreement, the Class B Common Stock), and (y) any subscriptions, options, rights, warrants or calls (or any similar securities) or agreements or arrangements of any character, in each case to acquire common stock, preferred stock or other capital stock.

“Covered First Securities” means the first Common Units or shares of Class A Common Stock (but not Preferred Units or any Common Units into which the Preferred Units may be converted) proposed to be Transferred by A/N up to and including the number of such shares of Class A Common Stock underlying such Common Units and such shares of Class A Common Stock that constitute 7.0% of the Total Voting Power calculated immediately following the Effective Time; provided, that for the avoidance of doubt, following the Transfer of Class A Common Stock to Liberty or a Prospective Purchaser, such shares of Common Stock so Transferred will cease to be Covered First Securities.

“Covered Last Securities” means those Common Units or shares of Class A Common Stock constituting the last 7% of the Total Voting Power Beneficially Owned by A/N (disregarding for this purpose any Preferred Units or any Common Units into which the Preferred Units may be converted).

“Covered Securities” has the meaning set forth in Section 3(a).

“DGCL” means the General Corporation Law of the State of Delaware.

“Effective Time” means the time of the Closing.

“Equity Security” means any Class A Common Stock or Common Units.

“Excluded Matters” has the meaning set forth in the Stockholders Agreement, provided that any proposed change to the terms of the Class B Common Stock also shall be deemed an Excluded Matter for purposes hereof.

“Expiration Date” has the meaning set forth in Section 6(i).

“Holdco Units” has the meaning set forth in the Recitals.

“Liens” has the meaning set forth in Section 4(a)(ii).

“Liberty Elected Shares” has the meaning set forth in Section 3(b)(ii).

“Liberty Notice” has the meaning set forth in Section 3(b)(ii).

“Permitted Transferee” means any A/N Party (i) to whom Common Shares or Common Units are Transferred and (ii) who executes an A/N Assumption Instrument in connection with such Transfer.

“Preferred Units” has the meaning set forth in the Recitals.

“Prospective Purchaser” has the meaning set forth in Section 3(b)(i).

“Proxy” has the meaning set forth in Section 2(a)(ii).

“Proxy Percentage” means, as of any date of determination, the difference, if any, between the Target Percentage and the Voting Interest of Liberty (which, for the avoidance of doubt, shall exclude any Proxy Shares granted pursuant to this Agreement and any shares of

Class A Common Stock which Liberty may purchase pursuant to any pending Preemptive Share Purchase); provided, however, that (x) in no event will the Proxy Percentage be greater than 7.0% (and any excess votes reflected by a percentage above 7% shall inure to the A/N Parties, subject to the Voting Cap of A/N) and (y) in the event the Proxy Percentage as calculated would be a negative number, the Proxy Percentage will be deemed to be zero.

“Proxy Shares” means the shares of Class A Common Stock and Class B Common Stock to the extent that Liberty has the right to vote such shares pursuant to this Agreement; provided, that the number of Proxy Shares shall equal the number of shares of Class A Common Stock and Class B Common Stock that would cause the Voting Interest of Liberty to equal the Target Percentage; provided, further, that the maximum number of Proxy Shares shall not exceed the Proxy Percentage.

“Record Date” means the date for the determination of stockholders entitled to receive notice of, and to vote at, any meeting of the stockholders of Charter, or in any other circumstances upon which stockholders are entitled to vote, consent or otherwise grant approval (including by written consent) occurs.

“ROFR” has the meaning set forth in Section 3(a).

“ROFR Notice” has the meaning set forth in Section 3(b)(i).

“Stockholders Agreement” has the meaning set forth in the Preamble.

“Subject Shares” has the meaning set forth in Section 3(b)(i).

“Target Percentage” means 25.01%; provided, that if the number of Common Shares having voting power equal to 25.01% of the Total Voting Power is not a whole number of shares, the number of Common Shares necessary to achieve the Target Percentage will be rounded up to the nearest whole number.

“Trading Day” means any day on which The Nasdaq Stock Market is open for regular trading of the Class A Common Stock.

“Transfer” has the meaning ascribed thereto in the Stockholders Agreement; provided, however, that if any Permitted Transferee ceases to meet the requirements to be an A/N Party, such Person shall cease to be a Permitted Transferee and the cessation of such qualification shall constitute a Transfer to a Person other than a Permitted Transferee for purposes of Section 3.

“Transferor” has the meaning set forth in Section 3(b).

“VWAP” means, for any Trading Day, a price per share of Class A Common Stock equal to the volume-weighted average price of the Rule 10b-18 eligible trades in the shares of Class A Common Stock for the entirety of such Trading Day as determined by reference to the screen entitled “CHTR <EQUITY> AQR SEC” as reported by Bloomberg L.P. (without regard to pre-open or after hours trading outside of any regular trading session for such Trading Day).

“VWAP Price” has the meaning set forth in Section 3(b)(i).

2. PROXY AND OTHER GOVERNANCE MATTERS.

(a) Irrevocable Proxy Granted to Liberty.

(i) A/N hereby irrevocably constitutes and appoints Liberty and any officer(s) or directors of Liberty designated as proxy or proxies by Liberty as its attorney-in-fact and proxy in accordance with the DGCL (with full power of substitution and re-substitution), for and in the name, place and stead of A/N (which, for the avoidance of doubt, includes any Permitted Transferee), to vote all Proxy Shares (at any meeting of stockholders of Charter however called or at any adjournment or postponement thereof), which will be deemed, for all purposes of this Agreement, to include the right to execute and deliver a written consent in respect of such Proxy Shares from time to time.

(ii) The proxy granted pursuant to clause (i) (the “Proxy”) above is valid and irrevocable and is coupled with an interest for purposes of Section 212 of the DGCL and will terminate automatically pursuant to Section 6. The Proxy will be binding upon A/N, its successors and assigns (including, for the avoidance of doubt, any Permitted Transferee which acquires Beneficial Ownership of Common Shares), including any successor or surviving corporation resulting from any merger, consolidation or other business combination involving A/N. A/N represents that any and all other proxies heretofore given in respect of the Proxy Shares are revocable, and that such other proxies either have been revoked or are hereby revoked.

(iii) Notwithstanding the foregoing, the Proxy shall not apply (and Liberty will have no right to vote the Proxy Shares) in connection with any vote on (or consent to approve) any matter that is an Excluded Matter. For the avoidance of doubt, to the extent that more than one proposal is presented to stockholders of Charter for their consideration at a meeting (or through an action by written consent), Liberty will continue to have the right to vote the Proxy Shares on all proposals other than those relating to the Excluded Matters. Any attempt by Liberty to vote the Proxy Shares on any Excluded Matter shall be *void ab initio*.

(b) Notwithstanding anything to the contrary set forth herein, the A/N Proxy is personal to Liberty and may not be assigned by Liberty by operation of law or otherwise; provided, that (i) Liberty may assign the A/N Proxy and its rights pursuant to Section 7(f) and (ii) the exercise of the A/N Proxy by any duly authorized officer of Liberty (on behalf of Liberty) will not be deemed an assignment of the A/N Proxy.

(c) Voting on Certain Matters. Each of Liberty and A/N agrees to vote or act by written consent with respect to all Common Shares with respect to which it has the power to vote (whether by proxy or otherwise) in accordance with Section 3.2(h) of the Stockholders Agreement.

(d) Restrictions on Other Agreements. Liberty and A/N agree to the restrictions set forth in Section 4.2(b), (d), (e) and (g) of the Stockholders Agreement.

(e) A/N Covenant.

(i) During the term of this Agreement, A/N agrees that it will not vote in favor of the approval of any amendment to Charter's Certificate that would (i) reasonably be expected to result in a 40 Act Event occurring or (ii) prevent A/N from performing its obligations hereunder with respect to the A/N Proxy.

(ii) In the event of a change in Law that would reasonably be expected to result in a 40 Act Event occurring during the term of this Agreement, A/N will in good faith consider any amendments to the terms of the A/N Proxy as proposed by Liberty to prevent the occurrence of such 40 Act Event; provided, that any such amendment shall require the prior written consent of Charter pursuant to Section 7(k).

3. RIGHT OF FIRST REFUSAL.

(a) Grant.

(i) Subject to and on the terms and conditions set forth in this Agreement, A/N hereby grants to Liberty a right of first refusal (the "ROFR"), as provided in Section 3(b) of this Agreement, over the Covered First Securities and Covered Last Securities (collectively, the "Covered Securities") and makes the covenants for the benefit of Liberty set forth herein. Notwithstanding the foregoing, (x) Liberty shall not have a ROFR with respect to any Transfer of Covered Securities in any transaction or series of transactions constituting a Change of Control of Charter, and (y) Liberty shall not be entitled to acquire a number of Covered Securities under this Section 3 which when combined with Voting Securities of Charter Beneficially Owned by Liberty would cause Liberty to exceed the Acquisition Cap, provided, that Liberty shall be entitled to purchase up to that number of Covered Securities which would cause Liberty not to exceed the Acquisition Cap. For the avoidance of doubt, the parties agree that the ROFR shall apply only once with respect to any Covered Securities that simultaneously constitute Covered First Securities and Covered Last Securities.

(ii) Notwithstanding the foregoing, A/N may Transfer Equity Securities comprising any Covered Securities at any time during the term of this Agreement to Permitted Transferees, and Permitted Transferees may thereafter Transfer any such Equity Securities to other Permitted Transferees, provided that any Permitted Transferee shall, prior to taking ownership of such Equity Securities, execute and deliver to Liberty the A/N Assumption Agreement, in which such Permitted Transferee agrees to be bound to the terms of this Agreement (including the Proxy) with respect to such Equity Securities. Any purported Transfer to a Permitted Transferee in violation of the foregoing sentence shall be *void ab initio*.

(b) Terms and Procedures. During the term of this Agreement, but subject at all times to the ability to satisfy a put of Common Units from A/N for cash in lieu of exchanging such Common Units for shares of Class A Common Stock pursuant to the LLC Agreement and Exchange Agreement (it being understood that, if and when such cash-out right is exercised in respect of Common Units, Liberty shall be entitled to purchase shares of Class A Common Stock

on the terms set forth in Section 4.9 of the Stockholders Agreement), A/N (including any Permitted Transferee) (as applicable, the “Transferor”) shall not Transfer any Covered Securities, except to a Permitted Transferee (subject to Section 3(a)(ii)), unless it shall first comply with the following provisions.

(i) If a Transferor determines to Transfer any Equity Securities comprising Covered Securities in a *bona fide* transaction to a third party purchaser or offeror, in each case, that is not a Permitted Transferee (a “Prospective Purchaser”), the Transferor will provide written notice of such determination to Liberty (a “ROFR Notice”). For the avoidance of doubt, a Transferor may provide a ROFR Notice to Liberty upon its intention to sell Covered Securities to Liberty notwithstanding the absence of a Prospective Purchaser. Such ROFR Notice will specify (A) the total number and type of Equity Securities determined to be Transferred, (B) the number of shares of Class A Common Stock or Common Units comprising the Covered Securities determined to be Transferred (the “Subject Shares”), and (C) the VWAP of the Class A Common Stock for the two (2) full Trading Days immediately prior to the date of the ROFR Notice (the “VWAP Price”). The ROFR Notice will constitute a binding, irrevocable offer by the Transferor to sell any or all Subject Shares to Liberty at the VWAP Price per Subject Share.

(ii) Within three (3) Trading Days following Liberty’s receipt of the ROFR Notice, Liberty may agree, by written notice to the Transferor (the “Liberty Notice”), to acquire the number and type of Subject Shares specified in the Liberty Notice (the “Liberty Elected Shares”) at a cash price per share equal to the VWAP Price. If a Liberty Notice meeting the requirements specified above is not delivered within such three Trading Day period, then Liberty will be deemed to have rejected the offer of the Subject Shares. For the avoidance of doubt, during such three Trading Day period, the Transferor may not effect the proposed Transfer to a Prospective Purchaser (unless prior to the expiration thereof, Liberty provides written notice to the Transferor that it is expressly rejecting the offer of the Subject Shares).

(iii) Upon delivery of a Liberty Notice meeting the requirements specified above within the specified period, the Transferor will be obligated to sell, and Liberty will be obligated to buy, all of the Liberty Elected Shares at the VWAP Price, payable in cash by wire transfer of immediately available funds. The closing of such purchase and sale shall occur at such time and place as the parties thereto may agree, but in any event no later than the tenth (10th) Business Day after the Liberty Notice is delivered. At the closing, each of the Transferor and Liberty will represent and warrant to the other that (a) it has all requisite power and authority to consummate the purchase and sale, (b) there are no consents or notices required to be obtained or delivered to third parties or Governmental Entities (including under the HSR Act) in connection with such purchase and sale, and (c) no injunction of any Governmental Entities exists that would prevent or delay such transactions from occurring, and the Transferor will represent and warrant to Liberty that the Transferor is transferring valid title to the Liberty Elected Shares free and clear of any Lien or restriction, other than applicable federal or state securities Laws or those created by this Agreement.

(iv) If Liberty rejects or is deemed to reject the offer of the Subject Shares (or a portion of such Subject Shares) set forth in the ROFR Notice, then the Transferor will be free to Transfer or otherwise sell on the market the Subject Shares which are not Liberty Elected Shares during the period of forty-five (45) calendar days following the date of the rejection or deemed rejection of the ROFR Notice, without restriction as to price or manner of sale. If the Transferor does not complete the sale of such Subject Shares within five (5) Business Days of the expiration of such forty-five-day period, the Transferor must again comply with the terms of this Section 3 with respect to any proposed Transfer of such Subject Shares.

(v) Each Transferor covenants and agrees that, subject to the terms of the LLC Agreement and the Exchange Agreement, prior to any Transfer of Common Units to Liberty pursuant to this Section 3, the Transferor shall cause such Common Units to be exchanged for shares of Class A Common Stock pursuant to the terms of the LLC Agreement and the Exchange Agreement such that Liberty shall receive shares of Class A Common Stock (in lieu of Common Units) at the closing of the transactions contemplated by the applicable ROFR Notice.

4. REPRESENTATIONS AND WARRANTIES OF A/N; ACKNOWLEDGEMENT.

(a) A/N hereby represents and warrants to Liberty that:

(i) *Authority for this Agreement.* A/N is a general partnership duly organized, validly existing and in good standing under the Laws of the State of New York and has all necessary partnership power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by A/N and the consummation by A/N of the transactions contemplated hereby (i) will not violate or constitute a breach of or conflict with its partnership agreement and (ii) have been duly and validly authorized, and no other proceedings on the part of A/N are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by A/N and, assuming it has been duly and validly authorized, executed and delivered by Liberty, constitutes a legal, valid and binding obligation of A/N enforceable against A/N in accordance with its terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar Laws relating to or affecting enforcement of creditors' rights generally, and general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity).

(ii) *Ownership of Shares.* A/N is the Beneficial Owner of all Holdco Units and Common Shares (including the Proxy Shares) received pursuant to the terms of the Contribution Agreement, in each case, free and clear of all pledges, liens, proxies, claims, charges, security interests, preemptive rights, voting trusts, voting agreements, options, rights of first offer or refusal and any other encumbrances whatsoever (collectively, "Liens") with respect to the ownership, transfer or other voting of such securities, other than encumbrances created by this Agreement and any Transaction Agreement and any restrictions on transfer under applicable federal and state securities Laws. A/N has the

sole authority to direct the voting of the Common Shares in accordance with the provisions of this Agreement and the sole power of disposition with respect to the Common Shares and Holdco Units, with no restrictions (other than restrictions created by this Agreement or any Transaction Agreement and any restrictions on transfer under applicable federal and state securities Laws). Except for the Common Shares and the Holdco Units, as of the date hereof, A/N does not Beneficially Own nor owns of record (i) any other equity securities of Charter or Charter Holdco or (ii) any securities that are convertible into or exercisable or exchangeable for such equity securities.

5. **REPRESENTATIONS AND WARRANTIES OF LIBERTY.** Liberty hereby represents and warrants to A/N that Liberty is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware and has all necessary corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Liberty and the consummation by Liberty of the transactions contemplated hereby (i) will not violate or constitute a breach of or conflict with its certificate of incorporation or bylaws and (ii) have been duly and validly authorized by, and no other proceedings on the part of, Liberty are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Liberty and, assuming it has been duly and validly authorized, executed and delivered by A/N, constitutes a legal, valid and binding obligation of Liberty enforceable against Liberty in accordance with its terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar Laws relating to or affecting enforcement of creditors' rights generally, and general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity).

6. **TERM; TERMINATION.** This Agreement will terminate upon the first to occur of:

(i) the fifth (5th) anniversary of the Effective Date (the "Expiration Date"; provided that such Expiration Date may be extended upon the agreement of A/N and Liberty, to a subsequent agreed upon date, in which case such subsequent date will be deemed the Expiration Date);

(ii) upon written notice by Liberty to A/N, that a 40 Act Event, as determined in the reasonable opinion of Liberty's counsel, has occurred;

(iii) upon written notice by A/N to Liberty, upon a material breach by Liberty of any of its covenants or agreements contained herein, provided that such breach shall not have been cured within ten (10) Business Days after written notice thereof shall have been received by Liberty;

(iv) a Liberty Change of Control;

(v) a Transfer by any Liberty Party of any shares of Class A Common Stock, other than (A) a Permitted Transfer, provided, that in the case of a Transfer pursuant to clause (y) of Section 4.6(b)(ix) of the Stockholders Agreement, the Voting Interest of Liberty (including the Proxy Shares) shall equal no less than the Target Percentage following the completion of such

Transfer, or within six (6) months following the completion of such Transfer, Liberty acquires such number of shares of Class A Common Stock as is necessary to cause the Voting Interest of Liberty (including the Proxy Shares) to be no less than the Target Percentage; (B) a Transfer of shares of Class A Common Stock constituting 1% or less of the Total Voting Power, provided, that, (x) Liberty shall have promptly notified A/N in writing of such Transfer, (y) A/N shall promptly have provided Liberty with written notice that this Agreement will terminate unless Liberty cures such breach within forty-five (45) calendar days and (z) within thirty (30) calendar days of receipt of notice from A/N, Liberty shall have (1) acquired such number of shares of Common Stock as is necessary to cause the Voting Interest of Liberty (including the Proxy Shares) to be no less than the Target Percentage and (2) certified in writing to A/N that the Voting Interest of Liberty (including the Proxy Shares) is no less than the Target Percentage; or (C) a Transfer by Liberty of any shares of Class A Common Stock following which Transfer Liberty retains no less than an Equity Interest equal to 17.01% (it being understood and acknowledged by Liberty, for the avoidance of doubt, that nothing in this Section 6(v) shall cause the Proxy Percentage to exceed, or to be required to exceed, 7.0%); or

(vi) upon the mutual written agreement of A/N and Liberty.

No party hereto will be relieved from any liability for breach of this Agreement by reason of such termination.

7. MISCELLANEOUS.

(a) Remedies. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in the Court of Chancery of the State of Delaware or any federal court sitting in the State of Delaware, without bond or other security being required, this being in addition to any other remedy to which they are entitled at law or in equity.

(b) Further Assurances. Each party shall cooperate and take such actions as may be reasonably requested by another party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.

(c) Expenses. Except as otherwise expressly provided in this Agreement, all costs and expenses incurred in connection with the transactions contemplated by this Agreement shall be paid by the party incurring such costs and expenses.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware.

(e) Jurisdiction. All actions and proceedings arising out of or relating to this Agreement shall be heard and determined in the Court of Chancery of the State of Delaware, or, if the Court of Chancery lacks subject matter jurisdiction, in any federal court sitting in the State of Delaware, and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of such courts (and, in the case of appeals, appropriate appellate courts there from) in any such

action or proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such action or proceeding. The consents to jurisdiction set forth in this paragraph shall not constitute general consents to service of process in the State of Delaware and shall have no effect for any purpose except as provided in this paragraph and shall not be deemed to confer rights on any Person other than the parties hereto. The parties hereto agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT.

(f) Assignment; Successors. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned or delegated in whole or in part, by operation of Law, or otherwise, by any of the parties without the prior written consent of the other parties; provided, that Liberty may assign this Agreement to a Qualified Distribution Transferee. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties hereto and their respective successors and permitted assigns. Any purported assignment or delegation not permitted under this Section 7(f) shall be null and void and shall not relieve the assigning or delegating party of any obligation hereunder.

(g) Descriptive Headings. Headings of Sections and subsections of this Agreement are for convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

(h) Entire Agreement; No Third-Party Beneficiaries. This Agreement and the Stockholders Agreement constitutes the entire agreement of the parties hereto, and supersede all other prior agreements and understandings, both written and oral, among the parties, with respect to the subject matter hereof and thereof. Nothing in this Agreement shall be construed as giving any Person, other than the parties hereto and their respective heirs, successors, legal representatives and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any provision hereof.

(i) Notices. Any notices or other communications required or permitted under, or otherwise in connection with this Agreement, shall be in writing and shall be deemed to have been duly given (A) when delivered in person, (B) upon transmission by electronic mail or facsimile transmission as evidenced by confirmation of transmission to the sender (but only if followed by transmittal of a copy thereof by (x) national overnight courier or (y) hand delivery with receipt, in each case, for delivery by the second (2nd) Business Day following such electronic mail or facsimile transmission), (C) on receipt after dispatch by registered or certified mail, postage prepaid and addressed, or (D) on the next Business Day if transmitted by national overnight courier, in each case as set forth to the parties as set forth below:

If to A/N, to:

Advance/Newhouse Partnership
5823 Widewaters Parkway
East Syracuse, NY 13057
Facsimile: (315) 463-4127
Attention: Steven A. Miron
E-Mail: sam@mybighthouse.com

with a copy (which shall not constitute notice) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
Facsimile: (212) 291-9067
Attention: Brian E. Hamilton
E-Mail: hamiltonb@sullcrom.com

If to Liberty, to:

Liberty Broadband Corporation
12300 Liberty Boulevard
Englewood, CO 80112
Facsimile:
Attention:
E-Mail:

with a copy (which shall not constitute notice) to:

Baker Botts L.L.P.
30 Rockefeller Plaza
New York, New York 10112
Facsimile: (212) 259-2500
Attention: Frederick H. McGrath
Renee L. Wilm
E-Mail: frederick.mcgrath@bakerbotts.com
renee.wilm@bakerbotts.com

or such other address, email address or facsimile number as such party may hereafter specify by like notice to the other parties hereto.

(j) Severability. If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms, provisions and conditions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable Law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

(k) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers of or consents to departures from the provisions hereof may not be given, unless approved in writing by Liberty and A/N; provided, that any amendment to the terms of the A/N Proxy (other than the extension on the same terms hereof pursuant to Section 6(i) hereof) shall require the prior written consent of Charter following the approval of such amendment by a majority of the Unaffiliated Directors, which consent shall not be unreasonably withheld, conditioned or delayed, except that Charter may withhold such consent pursuant to the fiduciary duties of the Unaffiliated Directors under applicable Law. For the avoidance of doubt, Charter shall have no rights as a party hereto (including any consent right with respect to any amendments to the terms of the ROFR or the execution of any purchases thereunder, subject to the compliance by Liberty and A/N with their respective obligations under the Stockholders Agreement), except those rights expressly set forth in Section 2(e) and this Section 7(k).

(l) No Implied Waivers. No action taken pursuant to this Agreement, including any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representations, warranties, covenants or agreements contained herein or made pursuant hereto. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by any party to exercise any right or privilege hereunder shall be deemed a waiver of such party's rights or privileges hereunder or shall be deemed a waiver of such party's rights to exercise the same at any subsequent time or times hereunder.

(m) Interpretation. When a reference is made in this Agreement to a Section, Exhibit or Schedule, such reference shall be to a Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. When this Agreement contemplates a certain number of securities, whether Common Shares or otherwise, as of a particular date, such number of securities shall be deemed to be appropriately adjusted to account for stock splits, dividends, recapitalizations, combinations of shares or other change affecting the such securities.

(n) Counterparts. This Agreement may be executed in counterparts (each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement) and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the undersigned has executed this agreement as of the date first above written.

LIBERTY BROADBAND CORPORATION

By: _____
Name:
Title:

ADVANCE/NEWHOUSE PARTNERSHIP

By: _____
Name:
Title:

*For the limited purposes of the proviso to
Section 2(e) and Section 7(k):*

CHARTER COMMUNICATIONS, INC.

By: _____
Name:
Title:

CCHI, LLC

By: _____
Name:
Title:

[Signature Page to Proxy and Right of First Refusal Agreement]