**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, D.C. 20549**

**FORM 20-F**

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

**OR**

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

**OR**

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

Date of event requiring this shell company report

**FOR THE TRANSITION PERIOD FROM TO**

COMMISSION FILE NUMBER 1-12610

**Grupo Televisa, S.A.B.**
(Exact name of Registrant as specified in its charter)

**N/A**
(Translation of Registrant's name into English)

**United Mexican States**
(Jurisdiction of incorporation or organization)

**Av. Vasco de Quiroga No. 2000**
**Colonia Santa Fe**
**01210 Mexico City**
**Mexico**
(Address of principal executive offices)

**Luis Alejandro Bustos Olivares**
**Grupo Televisa, S.A.B.**
**Av. Vasco de Quiroga No. 2000**
**Colonia Santa Fe**
**01210 Mexico City**

**Mexico**
**Telephone: (011-52) (55) 5022-5899**
**Facsimile: (011-52) (55) 5261-2546**
**E-mail: labustoso@televisa.com.mx**
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|---|---|---|
| Series "A" Shares, without par value ("Series "A" Shares") | | New York Stock Exchange (for listing purposes only) |
| Series "B" Shares, without par value ("Series "B" Shares") | | New York Stock Exchange (for listing purposes only) |
| Series "L" Shares, without par value ("Series "L" Shares") | | New York Stock Exchange (for listing purposes only) |
| Dividend Preferred Shares, without par value ("Series "D" Shares") | | New York Stock Exchange (for listing purposes only) |
| Global Depositary Shares ("GDSs"), each representing five Ordinary Participation Certificates (Certificados de Participación Ordinarios) ("CPOs") | TV | New York Stock Exchange |
| CPOs, each representing twenty-five Series "A" Shares, twenty-two Series "B" Shares, thirty-five Series "L" Shares and thirty-five Series "D" Shares | | New York Stock Exchange (for listing purposes only) |

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None.**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None.**

The number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2020 was:

113,019,216,542 Series "A" Shares
50,928,412,611 Series "B" Shares
81,022,416,386 Series "L" Shares
81,022,416,386 Series "D" Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☒ Yes ☐ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

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, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Emerging Growth Company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, 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. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

☒ Yes ☐ No

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

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We publish our financial statements in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB, which differ in some significant respects from generally accepted accounting principles in the United States, or U.S. GAAP, and accounting procedures adopted in other countries.

Unless otherwise indicated, (i) information included in this annual report is as of December 31, 2020 and (ii) references to "Ps." or "Pesos" in this annual report are to Mexican Pesos and references to "Dollars," "U.S. Dollars," "U.S. dollars," "$" or "U.S.$" are to United States dollars.

In this annual report, "we," "us," "our," "Company," "Grupo Televisa" or "Televisa" refer to Grupo Televisa, S.A.B. and, where the context requires, its consolidated entities. "Group" refers to Grupo Televisa, S.A.B. and its consolidated entities.

**Forward-Looking Statements and Risk Factors Summary**

This annual report and the documents incorporated by reference into this annual report contain forward-looking statements. In addition, we may from time to time make forward-looking statements in reports to the SEC, on Form 6-K, in annual reports to stockholders, in prospectuses, press releases and other written materials and in oral statements made by our officers, directors or employees to analysts, institutional investors, representatives of the media and others. Words such as "believe", "anticipate", "plan", "expect", "intend", "seek", "potential", "target", "estimate", "project", "predict", "forecast", "guideline", "may", "should", "could", "will" and similar words and expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying these statements. Examples of these forward-looking statements include, but are not limited to:

- estimates and projections of financial results, cash flows, capital expenditures, dividends, capital structure, financial position or other financial items or ratios;
- statements of our plans, objectives or goals, including those relating to anticipated trends, competition, regulation and rates;
- statements concerning our current and future plans regarding our online and wireless content division, Televisa Digital;
- statements concerning our current and future plans regarding our investment in Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V., or GTAC;
- statements concerning our current and future plans regarding our gaming business;
- statements concerning our future plans, including capital expenditures, regarding the pay-TV, broadband and/or telephony services provided by our subsidiaries;
- statements concerning our transactions with Univision (as defined below) and our current and future plans regarding our investment in common stock of Univision Holdings, Inc., or UHI (formerly known as Broadcasting Media Partners, Inc., or BMP), the parent company of Univision, including the 2021 Transaction (as defined below, and as described below under "Information on the Company—Business Overview—Univision—2021 Transaction Agreement") announced in early April 2021;
- statements concerning our current and future plans, including capital expenditures, regarding our investment in Innova, S. de R.L. de C.V., or Innova, and our transactions and relationship with DIRECTV;
- statements concerning our transactions with NBC Universal's Telemundo Communications Group, or Telemundo;
- statements about our future economic performance or statements concerning general economic, political or social conditions in Mexico or other countries in which we operate or have investments;
- statements concerning the general uncertainty related to the COVID-19 pandemic and its possible adverse effects; and

- statements or assumptions underlying these statements.

We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. We caution you that a number of important risks and uncertainties including those discussed under "— Risk Factors", could cause actual results to differ materially from those expressed in or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, the following risks, uncertainties and other factors:

- the impact of the COVID-19 pandemic;
- economic and political developments and conditions and government policies in Mexico or elsewhere;
- uncertainty in global financial markets;
- currency fluctuations or the depreciation of the Peso;
- changes in inflation rates;
- changes in interest rates;
- the impact of existing laws and regulations, changes thereto or the imposition of new laws and regulations affecting our businesses, activities and investments;
- the risk that our concessions may not be renewed;
- the risk of loss of transmission or loss of the use of satellite transponders or incidents affecting our network and information systems or other technologies;
- changes in customer demand;
- effects of competition;
- incidents affecting our network and information systems or other technologies;
- the results of operations of Univision and the pendency of the 2021 Transaction; and
- the other risks and uncertainties discussed under "— Risk Factors" and elsewhere in this report.

We are not obliged to update these statements or publicly release the result of any revisions to them to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in these forward-looking statements.

We caution you that the foregoing list of factors is not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements. You should evaluate any statements made by us in light of these important factors and you are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information, future developments or other factors.

## Part I

### Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

### Item 2. Offer Statistics and Expected Timetable

Not applicable.

### Item 3. Key Information

#### Selected Financial Data

The following tables present our selected consolidated financial information as of and for each of the periods indicated. This information is qualified in its entirety by reference to, and should be read together with, our audited consolidated year-end financial statements. The following data for each of the years ended December 31, 2020, 2019, 2018, 2017 and 2016 has been derived from our audited consolidated year-end financial statements, including the consolidated statements of financial position as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for the years ended December 31, 2020, 2019 and 2018, and the accompanying notes appearing elsewhere in this annual report.

The selected consolidated financial information as of December 31, 2020, 2019, 2018, 2017 and 2016, and for the years ended December 31, 2020, 2019, 2018, 2017 and 2016, was prepared in accordance with IFRS, as issued by the IASB.

The exchange rate used in translating Pesos into U.S. Dollars for calculating the convenience translations included in the following tables, except capital expenditures, is determined by reference to the interbank free market exchange rate, or the Interbank Rate, as reported by Banco Nacional de México, S.A., or CitiBanamex, as of December 31, 2020, which was Ps.19.9493 per U.S. Dollar. This annual report contains translations of certain Peso amounts into U.S. Dollars at specified rates solely for the convenience of the reader. The exchange rate translations contained in this annual report should not be construed as representations that the Peso amounts actually represent the U.S. Dollar amounts presented or that they could be converted into U.S. Dollars at the rate indicated. The interbank free market rate, or the Interbank Rate, as reported by Banco Nacional de Mexico, S.A., or CitiBanamex, as of March 31, 2021, was Ps.20.4692 per U.S. Dollar.

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | 2020 | 2019 | 2018 | 2017 | 2016 |
| | (Millions of U.S. Dollars or millions of Pesos)[1] | | | | | |
| **Income Statement Data:** | | | | | | |
| Net sales | U.S.$ 4,880 | Ps.97,362 | Ps. 101,757 | Ps. 101,282 | Ps. 94,274 | Ps. 96,287 |
| Operating income | 878 | 17,525 | 17,005 | 20,253 | 14,243 | 16,598 |
| Finance expense net[2] | (314) | (6,255) | (8,811) | (8,780) | (5,305) | (9,532) |
| Net income | 15 | 303 | 6,107 | 7,615 | 6,578 | 5,333 |
| Net (loss) income attributable to stockholders of the Company | (63) | (1,250) | 4,626 | 6,009 | 4,524 | 3,721 |
| Net income attributable to non-controlling interests | 78 | 1,553 | 1,481 | 1,606 | 2,053 | 1,612 |
| Basic (loss) earnings per CPO attributable to stockholders of the Company[3] | — | (0.44) | 1.60 | 2.07 | 1.54 | 1.28 |

| | Year Ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Diluted (loss) earnings per CPO attributable to stockholders of the Company[3] | — | (0.41) | 1.53 | 1.96 | 1.46 | 1.20 |
| Weighted-average number of shares outstanding (in millions)[3][4] | — | 330,686 | 338,375 | 340,445 | 344,033 | 341,017 |
| Cash dividend per CPO[3] | — | — | 0.35 | 0.35 | 0.35 | 0.35 |
| **Comprehensive Income Data:** | | | | | | |
| Total comprehensive (loss) income | U.S.$ (830) | Ps. (16,559) | Ps. 3,816 | Ps. 6,594 | Ps. 7,162 | Ps. 4,144 |
| Total comprehensive (loss) income attributable to stockholders of the Company | (909) | (18,127) | 2,357 | 5,010 | 5,162 | 2,426 |
| Total comprehensive income attributable to non-controlling interests | 79 | 1,568 | 1,459 | 1,584 | 2,000 | 1,718 |

| | Year Ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | 2020 | 2019 | 2018 | 2017 | 2016 |
| **Financial Position Data:** | | | | | | |
| Cash and cash equivalents | U.S.$ 1,457 | Ps. 29,058 | Ps. 27,452 | Ps. 32,068 | Ps. 38,735 | Ps. 47,546 |
| Temporary investments | — | — | — | 31 | 6,014 | 5,498 |
| Total assets | 13,597 | 271,246 | 290,344 | 297,171 | 297,220 | 309,054 |
| Short-term debt and current portion of long-term debt [5] | 31 | 617 | 492 | 988 | 307 | 851 |
| Interest payable[5] | 97 | 1,935 | 1,944 | 1,120 | 1,797 | 1,827 |
| Long-term debt, net of current portion[6] | 6,112 | 121,936 | 120,445 | 120,984 | 121,993 | 126,147 |
| Customer deposits and advances | 298 | 5,936 | 5,780 | 13,638 | 18,798 | 21,709 |
| Capital stock | 246 | 4,908 | 4,908 | 4,908 | 4,978 | 4,978 |
| Total equity (including non-controlling interests) | 4,408 | 87,939 | 105,404 | 104,531 | 99,657 | 96,284 |
| Shares outstanding (in millions)[4] | — | 325,992 | 337,244 | 338,329 | 342,337 | 341,268 |

| | Year Ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | 2020 | 2019 | 2018 | 2017 | 2016 |
| **Cash Flow Data:** | | | | | | |
| Net cash provided by operating activities | U.S.$ 1,662 | Ps. 33,161 | Ps. 27,269 | Ps. 33,714 | Ps. 25,100 | Ps. 36,657 |
| Net cash used in investing activities | (798) | (15,920) | (17,005) | (23,898) | (17,331) | (29,000) |
| Net cash used in financing activities | (812) | (16,195) | (14,302) | (16,505) | (16,469) | (9,991) |
| Increase (decrease) in cash and cash equivalents | 52 | 1,034 | (4,098) | (6,667) | (8,811) | (1,851) |
| **Other Financial Information:** | | | | | | |
| Capital expenditures[7] | U.S.$ 1,009 | Ps. 20,132 | Ps. 19,108 | Ps. 18,500 | Ps. 16,760 | Ps. 27,942 |
| **Other Data (unaudited):** | | | | | | |
| Magazine circulation (millions of copies)[8] | — | 12 | 32 | 51 | 72 | 90 |
| Number of employees (at year end) | — | 43,200 | 42,900 | 39,100 | 39,900 | 42,200 |
| Number of Sky Pay Television RGUs (in thousands at year end)[9] | — | 7,478 | 7,431 | 7,637 | 8,003 | 8,027 |
| Number of Sky Broadband Internet RGUs (in thousands at year end)[9] | — | 666 | 386 | 92 | — | — |
| Number of Cable Pay Television RGUs (in thousands at year end)[10] | — | 4,285 | 4,319 | 4,384 | 4,185 | 4,206 |
| Number of Cable Broadband Internet RGUs (in thousands at year end)[10] | — | 5,431 | 4,696 | 4,479 | 3,797 | 3,412 |
| Number of Cable Digital Telephony RGUs (in thousands at year end)[10] | — | 4,296 | 3,638 | 2,979 | 2,122 | 2,113 |
| Number of Cable Mobile RGUs (in thousands at year end)[10] | — | 76 | — | — | — | — |

**Notes to Selected Consolidated Financial Information:**

(1) Except per *Certificado de Participación Ordinario*, or CPO, magazine circulation, employees, Revenue Generating Units, or RGUs. An RGU is defined as individual service subscriber who is billable under each service (satellite pay television, broadband internet and voice).

(2) Includes interest expense, interest income, foreign exchange loss or gain, net, and other finance income or expense, net. See Note 23 to our consolidated year-end financial statements.

(3) For further analysis of net earnings per CPO (as well as corresponding amounts per Series "A" Share not traded as CPOs), see Note 25 to our consolidated year-end financial statements. In April 2021, 2019, 2018, 2017 and 2016 the Company's stockholders approved the payment of a dividend of Ps.0.35 per CPO, respectively. To further maximize liquidity and as a precautionary measure, the Company's Board of Directors did not propose the payment of a 2020 dividend for approval of the Company's general stockholders' meeting held on April 28, 2020.

(4) As of December 31, 2020, 2019, 2018, 2017, and 2016, we had four classes of common stock: Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares. Our shares are publicly traded in the United Mexican States, or Mexico, primarily in the form of CPOs, each CPO representing 117 shares comprised of 25 Series "A" Shares, 22 Series "B" Shares, 35 Series "D" Shares and 35 Series "L" Shares; and in the United States in the form of Global Depositary Shares, or GDSs, each GDS representing five CPOs. As of December 31, 2020, there were approximately 2,314.9 million CPOs issued and outstanding, each of which was represented by 25 Series "A" Shares, 22 Series "B" Shares, 35 Series "D" Shares and 35 Series "L" Shares, and an additional number of approximately 55,146.3 million Series "A" Shares, 0.2 million Series "B" Shares, 0.2 million Series "D" Shares and 0.2 million Series "L" Shares issued and outstanding (not in the form of CPO units). See Note 17 to our consolidated year-end financial statements.

(5) The figures set forth in this line item are presented at amortized cost (principal amount, net of finance costs). Interest payable is included in current portion of long-term debt in the consolidated statements of financial position as of December 31, 2020 and 2019. See Notes 2(o) and 14 to our consolidated year-end financial statements.

(6) The figures set forth in this line item are presented at amortized cost (principal amount, net of finance costs). See "Operating and Financial Review and Prospects — Results of Operations — Liquidity, Foreign Exchange and Capital Resources — Indebtedness" and Note 14 to our consolidated year-end financial statements.

(7) Capital expenditures are those investments made by us in property, plant and equipment. The exchange rate used in translating Pesos into U.S. Dollars for calculating the convenience translation for capital expenditures is determined by reference to the Interbank Rate on the dates on which a given capital expenditure was made. See "Information on the Company — Capital Expenditures".

(8) The figures set forth in this line item represent total circulation of magazines that we publish independently and through joint ventures and other arrangements and do not represent magazines distributed on behalf of third parties.

(9) Sky has operations in Mexico, the Dominican Republic and Central America. The figures set forth in this line item represent the total number of RGUs (pay television, or pay-TV, broadband internet and digital telephony services) for Innova at the end of each year presented. For a description of Innova's business and results of operations and financial condition, see "Information on the Company — Business Overview — Our Operations — Sky".

(10) An RGU provided by Empresas Cablevisión, S.A.B. de C.V., or Cablevisión, Cablemás, S.A. de C.V., or Cablemás, Televisión Internacional, S.A. de C.V., or TVI, Grupo Cable TV, S.A. de C.V., or Cablecom, Cablevisión Red, S.A. de C.V., or Telecable and FTTH de México, S.A. de C.V., or FTTH (pay-TV, broadband internet, digital telephony and mobile services). For example, a single subscriber paying for cable television, broadband internet, digital telephony and mobile services represents four RGUs. We believe it is appropriate to use the number of RGUs as a performance measure for Cablevisión, Cablemás, TVI, Cablecom, Telecable and FTTH given that these businesses provide other services in addition to pay-TV. See "Operating and Financial Review and Prospects — Results of Operations — Total Segment Results — Cable" and "Information on the Company — Business Overview — Our Operations — Cable".

## Dividends

Decisions regarding the payment and amount of dividends are subject to approval by holders of a majority of the Series "A" Shares and Series "B" Shares voting together, generally, but not necessarily, on the recommendation of the Board of Directors, as well as a majority of the Series "A" Shares voting separately. Emilio Azcárraga Jean indirectly controls the voting of the majority of the Series "A" Shares and, as a result of such control, both the amount and the payment of dividends require his affirmative vote. See "Major Stockholders and Related Party Transactions — The Major Stockholders". On March 25, 2004, our Board of Directors approved a dividend policy under which we currently intend to pay an annual ordinary dividend of Ps.0.35 per CPO. On April 28, 2017, at our general stockholders' meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,084.2 million, which represents the payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. On April 27, 2018, at our general stockholders' meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,073.4 million, which represents the payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. On April 29, 2019, at our general stockholders' meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,068.9 million, which represents the payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. To further maximize liquidity and as a precautionary measure, the Company's Board of Directors did not propose the payment of a 2020 dividend for approval of the Company's general stockholders' meeting held on April 28, 2020. On April 28, 2021, at our general stockholders' meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,053.4 million, which represents payment of our ordinary dividend of Ps0.35 per CPO, equivalent to Ps0.002991452991 per share. All of the recommendations of the Board of Directors related to the payment and amount of dividends were voted on and approved at the applicable general stockholders' meetings.

## Exchange Rate Information

Since 1991, Mexico has had a free market for foreign exchange and, since 1994, the Mexican government has allowed the Peso to float freely against the U.S. Dollar. There can be no assurance that the government will maintain its current policies with regard to the Peso or that the Peso will not depreciate or appreciate significantly in the future.

In the past, the Mexican economy has had balance of payment deficits and decreases in foreign exchange reserves. While the Mexican government does not currently restrict the ability of Mexican or foreign persons or entities to convert Pesos to U.S. Dollars, we cannot assure that the Mexican government will not institute restrictive exchange control policies in the future, as has occurred from time to time in the past. To the extent that the Mexican government institutes restrictive exchange control policies in the future, our ability to transfer or to convert Pesos into U.S. Dollars and other currencies for the purpose of making timely payments of interest and principal of indebtedness, as well as to obtain foreign programming and other goods, would be adversely affected. See "— Risk Factors — Risk Factors Related to Mexico — Currency Fluctuations or the Devaluation and Depreciation of the Peso Could Limit the Ability of Our Company and Others to Convert Pesos into U.S. Dollars or Other Currencies, Which Could Adversely Affect Our Business, Financial Condition or Results of Operations".

## Risk Factors

The following is a discussion of risks associated with our company and an investment in our securities. Some of the risks of investing in our securities are general risks associated with doing business in Mexico. Other risks are specific to our business. The discussion below contains information, among other things, about the Mexican government and the Mexican economy obtained from official statements of the Mexican government as well as other public sources. We have not independently verified this information. Any of the following risks, if they actually occur, could materially and adversely affect our business, financial condition, results of operations or the price of our securities.

### Risk Factors Related to the COVID-19 Pandemic

#### *The COVID-19 Pandemic May Have a Material Adverse Effect on Our Business, Financial Position and Results of Operations*

The COVID-19 pandemic has affected our business, financial position and results of operations for the year ended December 31, 2020, and it is currently difficult to predict the degree of the impact in the future.

We cannot guarantee that conditions in the bank lending, capital and other financial markets will not continue to deteriorate as a result of the pandemic, or that our access to capital and other sources of funding will not become constrained, which could adversely affect the availability and terms of future borrowings, renewals or refinancings. In addition, the deterioration of global economic conditions as a result of the pandemic may ultimately reduce the demand of our products across our segments as our clients and customers reduce or defer their spending.

The Mexican Government is still implementing the plan to reactivate economic activities in accordance with color-based phases determined on a weekly basis in every state of the country.

Pursuant to the above mentioned plan, as of the date of this report, some non-essential economic activities are open with some limitations, mainly on capacity and hours of operation. However, a significant part of the population is still implementing social distancing and shelter-in-place policies. As a result, during the year ended December 31, 2020, this has affected, and is still affecting the ability of our employees, suppliers and customers to conduct their functions and businesses in their typical manner.

As of the date of this report, given that they are considered essential economic activities, we have continued operating our media and telecommunications businesses uninterrupted to continue benefiting the country with connectivity, entertainment and information, and, during most of the year ended December 31, 2020, we continued with the production of new content following the requirements and health guidelines imposed by the Mexican Government. We are partially dependent on the demand for advertising from consumer-focused companies, and the COVID-19 pandemic has caused, and could further cause, advertisers to reduce or postpone their advertisement spending on our platforms.

In our Other Businesses segment, sporting and other entertainment events for which we have broadcast rights, or which we organize, promote and/or are located in venues we own, are operating with some limitations and taking the corresponding sanitary measures, and to date most of our casinos have resumed operations with reduced capacity and hours of operation. When local authorities approve the re-opening of the venues that are still not operating, rules may be enacted, including restrictions on capacity and operating hours, which may affect the results of our Other Businesses segment in the following months.

Notwithstanding the foregoing, the authorities may impose further restrictions on essential and non-essential activities, based on then existing circunstances, including, but not limited to, temporary shutdowns or additional guidelines which could be expensive or burdensome to implement, which may affect our operations.

The magnitude of the impact on our business will depend on the duration and extent of the COVID-19 pandemic and the impact of federal, state, local and foreign governmental actions, including continued or future social distancing, and consumer behavior in response to the COVID-19 pandemic and such governmental actions. Due to the evolving and uncertain nature of this situation, we are not able to estimate the full extent of the impact of the COVID-19 pandemic, but it may continue affecting our business, financial position and results of operations over the near, medium or long-term.

***We cannot predict what effects the COVID-19 relief plan announced by the Mexican Federal Government will have in our results of operations and the overall economy***

On March 30, 2020, the Mexican General Health Council declared a public health emergency, and on March 31, 2020, the Mexican Ministry of Health announced extraordinary actions to deal with the health emergency caused by the outbreak of the COVID-19 virus. The announcement by the Mexican Ministry of Health ordered the suspension of all non-essential economic activities from March 30, 2020 through April 30, 2020 and has been extended several times since then. Media and telecommunications are not included in the suspension as they are considered essential economic activities. Such suspension has already caused negative impacts on the Mexican economy that cannot currently be quantified, and as a result of such, many of our customers' businesses will be materially and negatively affected and will encounter significant difficulties in terms of maintaining profitability. Although vaccination efforts have started countrywide since January 2021, the Mexican Government is still implementing the plan to reactivate economic activities in accordance with color-based phases determined on a weekly basis in every state of the country.

On April 6, 2020, Mexico's Federal Government unveiled a plan to provide relief from the COVID-19 crisis. This plan consists mainly of increases in public investment and social spending, providing loans to small businesses and individuals and adopting additional austerity measures. The abovementioned plan suffered a significant number of changes as the pandemic progressed, with the last one announced on January 19, 2021, and there remains substantial uncertainty as to the mechanics and processes necessary to implement some of the measures provided for in this plan. Furthermore, the plan has not included bailouts, tax cuts or increases in public debt. The success of these strategies is uncertain as well as the effect that the pandemic will have on our customers and on our business, financial position and results of operations over the near, medium or long-term.

**Risk Factors Related to Mexico**

***Economic and Political Developments in Mexico May Adversely Affect Our Business, Financial Condition and Results of Operations***

Most of our operations and assets are located in Mexico. As a result, our financial condition, results of operations and business may be affected by the general condition of the Mexican economy, the depreciation or appreciation of the Peso as compared to the U.S. Dollar and other currencies, Mexican inflation, interest rates, regulation, taxation, social instability and other political, social and economic developments in or affecting Mexico over which we have no control.

***Mexico Has Experienced Adverse Economic Conditions, Which Could Have a Negative Impact on Our Results of Operations and Financial Condition***

Mexico has historically experienced uneven periods of economic growth. Mexican gross domestic product, or GDP, increased by 2.0% in 2018, decreased by 0.1% in 2019 and decreased by 8.5% in 2020. Mexican GDP showed a larger contraction than the Mexican government forecasts in 2020 and, according to analysts, Mexican GDP is expected to increase in a range between 4.5% – 4.7% in 2021. We cannot assure that these estimates and forecasts will prove to be accurate.

Any future economic downturn, including downturns in the United States, Europe, Asia or anywhere else in the world, could affect our financial condition and results of operations. For example, demand for advertising may decrease both because consumers may reduce expenditures for our advertisers' products and because advertisers may reduce advertising expenditures and demand for publications, cable television, direct-to-home, or DTH, satellite services, pay-per-view programming, telecommunications services and other services and products may decrease because consumers may find it difficult to pay for these services and products. Additionally, there can be no assurance that the recent Mexican sovereign debt rating downgrade will not adversely affect our business, financial condition, results of operations or the price of our securities. Finally, the economic recovery is uncertain due to the COVID-19 pandemic.

***Developments and the Perception of Risk in other Countries, Especially in Europe, China, the United States and Emerging Market Countries, May Materially Adversely Affect the Mexican Economy, the Market Value of Our Securities and Our Results of Operations***

The market value of securities of Mexican companies, the social, economic and political situation in Mexico and our financial condition and results of operations are, to varying degrees, affected by economic and market conditions in other countries, including the United States, China and other Latin American and emerging market countries. Therefore, investors' reactions to developments in any of these other countries may have an adverse effect on the market value or trading price of securities of Mexican issuers. Crises in the United States, Europe, China or emerging market countries may reduce investor interest in securities issued by Mexican companies, including those issued by us.

Turmoil in other large economies, such as those in Europe, China and the United States, could have the effect of a downturn in the global economy. Further, our operations, including the demand for our products or services, and the price of our securities, have also historically been adversely affected by increases in interest rates in the United States and elsewhere.

Any of these factors, would negatively affect the market value of our securities and make it more difficult for us to access capital markets and finance our operations in the future, which could have a material adverse effect on our business, financial condition, results of operations, cash flows, prospects and the market price of our securities.

Economic conditions in Mexico are significantly correlated with economic conditions in the United States as a result of the North American Free Trade Agreement, or NAFTA, and increased economic activity between the two countries. Adverse economic conditions in the United States or other related events could have a significant adverse effect on the Mexican economy, which could adversely affect our business, financial condition and results of operations. As a result of talks to renegotiate NAFTA, on November 30, 2018 (and as amended on December 10, 2019), the United States, Canada, and Mexico signed the United States-Mexico-Canada Agreement (USMCA), which has been approved by the Mexican Senate, the U.S. Senate, and Canada. In addition, increased or perceptions of increased economic protectionism in the United States and other countries could potentially lead to lower levels of trade and investment and economic growth, which could have a similarly negative impact on the Mexican economy. These economic and political consequences could adversely affect our business, financial condition and results of operations.

We cannot assure that events in other emerging market countries, in the United States or elsewhere will not materially adversely affect our business, financial condition, results of operations, cash flows, prospects and the market price of our shares. In addition, there may be lingering uncertainty resulting from the departure of the United Kingdom from the European Union ("Brexit"). The United Kingdom left the European Union on January 31, 2020 and the transition period that was in place between them ended on December 31, 2020. On December 24, 2020, the United Kingdom and European Union agreed to a post-Brexit trade and cooperation agreement that contains new rules governing (inter alia) trade, travel and immigration. Brexit is likely to have a significant impact on the macroeconomic conditions of the United Kingdom, the European Union and the rest of the world. The long-term effects of Brexit on capital markets, foreign exchange markets and on the overall political and macroeconomic situation globally remain uncertain and, as a consequence, there will likely continue to be a period of instability and volatility in global financial markets. As a result, Brexit may adversely affect political regulatory, economic and market conditions and contribute to the instability of global political institutions, regulatory agencies and financial markets, negatively impacting our business, results of operations and financial condition.

Our profitability is affected by numerous factors including reductions in demand for the services provided in our cable and sky divisions, changes in viewing preferences, priorities of advertisers and reductions in advertisers' budgets. Historically, advertising in most forms of media has correlated positively with the general condition of the economy and thus, is subject to the risks that arise from adverse changes in domestic and global economic conditions, consumer confidence and spending. The demand for our products and services in Mexico, the U.S. and in the other countries in which we operate may be adversely affected by the tightening of credit markets and economic downturns. As a company that operates in different countries, we depend on the demand from customers in Mexico, the U.S. and the other countries in which we operate, and reduced consumer spending that falls short of our projections could adversely impact our revenues and profitability.

***Uncertainty in Global Financial Markets Could Adversely Affect Our Financing Costs and Exposure to Our Customers and Counterparties***

The global financial markets continue to be uncertain and it is hard to predict for how long the effects of the global financial stress of recent years will persist and what impact it will have on the global economy in general, or the economies in which we operate, in particular, and whether slowing economic growth in any countries could result in decreased consumer spending affecting our products and services. If access to credit tightens further and borrowing costs rise, our borrowing costs could be adversely affected. Difficulties in financial markets may also adversely affect some of our customers. In addition, we enter into derivative transactions with large financial institutions, including contracts to hedge our exposure to interest rates and foreign exchange, and we could be affected by severe financial difficulties faced by our counterparties.

***Currency Fluctuations or the Devaluation and Depreciation of the Peso Could Limit the Ability of Our Company and Others to Convert Pesos into U.S. Dollars or Other Currencies, Which Could Adversely Affect Our Business, Financial Condition or Results of Operations***

The Peso has been subject to significant depreciation against the U.S. Dollar in the past and may be subject to significant fluctuations in the future. A significant portion of our indebtedness and a significant amount of our costs are U.S. Dollar-denominated, while our revenues are primarily Peso-denominated. As a result, decreases in the value of the Peso against the U.S. Dollar could cause us to incur foreign exchange losses, which could reduce our net income.

Severe devaluation or depreciation of the Peso may also result in governmental intervention, or disruption of international foreign exchange markets. This may limit our ability to transfer or convert Pesos into U.S. Dollars and other currencies for the purpose of making timely payments of interest and principal on our indebtedness and adversely affect our ability to obtain foreign programming and other imported goods. The Mexican economy has suffered current account balance of payment deficits and shortages in foreign exchange reserves in the past. While the Mexican government does not currently restrict the right or ability of Mexican or foreign persons or entities to convert Pesos into U.S. Dollars or to transfer other currencies outside of Mexico, there can be no assurance that the Mexican government will not institute restrictive exchange control policies in the future. To the extent that the Mexican government institutes restrictive exchange control policies in the future, our ability to transfer or convert Pesos into U.S. Dollars or other currencies for the purpose of making timely payments of interest and principal on indebtedness, as well as to obtain imported goods would be adversely affected. Devaluation or depreciation of the Peso against the U.S. Dollar or other currencies may also adversely affect U.S. Dollar or other currency prices for our debt securities or the cost of imported goods.

The public decisions and announcements of the presidential administration in the United States have had, and may continue to have, an adverse effect on the value of the Peso against other currencies, particularly the U.S. Dollar. The decision by the U.S. Federal Reserve to increase applicable interest rates for bank reserves could also affect the exchange rate of the Peso relative to the U.S. Dollar. The economic instability caused by the COVID-19 pandemic has resulted in a high volatility of the foreign exchange rate, including a significant devaluation of the Peso with respect to the U.S. Dollar. See "— Risk Factors Related to the COVID-19 Pandemic—The COVID-19 Pandemic May Have a Material Adverse Effect on Our Business, Financial Position and Results of Operations."

***An Increase in Interest Rates in the United States Could Adversely Impact the Mexican Economy and May Have a Negative Effect on Our Financial Condition or Performance***

A decision by the U.S. Federal Reserve to increase applicable interest rates for banks' reserves may lead to a general increase in interest rates in the United States. This, in turn, may redirect the flow of capital from emerging markets into the United States because investors may be able to obtain greater risk-adjusted returns in larger or more developed economies than in Mexico. Thus, companies in emerging market economies such as Mexico could find it more difficult and expensive to borrow capital and refinance existing debt. This may negatively affect our potential for economic growth and our ability to refinance our existing debt and could materially adversely affect our business, financial condition, results of operations, cash flows, prospects and the market price of our shares.

***Renegotiation of the Trade Agreements or Other Changes in Foreign Policy by the Presidential Administration in the United States Could Adversely Affect Imports and Exports Between Mexico and the United States and Other Economic and Geopolitical Effects may Adversely Affect Us***

During the last few years there has been uncertainty regarding U.S. policies related to trade, tariffs, immigration and foreign affairs, including with respect to Mexico. The new U.S. administration could lead to a number of changes in the relationship between Mexico and the United States.

Additionally, other government policies in the United States could also adversely affect economic conditions in Mexico. The current relationship between the Mexican and U.S. governments, as well as political and economic factors in each country, could lead to changes in international trade and investment policies, including new or higher taxes on products imported from Mexico to the United States. The events described above could affect our activities, financial situation, operating results, cash flows and/or prospects, as well as the market price of our shares. Other economic and geopolitical effects could adversely affect us.

Given that the Mexican economy is heavily influenced by the economy of the United States, the implementation of the USMCA and/or other government policies in the United States that the Federal administration may adopt could adversely affect economic conditions in Mexico. On September 30, 2018, Mexico, Canada and the United States reached an agreement on the terms and conditions of the USMCA, replacing NAFTA. On June 19, 2019, Mexico became the first country to ratify the USMCA, followed by the United States on January 16, 2020 and Canada on March 13, 2020. The USMCA includes a 16-year sunset clause, under which the terms of the agreement expire, or are suspended, after 16 years and is subject to review every six years, at which time the United States, Mexico and Canada may decide whether to extend the USMCA. The implementation of the new terms of the USMCA could have an adverse effect on the Mexican economy, including the level of imports and exports, which could in turn adversely affect our business, financial condition and results of operations. Other economic and geopolitical effects, including those related to United States policy on trade, tariffs and immigration, may also adversely affect us.

***High Inflation Rates in Mexico May Decrease Demand for Our Services While Increasing Our Costs***

In the past, Mexico has experienced high levels of inflation. The annual rate of inflation, as measured by changes in the Mexican National Consumer Price Index, or NCPI, was 4.8% in 2018, 2.8% in 2019, 3.2% in 2020 and is projected to be 4.1% in 2021. An adverse change in the Mexican economy may have a negative impact on price stability and result in higher inflation than its main trading partners, including the United States. High inflation rates can adversely affect our business, financial condition and results of operations in, among others, the following ways:

- inflation can adversely affect consumer purchasing power, thereby adversely affecting consumer and advertiser demand for our services and products; and
- to the extent inflation exceeds our price increases, our prices and revenues will be adversely affected in "real" terms.

***High Interest Rates in Mexico Could Increase Our Financing Costs***

In the past year, Mexican interest rates have decreased in line with global market movements. The interest rates on 28-day Mexican government treasury securities averaged 7.6%, 7.9% and 5.3% for 2018, 2019 and 2020, respectively. High interest rates in Mexico could increase our financing costs and thereby impair our financial condition, results of operations and cash flow and we cannot assure that this trend will remain in the future.

***Political Events in Mexico Could Affect Mexican Economic Policy and Our Business, Financial Condition and Results of Operations***

The last Mexican presidential and congressional elections took place in July 2018. Andrés Manuel López Obrador, presidential candidate for the National Regeneration Movement Party (Movimiento de Regeneración Nacional) ("Morena"), was elected President of Mexico and took office on December 1, 2018. Additionally, Mexican congressional elections will take place on June 6, 2021. In these elections, it will be determined whether the coalition led by Morena, "Together we will make history" (Juntos Hacemos Historia), together with the Labor Party (Partido del Trabajo), will maintain their current majority.

The Mexican government has reduced public spending since 2019. On July 2, 2019, the new Mexican Republican Austerity Law (Ley de Austeridad Republicana) was approved by the Mexican Senate. Our business, financial condition and results of operations may be adversely affected by changes in governmental policies or regulations involving or affecting our management, operations and tax regime. Tax policy in Mexico, in particular, is subject to continuous change.

We cannot predict the government's future policies, or whether the coalition which currently has control of an absolute majority of congress could maintain it and, if such coalition or any political force may implement substantial changes in law, policies and regulations in Mexico, which could have a significant effect on our business, activities, financial condition, operating results, cash flows and/or prospects. As happens with any new governmental policies and regulations, we cannot ascertain whether, and to what extent, such policies and regulations may affect our operations, financial condition, results of operations or the legal framework in which we operate.

***Mexico has Experienced a Period of Increased Criminal Activity and Such Activities Could Adversely Affect Our Financing Costs and Exposure to Our Customers and Counterparties***

During recent years, Mexico has experienced a period of increased criminal activity and violence, primarily due to organized crime. These activities, their escalation and the violence associated with them could have a negative impact on the business environment in which we operate, and therefore on our financial condition and results of operations.

***Imposition of Fines by Regulators and Other Authorities Could Adversely Affect Our Business, Financial Condition and Results of Operations***

A significant portion of our business, activities and investments occur in heavily regulated sectors. The Mexican regulators and other authorities, including tax authorities, have increased their supervision and the frequency and amounts of fines and assessments have increased significantly. Although we intend to defend our positions vigorously when procedures are brought or fines are imposed by authorities, there can be no assurance that we will be successful in such defense. Accordingly, we may in the future be required to pay fines and assessments that could be significant in amount, which could materially and adversely affect our business, financial condition and results of operations.

***Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue***

Our business, activities and investments are subject to various Mexican federal, state and local statutes, rules, regulations, policies and procedures, which are subject to change and are affected by the actions of various Mexican federal, state and local government authorities. Such changes could materially adversely affect our operations and our revenue.

Mexico's Federal Antitrust Law and the *Ley Federal de Telecomunicaciones y Radiodifusión*, or Telecommunications and Broadcasting Federal Law, or LFTR, including their regulations, may affect some of our activities, including our ability to introduce new products and services, enter into new or complementary businesses or joint ventures and complete acquisitions. In addition, the Federal Antitrust Law and its regulations, as well as the conditions and measures imposed by the *Instituto Federal de Telecomunicaciones*, or Federal Telecommunications Institute, or IFT, an institute with constitutional autonomy responsible for overseeing the broadcasting (radio and television) and telecommunications industries and their antitrust matters, or by the *Comisión Federal de Competencia Económica*, or Mexican Antitrust Commission, or COFECE, may adversely affect our ability to determine the rates we charge for our services and products or the manner in which we provide our products or services. Approval of IFT or the COFECE, as applicable, is required to acquire certain businesses or enter into certain joint ventures. There can be no assurance that in the future IFT or the COFECE, as the case may be, will authorize certain acquisitions or joint ventures related to our businesses, the denial of which may adversely affect our business strategy, financial condition and results of operations. IFT or COFECE, as applicable, may also impose conditions, obligations and fines that could adversely affect some of our activities, our business, financial condition and results of operations. See "— Imposition of Fines by Regulators and Other Authorities Could Adversely Affect Our Business, Financial Condition and Results of Operations".

As a result of the amendments to the Mexican Constitution and the LFTR relating to telecommunications, television, radio and antitrust, concessions for the use of spectrum are now only granted through public bid processes.

In March 2015, IFT issued a ruling announcing Grupo Radio Centro, S.A.B. de C.V., or Grupo Radio Centro, and Cadena Tres I, S.A. de C.V., or Imagen Television as winning bidders for two free to air broadcasting licenses with separate national coverage. Imagen Television has completed the process, has received its license and began broadcasting on October 17, 2016. However, since Grupo Radio Centro failed to pay the amount they bid for their free to air broadcasting license, the IFT's ruling announcing them as a winning bidder was declared null and void and they did not receive the license. As a result, the auction of the portion of the spectrum that was going to be assigned to Grupo Radio Centro took place during 2017. The new bid was for 148 channels for Digital Terrestrial Television, including at least 123 channels that were not allocated in the IFT-1 bidding process for the two national digital broadcast television networks. At the end of the process, offers were received for 32 channels located in 29 different coverage areas located in 17 States and covering about 45 percent of the country's total population. The bidding process concluded in December 2017 with the issuance of the corresponding concession titles in favor of Compañía Periodística Sudcaliforniana, S.A. de C.V., Comunicación 2000, S.A. de C.V., Francisco de Jesús Aguirre Gómez, Intermedia de Chihuahua, S.A. de C.V., José Guadalupe Manuel Trejo García, Multimedios Televisión, S.A. de C.V., Quiero Media, S.A. de C.V., Radio Comunicación Gamar, S.A. de C.V., Radio Operadora Pegasso, S.A. de C.V., Radio-Televisión de Nayarit, S.A. de C.V., Tele Saltillo, S.A. de C.V., Televisión Digital, S.A. de C.V. and Telsusa Televisión México, S.A. de C.V.

Article 15-A of the Ley del Seguro Social, or the Social Security Law, could materially adversely affect our business, financial condition and results of operations. Article 15-A provides that a company that receives personnel services from a third party, is jointly bound to comply with the obligations related to social security that have to be fulfilled by such personnel services providers for the benefit of their respective employees. Article 15-A also requires the Company to send a list to the *Instituto Mexicano del Seguro Social*, or the Social Security Mexican Institute, of all agreements entered into with personnel services providers.

In addition to the foregoing, certain provisions of the *Ley Federal del Trabajo*, or the Federal Labor Law, could materially adversely affect our business, financial condition and results of operations. The Federal Labor Law, as amended in April 2021, provides, among other things, that subcontracting personnel is prohibited and only will be permitted if the personnel services provider performs specialized services or specialized work; however such specialized services or work shall not be contemplated in the company's corporate purpose or be related with the company's main activities. Companies that provide outsourcing services will be required to complete a registration before the Mexican Ministry of Labor (*Secretaría del Trabajo y Previsión Social*). If these requirements are not met, the company that receives the benefit of the outsourced services shall be jointly liable for all the obligations applicable to employers pursuant to the Federal Labor Law in respect of such personnel. Fines and penalties may be imposed on companies that do not comply with all applicable obligations, and the use of simulated schemes of rendering specialized services or execution of specialized work, as well as subcontracting personnel, will be treated as a criminal offense.

The amendment approved in April 2021 brings, as a consequence, changes to the social security, tax and labor laws. The objective of such amendment is to avoid the subcontracting schemes.

This amendment also stated that the amount of profit sharing to be paid to employees will be capped to three months of salary or the average amount received by the employee in the last three years, whichever is more favorable to the employee. A tax implication of this amendment is that invoices issued for disallowed subcontracting of personnel will not have tax effects (i.e., non-deductible expense for income tax purposes and inability to claim a value added tax credit on such expense).

In December 2018, the Mexican Federal Congress approved the economic plan for 2019. The new plan did not include material changes in the tax legislation like tax amnesty or new taxes. The tax reforms revoked the ability to offset overpayments of different type of taxes and granted some incentives for certain taxpayers, as follows:

*Limitation to use overpayments of VAT and income tax to offset other taxes*: Prior to December 2018, taxpayers were able to offset overpayments of different type of taxes against each other and against taxes withheld. With the tax reform, this ability was eliminated and taxpayers are only allowed to offset tax overpayments that derive from the same type of tax. This limitation may affect some of our subsidiaries that recurrently have VAT or Income Tax overpayments but could offset those overpayments against each other (i.e. VAT against income tax). As of January 2019, taxpayers will only be able to (i) request a refund of the overpayment or (ii) offset tax overpayments against the same type of tax.

*Tax incentives for taxpayers operating in the Northern Border Region of Mexico***:** The objective of these incentives is to promote productivity and create new sources of employment in the Northern Border Region of Mexico. These tax incentives became effective on January 1, 2019 and were expected to remain in force until December 2020. Nevertheless, on December 30, 2020, the decree in which these incentives were granted was amended to extend its validity until December 2024.

*Income tax reduction*: Mexican individuals and entities, and residents abroad with permanent establishment in Mexico that receive income exclusively in the Northern Border Region of Mexico from their business activities will be able to apply a tax credit equal to one-third of the income tax corresponding to that income. In order to apply this tax incentive, an authorization must be obtained from the corresponding tax authority. Once the authorization is obtained, several rules shall be taken into consideration in order to retain the tax incentive.

*VAT rate reduction*: Mexican individuals and entities that sell goods, render independent services, or grant the temporary use of goods in establishments located within the Northern Border Region of Mexico, may apply a tax credit equivalent to 50% of the VAT ordinary rate (16% to be reduced to 8%). In order to be able to apply the tax credit, taxpayers must submit an application notice to the corresponding tax authority.

In December 2019, the Mexican Federal Congress approved some additional reforms to the economic plan for 2020. These 2020 tax reforms include amendments to the Income Tax Law, the Value Added Tax Law, the Special Tax on Production and Services Law and the Federal Tax Code, they became effective as of January 2020. Some of the most relevant changes to the Mexican tax legislation incorporated some of the Actions included in the Base Erosion and Profit Shifting Final Report (BEPS) published by the Organization for Economic Co-operation and Development (OECD) in February 2013, such as: (i) limitations to the deduction of interests as well as to some other deductions, (ii) update of the Controlled Foreign Corporation (CFC) Rules, (iii) new provisions to tax transparent entities, (iv) modification of the definition of permanent establishment, and (v) incorporation of new rules to tax digital economy. Some other relevant amendments to avoid tax evasion include (i) a new obligation of tax advisors and taxpayers to disclose reportable schemes and (ii) inclusion of general anti-avoidance rule. The following are some of such tax reforms, which some of them impact us:

*Limitation of the deductibility of net interest expense.* In accordance with the recommendations of Action 4 "Limiting Base Erosion Involving Interest Deductions and Other Financial Payments" of the BEPS Final Project and in addition to the existing thin capitalization rules, the interest deduction is limited to 30% of the adjusted tax profit. The limitation applies to the amount of interests that derive from debt exceeding Ps.20 million considering all interests of all companies that are members of the same corporate group. This limitation applies regardless of whether the debt or loan was acquired before January 2020. The amount of interest not deductible in a given year because of this limitation can be carried forward to the following 10 years, provided that certain requirements are met. There are some exceptions provided in this rule for debt financing public infrastructure work projects, real estate construction, and productive governmental enterprises.

*Controlled foreign companies rules.* The complete provisions of this regime were changed to apply some of the recommendations included in the Action 3 "Designing Effective Controlled Foreign Company Rules". The changes include a new definition of effective control and the strengthening of the requirements needed for not considering income subject to a preferential tax regime. In addition, new provisions were added to set new rules for taxing income obtained through foreign transparent entities or figures, and therefore avoid differing the payment of tax derived from this type of vehicle.

*New rules to tax digital economy.* As part of the measures to increase the efficiency in the collection of VAT and according to the recommendations of Action 1 "Tax Changes Arising from Digitalization" of the BEPS Final Project, a new chapter was included in the Value Added Tax Law to include the VAT treatment applicable to certain digital services provided in Mexico from non-Mexican residents with no permanent establishment. Beginning June 2020, non-Mexican residents providing digital services in Mexico will have to collect the VAT derived from such services and will have several obligations, among others, registering in the Federal Taxpayers Registry, filling periodical VAT returns and issuing invoices.

*Reportable schemes.* Taxpayers and their tax advisors will be required to disclose to tax authorities certain reportable schemes that are listed in the Federal Tax Code. Tax advisors will be required to register and to disclose any reportable scheme in case they participate in its design, organization, implementation, or management. Taxpayers will be required to disclose a reportable scheme if the scheme is designed, organized, managed, or implemented by themselves and if the tax advisor does not report the scheme.

*General anti-avoidance rule.* A general anti-avoidance rule was enacted to identify transactions that lack a business reason and that generate a tax benefit, once it identifies the transactions, the authority could consider them as non-existent or characterize them as a different transaction for tax purposes only. A transaction is considered lacking a business reason when (i) the expected quantifiable economic benefit is lower than the tax benefit received and (ii) when the expected quantifiable economic benefit could have been obtained through fewer transactions and the tax effect may result in a higher tax burden. A tax benefit includes any reduction, deferral, or elimination of a contribution.

In December 2020, the Mexican Federal Congress approved amendments to the Income Tax Law, Value Added Tax and Federal Tax Code as part of the economic plan for 2021.

Regarding the Income Tax Law, several changes were made to the general regime applicable to tax-exempt organizations that aimed to control and restrict the application of such regime to ensure that only the companies that perform non-profit activities benefit from the dispositions of such regime. Another important amendment was the decrease of the rate of annual withholding tax applicable to the capital that produces interest paid by the financial system, which changed from 1.45% to 0.97%.

In terms of value added tax, derived from the entry into force of the tax digital economy dispositions, some more dispositions were included to specify the way to comply with those obligations, as well as penalties to ensure such compliance.

***The Amendments to the Regulations of the General Health Law on Advertising Could Materially Affect Our Business, Results of Operations and Financial Condition***

On February 14, 2014, the Mexican Ministry of Health published in the Official Gazette of the Federation an amendment to the Regulations of the General Health Law on Advertising, pursuant to which advertisers of certain high-caloric foods and non-alcoholic beverages are required to obtain prior permission from the health authorities in order to advertise their products on radio, broadcast television, pay-TV and in movie theaters (the "Health Law Amendment"). The Health Law Amendment became effective on April 16, 2014 and comprehensive guidelines entitled "Guidelines with nutritional and advertising criteria for advertisers of food and non-alcoholic beverages for obtaining permission for the advertising of their products with respect to the provisions of Articles 22 bis and 79 of the Regulations of the General Health Law on Advertising" (the "Health Law Guidelines") were published in the Official Gazette of the Federation on April 15, 2014 and became effective on July 7, 2014 for the advertisement of the following products: snacks, flavored drinks, candies, chocolates, or foods similar to chocolates and became effective for the remaining products on January 1, 2015.

The Health Law Guidelines restrict the hours that certain high-caloric foods and non-alcoholic drinks can be advertised. These restrictions do not apply when the advertisement is aired during certain programs such as sports, dramas, news programs, series officially rated as unsuitable for children, films with ratings of B, B15, C and D, and programs where the advertiser certifies through audience research that people between the ages of 4 and 12 represent no more than 35% of the audience and receives the prior consent from the Federal Commission for the Protection Against Health Risks.

On March 27, 2020, the Mexican Ministry of Economy published in the Official Gazette of the Federation an amendment to the Mexican Official Standard NOM-051-SCFI/SSA1-2010 (General labeling specifications for pre-packaged food and non-alcoholic beverages – commercial and health information) (the "NOM-051 Amendment"), which incorporates new prohibitions and guidelines in the front design of food and non-alcoholic beverage labels. The NOM-051 Amendment establishes a five-year transition period, coming into force in three phases. As of April 1, 2021, the use of characters, drawings, celebrities, athletes or pets in labels of pre-packaged food and non-alcoholic beverages to promote their consumption is prohibited, and the use of warning labels for pre-packaged products with saturated fats, high sugars or sweeteners that have one or more warning labels of saturated fats, high sugars or the legend of sweeteners is mandatory.

We cannot predict the impact or effect the NOM-051 Amendment and/or the Health Law Amendment might have or continue to have on our results of operations in the future.

***The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments***

Any regulations related to the LFTR that could be issued by the President of Mexico and IFT, as applicable, or amendments to the LFTR and certain actions recently taken by IFT, or to be taken by IFT from time to time, affect or could significantly and adversely affect the business, results of operations and financial condition of certain of our subsidiaries that provide services in the areas of broadcasting, cable and telecommunications.

The LFTR provides that measures taken or decisions issued by IFT are not subject to judicial stay. Therefore, subject to limited exceptions, until a decision, action or omission by IFT is declared void or unconstitutional by a competent court through a binding and final judgment, IFT's decision, action or omission will be valid and will have full legal effect.

As a result of the reforms to the Mexican Constitution and the must-offer and must-carry regulations issued by IFT, starting on September 10, 2013, our concessionaries of broadcast services have been required to permit pay-TV concessionaries to retransmit broadcast signals, free of charge and on a non-discriminatory basis, within the same geographic coverage area simultaneously and without modifications, including advertising, and with the same quality of the broadcast signal, except in certain specific cases provided in the transitory Articles of the June 2013 Telecom Reform (the "Telecom Reform"). Also, since September 10, 2013, our pay-TV concessionaires are required to retransmit broadcast signals of free television concessionaires, free of charge and on a non-discriminatory basis, subject to certain exceptions and additional requirements provided for in the Telecom Reform.

Certain pay-TV concessionaries benefit from the free use of broadcast for retransmission to their subscribers. Consequently, the business that licenses to pay-TV concessionaires our television signals and our subsidiary that is the owner and/or licensor of the audiovisual works that we have produced or distributed, jointly or separately by us and some of our subsidiaries, have ceased receiving significant income from licensing retransmission rights, which has affected and will continue to affect their results of operations.

On February 27, 2014, the "General Guidelines Regarding the Provisions of Section 1 of the Eighth Article of the Transitory Decree Amending and Supplementing a Number of Provisions of Articles 6, 7, 27, 28, 73, 78, 94 and 105 of the Mexican Constitution in Telecommunications," or the Guidelines, were published in the Official Gazette of the Federation, which include, among other obligations, the obligation of concessionaires of broadcast television licenses to permit the retransmission of their broadcast signals and the obligation of pay-TV concessionaires to perform such retransmission (without requiring the prior consent of the broadcast television concessionaires) in the same geographic coverage zone for free (subject to certain exceptions) and in a non-discriminatory manner in its entirety, simultaneously and without modifications, including advertising, and with the same quality of the broadcast signal without requiring consent from the broadcast television concessionaires.

On March 6, 2014, IFT issued a decision (the "Preponderance Decision") whereby it determined that we, together with other entities with concessions to provide broadcast television, including some of our subsidiaries, are preponderant economic agents in the broadcasting sector in Mexico (together, the "Preponderant Economic Agent"). The Preponderance Decision imposes on the Preponderant Economic Agent various measures, terms, conditions and restrictive obligations, some of which are described below, that may significantly and adversely affect the activities and businesses of our broadcasting businesses, as well as the results of operations and financial condition:

- *Infrastructure sharing* — The Preponderant Economic Agent must make its passive broadcasting infrastructure available to third-party concessionaires of broadcast television for commercial purposes in a non-discriminatory and non-exclusive manner, with the exception of broadcasters that, at the time the measures enter into force, have 12 MHz or more of radio-electric spectrum in the geographic area concerned. Such passive broadcasting infrastructure includes, among others, non-electronic elements at transmitting locations, rights of way, ducts, masts, trenches, towers, poles, security, sites, land, energy sources and air conditioning system elements. This action may result in the Preponderant Economic Agent being bound to incur substantial additional costs and obligations in complying with this requirement, as well as affecting the results of operations. Furthermore, this measure will facilitate the entry and expansion of new competitors in the broadcasting industry without such competitors having to incur costs or investment expenses that new businesses in this industry otherwise would have made and which we incurred in the past and will continue incurring in the future in order to remain competitive. A first infrastructure offer with the terms and conditions to make our passive broadcasting infrastructure available to third-party concessionaires was published on our website on December 19, 2014 and was valid until December 31, 2016. This was succeeded by a second infrastructure offer, which we published on our website on November 30, 2016 and which was effective as of January 1, 2017. This was succeeded by a third infrastructure offer, which we published on our website on November 30, 2017 and was valid from January 1, 2018 until December 31, 2019, which was declared unconstitutional by the Supreme Court on November 26, 2019. This was succeeded by a fourth infrastructure offer, which we published on our website on November 30, 2019, to be effective from January 1, 2020 through December 31, 2021. The fourth infrastructure offer includes the offer of the signal emissions in terms set forth in the new Preponderance Measures described below. The price to be paid by the concessionaires for the use of our infrastructure is subject to the tariffs approved by IFT, applicable to the fourth infrastructure offer. As of the date of this report, we have not received any request from third-party concessionaries regarding such infrastructure offer; however, we are unable to predict the impact of the use of the fourth infrastructure offer on our businesses, results of operations and financial conditions of certain of our subsidiaries that provide services in the areas of broadcasting and telecommunications.

- *Advertising sales* — According to the Preponderance Decision, the Preponderant Economic Agent must deliver to IFT the terms and conditions of its broadcast advertising services and fee structures, including commercials, packages, discount plans and any other commercial offerings and publish them on its webpage. The Preponderant Economic Agent also must make publicly available on its website its forms of contracts and terms of sale for each service. Based on this decision, the Preponderant Economic Agent is expressly prohibited from refusing to sell advertising and/or discriminate with respect to the advertising spaces being offered. If IFT considers that the Preponderant Economic Agent has failed to comply with the foregoing, IFT may order the Preponderant Economic Agent to make its advertising spaces available, which, in turn, could affect the ability of the Preponderant Economic Agent to carry out its advertising sales plans in an efficient and competitive manner, affecting its operating results. This provision may also affect the ability of the Preponderant Economic Agent to offer competitive rates to its customers. This provision, may give a competitive advantage to, among others, our broadcast television competitors, TV Azteca, S.A.B. de C.V., or TV Azteca, Imagen Television, and new concessionaires of broadcast television spectrum.

- *Prohibition on acquiring certain exclusive content* — The Preponderant Economic Agent may not acquire transmission rights, on an exclusive basis, for any location within Mexico with respect to certain relevant content, determined by IFT in the "Ruling whereby IFT identifies the relevant audiovisual contents in terms and for the purposes of the fourth measure and the second transitory article of the fourth attachment of the Telecommunication Preponderance Decision and the Broadcasting Preponderance Decision", or the Relevant Content Ruling, which list may be updated every two years by IFT. Relevant content is defined as programs with a high expected level of regional or national audience and with unique characteristics that in the past have generated high levels of national or regional audiences. The Relevant Content Ruling identified certain programs that would be considered relevant content, namely, Mexican national soccer team games, the opening and closing ceremonies of the Olympic Games, the opening and closing ceremonies and semifinals and finals of the FIFA World Cup, and the finals of the Mexican Soccer League. Also on November 14, 2018, IFT updated the list, eliminating the opening and closing ceremonies of the Olympic Games and adding 16 matches of the FIFA World Cup, semifinals of the Mexican Soccer League and the Super Bowl. This Ruling applies to broadcasting Preponderant Economic Agents and may limit the ability of Preponderant Economic Agents to negotiate and have access to this content and could affect its ability to acquire content in the medium and long term, which could significantly and adversely affect its revenues and results of operations from the sale of advertising, as well as the quality of the programming offered for its audiences. These audiences may move to other broadcast television transmissions or other technological platforms that transmit such content, or to other leisure activities such as browsing the internet or playing videogames, among others.

- *Over-the-air channels* — When the Preponderant Economic Agent offers any of its over-the-air channels, or channels that have at least 50% of the programming that is broadcast daily between 6:00 a.m. and midnight on such channels, to its affiliates, subsidiaries, related parties or third parties, for distribution through a different technological platform than over-the-air broadcast television, the Preponderant Economic Agent must offer these channels to any other person that asks for distribution over the same platform as the Preponderant Economic Agent has offered, on the same terms and conditions. Also, if the Preponderant Economic Agent offers a package of two or more of these channels, it must also offer them in an unpackaged form upon request. This may significantly affect our ability to commercialize our programming, including programming that is not produced for broadcast television, which could affect our revenues and results of operations. Likewise, our ability to make more efficient use of other technological platforms could be significantly affected.

- *Prohibition on participating in "buyers' clubs" or syndicates to acquire audiovisual content, without IFT's prior approval* — The Preponderant Economic Agent may not enter into or remain a member of any "buyers' club" or syndicates of audiovisual content unless it has received the prior approval of IFT. A "buyers' club" is defined as any arrangement between two or more economic agents to jointly acquire broadcast rights to audiovisual content in order to obtain better contractual terms. This may result in the Preponderant Economic Agent not having exclusive access to certain audiovisual content and consequently its audiences may move to other broadcast television transmissions or other technological platforms that transmit such content. It may also result in its acquisition costs significantly increasing, which can affect business strategy, financial condition and results of operations. This provision, when applied, will award a competitive advantage to, among others, our broadcast television competitors, TV Azteca, Imagen Television, and to new licensees of broadcast television spectrum. This measure will also prevent other domestic players and the Preponderant Economic Agent from obtaining content together at competitive prices and taking advantage of economies of scale which may be available to international players.

On February 27, 2017, as part of the biannual review of the broadcasting sector preponderance rules, IFT amended various measures, terms, conditions and restrictive obligations (the "New Preponderance Measures") as follows:

- *Infrastructure sharing* — In addition to the previously imposed obligations regarding the sharing of passive infrastructure, the New Preponderance Measures have (i) included the service of signal emissions in the event that no passive infrastructure exists on the relevant requested site, which was declared unconstitutional by the Supreme Court on November 26, 2019; (ii) strengthened the supervision of services provided by the Preponderant Economic Agent and tariff arrangements made with its clients; (iii) included certain rules relating to publicity of its tariffs; and (iv) included a new electronic management system. Under the new Preponderance Measures, the IFT determined specific tariffs for our third and fourth infrastructure offers.

- *Prohibition on acquiring certain exclusive content* — This measure has been modified by enabling the Preponderant Economic Agent to acquire relevant content under certain circumstances as long as it obtains the sublicense of such transmission rights to the other broadcasters of over-the-air television in Mexico on non-discriminatory terms.

- *Advertising sales* — IFT modified this measure by including specific requirements to the Preponderant Economic Agent in its provision of over the air advertising services, particularly to telecommunications companies, which include (i) publishing and delivering to IFT specific information regarding tariffs, discount plans, contracting and sales terms and conditions, contract forms and other relevant practices; and (ii) prohibiting discrimination, refusals to deal, conditioned sales and other conditions that inhibit competition. The Preponderant Economic Agent also has to provide very detailed information to IFT on a recurrent basis of over the air advertising services related to telecommunications companies.

- *Accounting separation* — We, as the Preponderant Economic Agent, are required to implement an accounting separation methodology following the criteria defined by IFT for those purposes, which criteria were published in the Diario Oficial de la Federación, or the Official Gazette of the Federation, on December 29, 2017. Such criteria were amended by a first amendment published on October 29, 2018, where IFT simplified some reporting obligations for accounting separation for entities that are part of the Preponderant Economic Agent, other than our subsidiaries. Furthermore, a second amendment was published on December 19, 2019, where IFT deferred the deadline for the filing of the accounting separation exercises for the fiscal years 2017 and 2018 to July 31, 2019, which we filed timely. We timely filed the accounting separation methodology for fiscal year 2019 and have begun the process of the accounting separation methodology for fiscal year 2020, which will be filed with IFT later in 2021.

On March 28, 2014, we, together with our subsidiaries determined to be the Preponderant Economic Agent in the broadcasting sector, filed an *amparo* proceeding challenging the constitutionality of the Preponderance Decision. On November 21, 2019, the Supreme Court resolved the *amparo* proceeding. The Court declared the constitutionality of the Preponderance Decision, which, therefore, remains in force.

Additionally, on March 31, 2017, we, together with our subsidiaries, filed an *amparo* proceeding challenging the constitutionality of the New Preponderance Measures. On November 21, 2019, the Second Chamber of the Supreme Court of Justice granted the *amparo* and revoked the New Preponderance Measures. As a result, the applicable and valid measures that are in force are those issued under the Preponderance Decision.

The most recent biannual review of the broadcasting sector preponderance rules that began in 2019 was concluded due to the resolution of the *amparo*.

The Telecom Reform provided for a public bid or auction to grant licenses to establish the National Digital Networks. The "Auction Program for Digital Television Broadcast Frequencies" took place in 2014 and the first part of 2015. See "— Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue".

Imagen Television's National Digital Networks and the new 148 channels of Digital Terrestrial Television compete and will compete with our broadcasting subsidiaries for advertising revenues, which together with the measures previously described, can affect revenues and operating results and our ability to have access to competitive content or content of interest to advertisers and audiences. As a result, these advertisers and audiences may move to other broadcast television stations or other technological platforms, and our audience share may be reduced. Likewise, we may incur additional costs in order to meet other obligations of IFT as previously described and which may be imposed on us as a result of the LFTR and the secondary regulations issued by the executive power and IFT, as applicable.

In addition to competition from the National Digital Networks, we could also be subject to additional competition from new competitors in the broadcast, cable and telecommunications markets in which we participate, including pay-TV, broadband, telephone services, cable providers, DTH television, telephone operators and other participants as a result of the elimination on the restrictions on foreign investment in telecommunications services and satellite communication, the increase in the maximum permitted foreign-ownership in broadcasting (television and radio) to 49%, as well as from online video distributors ("OVDs"), as a result of the advancement of technology.

The LFTR provides that integrated sole concessions will be renewed for terms equal to the maximum terms for which they could be granted, namely, up to 30 years. To request the renewal of a concession, a concession holder must: (i) file its request with IFT one year prior to the beginning of the fifth period of the term of the concession; (ii) comply with its obligations established in the applicable laws and in the concession title; and (iii) accept the new conditions that IFT may impose. In such cases, IFT will issue its ruling within 180 days following the date the concession holder files the renewal request. If IFT does not issue its ruling within 180 days the renewal will be automatically granted.

In the case of concessions for the use of radio-electric spectrum, the maximum term of renewal is 20 years. Renewal of concessions for the use of spectrum require, among others: (i) to request such renewal to IFT in the year prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; (iii) a declaration by IFT that there is no public interest in recovering the spectrum granted under the related concession; and (iv) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT, including the payment of a related fee. To our knowledge, no spectrum granted for broadcasting services in Mexico has been recovered by the Mexican government in the past several years for public interest reasons; however, the Company is unable to predict the outcome of any action by IFT in this regard.

IFT has approved the renewal of the concession titles for the use of spectrum for the broadcast television signals known as Las Estrellas, Canal 5, NU9VE, Foro TV and other local television stations, for a term of 20 years after the existing expiration dates, as well as the issuance of concessions that grant the authorization to provide digital broadcasting television services.

As part of our expansion of our cable business, on December 17, 2018, we acquired FTTH under the provisions set forth in transitory Article 9 of LFTR. On May 8, 2019, the IFT launched an investigation to analyze if, as a result of the transaction, the Company acquired substantial power in the market of telecommunications networks providing voice, data or video services. On September 4, 2019, the IFT Investigative Authority issued a preliminary opinion, whereby it assessed that there were elements to determine that the Company had substantial power in 35 relevant markets of the telecommunications networks that provide restricted television and audio services. Those relevant markets comprise 35 municipalities in the following States: Aguascalientes, Chihuahua, Ciudad de México, Estado de México, Jalisco, Nuevo León and San Luis Potosí. As a response to the preliminary opinion, the Company presented its position and provided evidence to prove that the Company does not hold substantial power in the relevant markets established in the preliminary opinion. On November 26, 2020, the IFT notified the Company of the final resolution confirming the existence of substantial power in the 35 relevant markets of restricted television and audio services. Consequently, on December 17, 2020, the Company filed three *amparos* challenging the constitutionality of the resolution, which are now under review by the competent court. However, we are unable to predict the outcome of these procedures. Some of the consequences derived from the determination of substantial market power, are applicable as a matter of law and others may be imposed by IFT in a new procedure in accordance with the LFTR; these may consist of: (i) the obligation to obtain IFT's approval and to register the rates for our services; (ii) to inform the IFT in case of the adoption of new technology or modifications to the network; (iii) the agent with substantial power may not be entitled to the benefits of some rules of the "must carry" and "must offer" provisions; and (iv) the implementation of accounting separation.

Overall, the Telecom Reform, the LFTR and secondary regulations already issued and to be issued by the executive power or IFT, as applicable, as well as any actions taken by IFT, may increase our operating costs and interfere with our ability to provide, or prevent us from offering, some of our current or future services. Moreover, the entry of new market participants (including OVDs) and the introduction of new products (including over-the-top ("OTT") services) could result in an impairment to the prices of some of our products and/or costs and adversely affect our results in some business segments in future periods.

The resolutions issued by IFT under the Telecom Reform significantly and adversely affect certain areas related to some of our activities, including broadcasting, cable and telecommunications, as well as our ability to introduce new products, infrastructure and services, to enter into new businesses or complementary businesses, to consummate acquisitions or joint ventures, to determine the rates we charge for our products, services and use of our infrastructure, to acquire broadcast rights to exclusive content, and to charge market rates for the licensing of copyrights we hold.

See "Information on the Company — Business Overview — Regulation — Telecom Reform and Broadcasting Regulations".

**Risk Factors Related to Our Major Stockholders**

***Emilio Azcárraga Jean Has and Will Have Substantial Influence Over Our Management and the Interests of Mr. Azcárraga Jean may Differ from Those of Other Stockholders***

We have four classes of common stock: Series "A" Shares, Series "B" Shares, Series "D" Shares, and Series "L" Shares. A trust for the benefit of Emilio Azcárraga Jean, or the Azcárraga Trust, currently holds 43.8% of the outstanding Series "A" shares, 0.1% of the outstanding Series "B" shares, 0.1% of the outstanding Series "D" shares and 0.1% of the outstanding Series "L" shares of the Company. As a result, Emilio Azcárraga Jean controls the vote of most of the shares held through the Azcárraga Trust. The Series "A" Shares held through the Azcárraga Trust constitute a majority of the Series "A" Shares whose holders are entitled to vote because non-Mexican holders of CPOs and GDSs are not permitted to vote the underlying Series "A" Shares in accordance with the trust agreement governing the CPOs and the Company's bylaws. Accordingly, and so long as non-Mexicans own more than a minimal number of Series "A" Shares, Emilio Azcárraga Jean will have the ability to direct the election of 11 out of 20 members of our Board of Directors, as well as prevent certain actions by the stockholders, including dividend payments, mergers, spin-offs, changes in corporate purpose, changes of nationality and amendments to the anti-takeover provisions of our bylaws. See "Major Stockholders and Related Party Transactions — The Major Stockholders".

***As Controlling Stockholder, Emilio Azcárraga Jean Has the Ability to Limit Our Ability to Raise Capital, Which Would Require Us to Seek Other Financing Arrangements***

Emilio Azcárraga Jean has the voting power to prevent us from raising money through equity offerings. Mr. Azcárraga Jean has informed us that if we conduct a primary sale of our equity, he would consider exercising his pre-emptive rights to purchase a sufficient number of additional Series "A" Shares in order to maintain such power. In the event that Mr. Azcárraga Jean is unwilling to subscribe for additional shares and/or prevents us from raising money through equity offerings, we would need to raise money through a combination of debt or other forms of financing, which we may not obtain, or if so, possibly not on favorable terms.

**Risk Factors Related to Our Business**

***The Operation of Our Business May Be Adversely Affected if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions***

In June 2013, the Mexican Federal Congress passed the Telecom Reform which, among other things, created IFT. IFT has the authority to grant concessions for radio and television stations as well as for telecommunications services.

Under Mexican law, we need concessions from IFT (previously from SCT) to broadcast our programming over our television stations, and to provide telecommunication services. In November 2018, all of our digital broadcast television concessions were renewed and, as a consequence, IFT delivered to the Company concessions (i) for the use of spectrum until 2042 and (ii) that grant the authorization to provide digital broadcasting television services until 2052. See "— Risk Factors Related to Mexico — Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue". The expiration dates of our Cable and Telecommunications concessions range from 2022 to 2048 and our DTH concessions expire between 2021 and 2027. Cablevisión obtained a telecommunications concession that expires in 2029, which changed to an integrated sole concession in 2019, but keeping its original term. Before the Telecom Reform in 2013, the SCT typically renewed the concessions of those concessionaires that complied with the applicable renewal procedures under Mexican law and with their obligations under the concession. In July 2014, the Mexican Federal Congress enacted the LFTR, which provides that integrated sole concessions will be renewed for terms equal to the maximum terms for which they could be granted, namely, up to 30 years, except for spectrum which will be renewed for terms of 20 years, and in case of concessions for the use of radio-spectrum, the maximum term for renewal is 20 years.

Under Mexican law, we need a permit, or Gaming Permit, from the *Secretaría de Gobernación*, or Mexican Ministry of the Interior, to operate our gaming business. The operation of our gaming business may be terminated or interrupted if the Mexican Government does not renew or revokes our Gaming Permit. The Gaming Permit was granted to us on May 25, 2005 and its expiration date is May 24, 2030. We are unable to predict if we will obtain a renewal of the Gaming Permit.

See "— Risk Factors Related to Mexico — Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue" and "— Risk Factors Related to Mexico — The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments".

***We Face Competition in Each of Our Markets That We Expect Will Intensify***

We face competition in all of our businesses, including broadcasting, advertising sales, cable, pay-TV, telecommunications and all other businesses. The entities in which we have strategic investments and the joint ventures in which we participate also face competition. We expect that competition in our different businesses will intensify.

This competition arises in part from the growth of the convergent market, pursuant to which certain concessionaries of telecommunication services are allowed to provide other services not included in their original concessions.

In television broadcasting, we face substantial competition from TV Azteca and other broadcasters such as Imagen Television and Multimedios, among others. See "Information on the Company — Business Overview — Our Operations — Content — Television Industry in Mexico" and "Information on the Company — Business Overview — Our Operations — Programming — Television Networks".

Over-the-air broadcasting television also faces increased competition from other audiovisual platforms, including a great variety of pay-television channels distributed in Mexico, OTT providers, and audiovisual content distributed over the internet and videogame systems.

At the end of 2017, IFT completed the auction process for several local over-the-air television licenses in Mexico. As a result, 13 groups and/or individuals have a license (concession) to operate in different cities throughout Mexico. This has resulted in additional competition for our local channels.

With respect to advertising, our television stations compete with other television stations as well as with other advertising media, such as pay-TV, newspapers, magazines, internet (including AVOD services) and outdoor advertising.

Our DTH satellite business faces competition from various competitors, including Dish Mexico, a DTH satellite pay-TV platform which launched its services in Mexico at the end of 2008, Star TV, a Dish Satellite pay-TV platform, Mega Cable Comunicaciones, S.A. de C.V., or Megacable, Total Play, cable television companies which are subsidiaries of the Company, as well as from Digital TV and OTT and AVOD platforms. In addition, the DTH market competes with other media with respect to advertising and sales, including Pay-TV, outdoor advertising and publishing, among others.

In addition, the entertainment and telecommunications industries in which we operate are changing rapidly because of new participants and evolving distribution technologies, including the internet.

The cable industry in Mexico has become highly competitive and we face significant competition. Most cable operators are authorized to provide pay-TV, internet broadband services and voice services, including Voice over Internet Protocol, or VoIP, which poses a risk to us. We also face competition from the Preponderant Economic Agent in telecommunications, particularly in the provision of data and fixed telephony services. The cable business is also capital intensive.

Our pay-TV companies face competition from IPTV, AVOD or OTT providers such as Netflix, Disney+, Claro Video and Prime Video (Amazon), as well as from other pay-TV operators such as Dish Mexico, Total Play, Megacable and other cable television companies. Additionally, our cable television companies face competition from Sky.

We also face competition in our publishing business, where each of our magazine publications competes for readership and advertising revenues with other magazines of a general character and with other forms of print and non-print media.

The production and distribution of feature films is a highly competitive and complex business in Mexico. The various producers compete for the services of recognized talent and for film rights to scripts and other literary property. We compete with other feature film producers, Mexican and non-Mexican, and global distributors such as Amazon, Disney and Netflix in the distribution of films in Mexico, the U.S. and in Latin America. We also face competition in our other businesses. See "Information on the Company — Business Overview — Competition".

Our principal competitors in the gaming industry are Codere S.A., or Codere, Grupo Caliente S.A. de C.V., or Grupo Caliente, Grupo Cirsa, S.A. de C.V., or Grupo Cirsa, Atracciones y Emociones Vallarta, S.A. de C.V., or Grupo Logrand and Palacio de los Números, S.A. de C.V., or Palacio de los Números.

Our future success will be affected by changes in the broadcasting, advertising sales, cable, telecommunications, entertainment, gaming and other industries where we participate, which we cannot predict, and consolidation in such industries could further intensify competitive pressures. We expect to face competition from an increasing number of sources in Mexico, including emerging technologies that provide new services to pay-TV customers and new entrants in the public and pay-TV industries, which will require us to make significant capital expenditures in new technologies and will result in higher costs in the acquisition of content or may impair our ability to renew rights to special events, including sporting and entertainment events. Our business may require substantial capital to pursue additional acquisitions and capital expenditures, which may result in additional incurrence of leverage, issuance of additional capital or a combination thereof.

***The Seasonal Nature of Our Business Affects Our Revenue and a Significant Reduction in Fourth Quarter Net Sales Could Impact Our Results of Operations***

Our business reflects seasonal patterns of advertising expenditures, which is common in the television broadcast industry, as well as cyclical patterns in periodic events such as the FIFA World Cup and the Olympic Games. We typically recognize a disproportionately large percentage of our Content advertising net sales in the fourth quarter in connection with the holiday shopping season. For example, in 2018, 2019 and 2020 we recognized 31.0%, 34.0% and 40.5%, respectively, of our net sales in the fourth quarter of the year. Accordingly, a significant reduction in fourth quarter advertising revenue could adversely affect our business, financial condition and results of operations.

***DIRECTV Has Certain Governance and Veto Rights Over Some Operations of Innova***

We own a 58.7% interest in Innova, our DTH venture in Mexico, Central America and the Dominican Republic. The remaining balance of Innova's equity is indirectly owned by The DIRECTV Group, Inc., or DIRECTV, through its subsidiaries DTH (Mexico) Investment, LTD, DIRECTV Latin America Holdings LLC and DIRECTV MPR Holdings, LLC. Although we hold a majority of Innova's equity and designate a majority of the members of Innova's Board of Directors, DIRECTV has certain governance and veto rights in Innova, including the right to block certain transactions between us and Innova. DIRECTV was acquired by AT&T Inc. in July 2015.

***Loss of Transmission or Loss of the Use of Satellite Transponders Could Cause a Business Interruption in Innova, Which Would Adversely Affect Our Net Income***

Media and telecom companies, including Innova, rely on satellite transmissions to conduct their day-to-day business. Any unforeseen and sudden loss of transmission or non-performance of the satellite for Innova can cause huge losses to Innova's business. The unforeseen loss of transmission may be caused due to the satellite's loss of the orbital slot or the reduction in the satellite's functional life.

The size of the business interruption impact for Innova in the case of a satellite loss exceeds the insurance we have acquired to cover this risk. In order to reduce the possibility of financial consequences resulting from an unforeseen loss of transmission, Innova entered into an agreement to launch a backup satellite jointly with Sky Brasil Servicos Ltda., or Sky Brasil, which was launched in the first quarter of 2010. In the third quarter of 2013, Sky entered into an agreement with DirecTV for the acquisition and launch of a satellite named SM-1, which started operations in June 2015. In the future, we may have to invest in additional satellite capacity. We cannot predict the extent of losses to Innova in the case of current or new satellite loss or the effectiveness of any alternative strategy.

***Any Incidents Affecting Our Network and Information Systems or Other Technologies Could Have an Adverse Impact on Our Business, Reputation and Results of Operations***

Our business operations rely heavily on network and information systems and other technology systems, including cloud computing. Incidents affecting these systems, including cyber-attacks, viruses, other destructive or disruptive software or activities, process breakdowns, outages, or accidental release of information could result in a disruption of our operations, improper disclosure of personal data of clients, subscribers, or employees, or other privileged or confidential information, or unauthorized access to our digital content or any other type of intellectual property. It is common for a company such as ours to be subjected to continuous attempted cyber-attacks and other malicious efforts that could cause cybersecurity incidents, and we have in the past experienced, and expect to continue to experience cybersecurity incidents, although we have not identified any such incidents that we have determined to be material to our operations as of the date of this report. Any such incident could damage our reputation and may require us to expend substantial resources on litigation, regulatory investigation, and remediation costs, and could therefore have a material adverse effect on our business and results of operations. We continue to work closely with our outside advisors to prevent cybersecurity incidents, and to invest in maintaining and improving cybersecurity resilience. The company's cybersecurity risks and mitigation actions are monitored by our Audit Committee and reported to our Board of Directors. Nevertheless, because of the nature of the threats and the cloud computing environment, there can be no assurance that our preventative efforts can fully prevent or mitigate all such incidents or be successful in avoiding harm to our business in the future.

***The Results of Operations of Univision Holdings, Inc. May Affect Our Results of Operations and the Value of Our Investment in that Company; Key Members of Our Management Team Will Participate in the Management of the Mexican Content Business of Televisa-Univision after the Closing of the 2021 Transaction***

We have a substantial investment in Univision Holdings, Inc., or UHI (formerly known as Broadcasting Media Partners, Inc., or BMP), the parent company of Univision Communications Inc., or Univision. As previously announced, on April 13, 2021, we entered into a definitive transaction agreement (the "2021 Transaction Agreement") with UHI and, for the limited purposes set forth therein, affiliates of Searchlight Capital Partners, LP ("Searchlight"), ForgeLight LLC ("ForgeLight") and Liberty Global plc, through its venture investment vehicle ("Liberty Global"), pursuant to which, among other things, we will contribute our content business (other than certain assets relating to our news business, real estate and Mexican over-the-air broadcast concessions) to UHI. In consideration for the contribution of such business, we will receive U.S.$4.5 billion in a combination of cash (U.S.$3 billion) and U.S.$1.5 billion of common and preferred shares of UHI. In addition, we have entered into commercial arrangements with UHI pursuant to which we will receive additional consideration valued at approximately U.S.$300 million in the aggregate (all such transactions collectively, the "2021 Transaction"). Our investment in UHI would increase as a result of the 2021 Transaction. However, we do not, and would not following the 2021 Transaction, control and do not, and would not following the 2021 Transaction, consolidate the results of UHI. Our investment in UHI is currently held in the form of common stock and, if the 2021 Transaction is completed, will include additional shares of common stock and shares of a new series of convertible preferred stock. The value of the common stock and preferred stock of UHI, neither of which are or at the closing of the 2021 Transaction will be publicly traded, will fluctuate and could materially increase or decrease the value of our investment in UHI.

The value of those shares, and thus the value of our investment in UHI and our reported results of operations, will be affected by the results of operations of UHI and Univision. The business, financial condition and results of operations of Univision could be materially and adversely affected by risks including, but not limited to: (i) inability or failure to service debt; (ii) cancellation, reductions or postponements of advertising; (iii) adverse global economic conditions; (iv) an increase in the preference among Hispanics for English-language programming on platforms other than those of Univision; (v) an increase in the cost of, and/or decrease in the supply, quality of and/or demand for, Univision's content; (vi) changes in the rules and regulations of the Federal Communications Commission, or the FCC, as well as other federal, state and local regulations; (vii) competitive pressures from other broadcasters, media distributors and other entertainment and news media; (viii) failure to retain the rights to popular programming, including sports programming; (ix) failure to renew existing carriage agreements or reach new carriage agreements with MVPDs; (x) possible strikes or other union job actions; (xi) the impact of new technologies; and (xii) failure to develop, produce or acquire content for, attract customers for and/or profitably commercialize a Spanish-language streaming platform.

The COVID-19 pandemic has had, and will continue to have, an adverse impact on Univision, due to, among other things, the negative impact on advertising trends and advertising revenue, suspension of sporting events and curtailment or suspension of other programming production to which Univision has broadcast rights, reductions or delays in the production of programming by Univision's partners, including the Company, and general COVID-19 related disruptions to business and operations. Due to the evolving and uncertain nature of developments related to the COVID-19 pandemic, we cannot estimate the impact on Univision's business, financial condition or near or longer-term financial or operational results with certainty.

In addition, following the completion of the 2021 Transaction, as described below under "Information on the Company—Business Overview—Univision—2021 Transaction Agreement", pursuant to which and subject to certain exceptions, our content business will be combined with UHI, UHI may not be able to successfully integrate our content business with its existing content business or realize the anticipated benefits of the 2021 Transaction. If the integration process takes longer than expected or is more costly than expected, existing business and operational relationships with customers, employees and other counterparties are not maintained, required change in control or anti-assignment consents and waivers are not obtained, or unforeseen expenses or liabilities arise, the anticipated benefits of the 2021 Transaction may not be realized fully or at all, or may take longer to realize than expected, and the value of our investment in UHI may decline.

There can be no assurance that the results of operations of UHI and its respective subsidiaries will be sufficient to maintain or increase the value of our investment in UHI, or that such results will not materially and adversely affect our business, financial condition and results of operations. In addition, no public market exists for UHI's shares, and such shares are subject to transfer restrictions, so there can be no assurance that we will be able to realize value from our investment in UHI at a time when it may be beneficial for us to do so, or at all. For a discussion of our investment in UHI, see "Information on the Company— Business Overview — Univision".

In addition, in order to facilitate the orderly integration of our content business and UHI's existing business, Messrs. Emilio Fernando Azcárraga Jean, Bernardo Gómez Martínez and Alfonso de Angoitia Noriega will participate in the management team of the Mexican content business of Televisa-Univision from and after the closing of the 2021 Transaction. These individuals will also continue in their current roles at the Company. As a result of these and other relationships between us and UHI, certain of our directors and officers will assume additional responsibilities and may have interests in the 2021 Transaction that are different from those of our shareholders and/or conflicts of interest between us and UHI may arise following the completion of the 2021 Transaction.

***The Pendency of the 2021 Transaction, Including Any Delays In Completing or Failure to Complete the 2021 Transaction, May Affect Our Results of Operations***

The closing of the 2021 Transaction is subject to closing conditions, as described below under "Information on the Company—Business Overview—Univision—2021 Transaction Agreement". The failure to obtain any required approvals or satisfy other conditions to closing at all or in a timely manner could result in a delay or uncertainty as to when or whether the 2021 Transaction will occur, which could lead to greater uncertainty for us and our employees, commercial counterparties and other stakeholders, could significantly reduce or delay achievement of the expected benefits of the 2021 Transaction and could have other negative effects. In addition, UHI will need to obtain debt and equity financing to complete the 2021 Transaction, for which it has obtained financing commitments, but which has not been obtained as of the date of this filing. We cannot provide assurance that all conditions to the 2021 Transaction will be satisfied or waived, or that UHI will be able to obtain the financing required to complete the 2021 Transaction, and therefore there can be no assurance that the 2021 Transaction will be consummated.

If the 2021 Transaction is not consummated, we would not realize the anticipated benefits of the 2021 Transaction and may be subject to additional risks, including that (i) the price of our CPOs and/or ADRs may decline, (ii) time and resources, financial or otherwise, committed by our management to the 2021 Transaction could otherwise have been devoted to pursuing other beneficial opportunities, and (iii) we may experience negative reactions from the financial markets or other commercial counterparties or employees.

We expect to incur certain nonrecurring costs in connection with the consummation of the 2021 Transaction, including separation, advisory, legal and other transaction costs. Many of these costs have already been incurred or will be incurred regardless of whether the 2021 Transaction is completed. Moreover, additional unanticipated costs may be incurred in connection with the 2021 Transaction. Although we expect that the realization of benefits related to the 2021 Transaction will offset such costs and expenses over time, no assurances can be made that this net benefit will be achieved in the near term, or at all.

In connection with the pendency of the 2021 Transaction, it is possible that some of our customers, suppliers, partners and other persons with whom we have a business relationship may delay or defer certain business decisions. In addition, completion of the 2021 Transaction may trigger change in control, anti-assignment or other provisions in certain agreements to which the Company is a party. These risks could negatively affect our business, financial condition and results of operations, as well as our share price, regardless of whether or when the 2021 Transaction is completed.

Under the terms of the 2021 Transaction Agreement, we are subject to certain restrictions, customary to these types of transactions, on the conduct of our content business prior to completing the 2021 Transaction, which restrictions may adversely affect our ability to execute certain of business strategies, including the ability in certain cases to acquire or dispose of assets, incur indebtedness or settle claims, in each case with respect to our content business. Such limitations could adversely affect our business, financial condition and results of operations, whether or not the 2021 Transaction is completed.

In addition, the amount of the cash consideration and the number of shares of UHI common and preferred stock that we will receive in the 2021 Transaction will not be adjusted to reflect developments after the date of the 2021 Transaction Agreement (other than customary adjustments relating to working capital and net indebtedness), and as a result, we will not receive additional consideration in the event that the value of content business increases, or the value of UHI's equity declines, during the pendency of the transaction. Each of these risks may be exacerbated by delays or other adverse developments with respect to the completion of the 2021 Transaction. For a discussion of the 2021 Transaction, see "Information on the Company—Business Overview—Univision—2021 Transaction Agreement".

***Following the 2021 Transaction, We Will Be A Less Diversified Company that is Focused On Our Cable, Sky and Other Businesses segments, which in Turn Will Have Significant Contractual Arrangements With UHI to Provide Content For Our Operations***

Upon completion of the 2021 Transaction, we will have less diversified revenue sources as a result of the combination of our content business with UHI, as a result of which our results of operations will be more reliant on our Cable, Sky and Other Businesses segments, which will increase our exposure to the risks of such businesses.

In addition, following the 2021 Transaction, our remaining businesses will have significant contractual arrangements with UHI to provide content for our Sky and Cable platforms. These contractual arrangements may not be as effective as direct ownership in providing us control over such content. For example, UHI could pursue a content development and production strategy that is different from the strategy we would have pursued or could breach its contractual arrangements with us or otherwise take actions that are detrimental to our interests. In addition, if any dispute relating to our contractual arrangements with UHI remain unresolved, we may have to enforce our rights under these contracts through litigation or other legal proceedings, which would be subject to uncertainties inherent in the legal system. As the composition of the businesses of Grupo Televisa will be different following the 2021 Transaction, the business, financial condition, and results of operations, as well as the market price of Grupo Televisa's CPOs and or ADRs will be affected by factors different from those affecting Grupo Televisa prior to the completion of the 2021 Transaction.

***We May Identify Material Weaknesses in Our Internal Controls Over Financial Reporting in the Future, and Any Future Material Weaknesses or Failure to Achieve an Effective System of Internal Controls, May Cause Us Not To Be Able to Report Our Financial Results Accurately. In Addition, the Trading Price of Our Securities May Be Adversely Affected by a Related Negative Market Reaction***

In connection with the preparation of our financial statements, we may identify material weaknesses (as defined under standards established by the Public Company Accounting Oversight Board) in our internal controls over financial reporting in the future. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

If any future material weaknesses occur, it could affect the accuracy of our reporting on the future results of operations and our ability to make our required filings with government authorities, including the SEC. Furthermore, our business and operating results and the price of our securities may be adversely affected by related negative market reactions. While we have no reason to believe there will be any future material weaknesses identified, we cannot be certain that in the future additional material weaknesses will not exist or otherwise be discovered.

***Changes in U.S. Tax Law Might Adversely Affect the Results of Operations of Our U.S. Subsidiaries and Joint Venture Entities***

On December 22, 2017, the United States enacted into law Public Law No. 115-97 (the "Tax Act"). The Tax Act introduced significant changes to U.S. federal income tax laws applicable to our U.S. subsidiaries, affiliates and joint venture entities including the reduction of the U.S. federal corporate income tax rate from a maximum rate of 35% to a flat rate of 21%, limitation of the tax deduction for interest expense, limitation of the tax deduction for net operating losses, enactment of an immediate deduction for certain new investments, repeal of the corporate alternative minimum tax, and modification or elimination of many business deductions and credits.

The Tax Act also imposes a new minimum tax called the Base Erosion and Anti-Abuse Tax (the "BEAT") on certain U.S. corporations. The BEAT is imposed on certain deductible amounts paid by a U.S. corporation that (i) has aggregate gross receipts of at least $1.5 billion over its three prior taxable years and (ii) is at least 25%-owned by a non-U.S. person (or otherwise related to a non-U.S. person in specified circumstances). The BEAT taxes "modified taxable income" of a U.S. corporation described above at a rate of 5% beginning in 2018, increasing to 10% in 2019 and 12.5% in 2026. In general, modified taxable income is calculated by adding back to the U.S. corporation's regular taxable income the amount of certain "base erosion tax benefits" with respect to payments to foreign affiliates, as well as the "base erosion percentage" of any net operating loss deductions. The BEAT applies only to the extent it exceeds the U.S. corporation's regular corporate income tax liability (determined without regard to certain tax credits). At present, we do not expect the BEAT to apply to our U.S. subsidiaries, affiliates and joint ventures, however, it is possible that the BEAT could apply in future years.

There is significant uncertainty regarding how these and other provisions of the Tax Act will be interpreted, and guidance in certain areas may not be forthcoming. Any changes to, clarifications of, or guidance under the Tax Act could add significant expense and have an adverse effect on the results of operations of our U.S. subsidiaries, affiliates and joint venture entities. Further, it is unclear how foreign governments and U.S. state and local jurisdictions will incorporate the U.S. federal income tax law changes and such jurisdictions may enact tax laws in response to the Tax Act that could result in further changes to global taxation and adversely affect our business, financial condition and results of operations.

**Risk Factors Related to Our Securities**

***Any Actions Stockholders May Wish to Bring Concerning Our Bylaws or the CPO Trust Must Be Brought in a Mexican Court***

Our bylaws provide that a stockholder must bring any legal actions concerning our bylaws in courts located in Mexico City. All parties to the trust agreement governing the CPOs, including the holders of CPOs, have agreed to submit any legal actions concerning the trust agreement only to Mexican courts.

***Non-Mexicans May Not Hold Series "A" Shares, Series "B" Shares or Series "D" Shares Directly and Must Have Them Held in a Trust at All Times***

Although, as a result of the Telecom Reform, the regulatory framework for foreign direct investment allows foreign investors to hold up to 100% of the equity interest of Mexican companies doing business in telecommunications and satellite communications, and up to 49% in the broadcasting sector, subject to reciprocity from the country of the ultimate investor. The trust governing the CPOs and our bylaws nevertheless restrict non-Mexicans from directly owning Series "A" Shares, Series "B" Shares or Series "D" Shares. Non-Mexicans may hold Series "A" Shares, Series "B" Shares or Series "D" Shares indirectly through the CPO Trust, which will control the voting of such shares. Under the terms of the CPO Trust, a non-Mexican holder of CPOs or GDSs may instruct the CPO Trustee to request that we issue and deliver certificates representing each of the shares underlying its CPOs so that the CPO Trustee may sell, to a third party entitled to hold the shares, all of these shares and deliver to the holder any proceeds derived from the sale.

***Non-Mexican Holders of Our Securities Forfeit Their Securities if They Invoke the Protection of Their Government***

Pursuant to Mexican law, our bylaws provide that non-Mexican holders of CPOs and GDSs may not ask their government to interpose a claim against the Mexican government regarding their rights as stockholders. If non-Mexican holders of CPOs and GDSs violate this provision of our bylaws, they will automatically forfeit the Series "A" Shares, Series "B" Shares, Series "L" Shares and Series "D" Shares underlying their CPOs and GDSs to the Mexican government.

***Non-Mexican Holders of Our Securities Have Limited Voting Rights***

In accordance with the bylaws and trust governing the CPOs of the Company, non-Mexican holders of CPOs or GDSs are not entitled to vote the Series "A" Shares, Series "B" Shares and Series "D" Shares underlying their securities. The Series "L" Shares underlying CPOs or GDSs, the only series of our Shares that can be voted by non-Mexican holders of CPOs or GDSs, have limited voting rights. These limited voting rights include the right to elect two directors and limited rights to vote on extraordinary corporate actions, including the delisting of the Series "L" Shares and other actions which are adverse to the holders of the Series "L" Shares. For a brief description of the circumstances under which holders of Series "L" Shares are entitled to vote, see "Additional Information — Bylaws — Voting Rights and Stockholders' Meetings".

***Our Antitakeover Protections May Deter Potential Acquirers and May Depress Our Stock Price***

Certain provisions of our bylaws could make it substantially more difficult for a third party to acquire control of us. These provisions in our bylaws may discourage certain types of transactions involving the acquisition of our securities. These provisions may also limit our stockholders' ability to approve transactions that may be in their best interests and discourage transactions in which our stockholders might otherwise receive a premium for their Shares over the then current market price and could possibly adversely affect the trading volume in our equity securities. As a result, these provisions may adversely affect the market price of our securities. Holders of our securities who acquire Shares in violation of these provisions will not be able to vote, or receive dividends, distributions or other rights in respect of these securities and would be obligated to pay us a penalty. For a description of these provisions, see "Additional Information — Bylaws — Antitakeover Protections".

***GDS Holders May Face Disadvantages When Attempting to Exercise Voting Rights as Compared to Other Holders of Our Securities***

In situations where we request that The Bank of New York Mellon, the depositary for the securities underlying the GDSs, ask GDS holders for voting instructions, the holders may instruct the depositary to exercise their voting rights, if any, pertaining to the deposited securities. The depositary will attempt, to the extent practical, to arrange to deliver voting materials to these holders. We cannot assure holders of GDSs that they will receive the voting materials in time to ensure that they can instruct the depositary how to vote the deposited securities underlying their GDSs, or that the depositary will be able to forward those instructions and the appropriate proxy request to the CPO Trustee in a timely manner. For stockholders' meetings, if the depositary does not receive voting instructions from holders of GDSs or does not forward such instructions and appropriate proxy request in a timely manner, if requested in writing from us, it will provide a proxy to a representative designated by us to exercise these voting rights. If no such written request is made by us, the depositary will not represent or vote, attempt to represent or vote any right that attaches to, or instruct the CPO Trustee to represent or vote, the shares underlying the CPOs in the relevant meeting and, as a result, the underlying shares will be voted in the manner described under "Additional Information — Bylaws — Voting Rights and Stockholders' Meetings — Holders of CPOs". For CPO Holders' meetings, if the depositary does not timely receive instructions from a Mexican or non-Mexican holder of GDSs as to the exercise of voting rights relating to the underlying CPOs in the relevant CPO holders' meeting, the depositary and the custodian will take such actions as are necessary to cause such CPOs to be counted for purposes of satisfying applicable quorum requirements and, unless we in our sole discretion have given prior written notice to the depositary and the custodian to the contrary, vote them in the same manner as the majority of the CPOs are voted at the relevant CPOs holders' meeting.

This means that holders of GDSs may not be able to exercise their right to vote and there may be nothing they can do if the deposited securities underlying their GDSs are not voted as they request.

***The Interests of Our GDS Holders Will Be Diluted if We Issue New Shares and These Holders Are Unable to Exercise Preemptive Rights for Cash***

Under Mexican law and our bylaws, our stockholders have preemptive rights with respect to capital increases. This means that in the event that we issue new Shares for cash, our stockholders will have a right to subscribe and pay the number of Shares of the same series necessary to maintain their existing ownership percentage in that series. U.S. holders of our GDSs cannot exercise their preemptive rights unless we register any newly issued Shares under the U.S. Securities Act of 1933, as amended, or the Securities Act, or qualify for an exemption from registration. If U.S. holders of GDSs cannot exercise their preemptive rights, the interests of these holders will be diluted in the event that we issue new Shares for cash. We intend to evaluate at the time of any offering of preemptive rights the costs and potential liabilities associated with registering any additional Shares. We cannot assure that we will register under the Securities Act any new Shares that we issue for cash. In addition, although the Deposit Agreement provides that the depositary may, after consultation with us, sell preemptive rights in Mexico or elsewhere outside the U.S. and distribute the proceeds to holders of GDSs, under current Mexican law these sales are not possible. See "Directors, Senior Management and Employees — Stock Purchase Plan and Long-Term Retention Plan" and "Additional Information — Bylaws — Preemptive Rights".

***The Protections Afforded to Minority Stockholders in Mexico Are Different from Those in the U.S.***

Under Mexican law, the protections afforded to minority stockholders are different from those in the U.S. In particular, the law concerning fiduciary duties of directors is not well developed, there is no procedure for class actions or stockholder derivative actions and there are different procedural requirements for bringing stockholder lawsuits. As a result, in practice, it may be more difficult for our minority stockholders to enforce their rights against us or our directors or major stockholders than it would be for stockholders of a U.S. company.

The *Ley del Mercado de Valores*, or the Mexican Securities Market Law, provides additional protection to minority stockholders, such as (i) providing stockholders of a public company representing 5% or more of the capital stock of the public company, an action for liability against the members and secretary of the Board and relevant management of the public company, and (ii) establishing additional responsibilities on the audit committee in all issues that have or may have an effect on minority stockholders and their interests in an issuer or its operations.

***It May Be Difficult to Enforce Civil Liabilities Against Us or Our Directors, Executive Officers and Controlling Persons***

We are organized under the laws of Mexico. Substantially all of our directors, executive officers and controlling persons reside outside the U.S., all or a significant portion of the assets of our directors, executive officers and controlling persons, and substantially all of our assets, are located outside of the U.S., and some of the parties named in this annual report also reside outside of the U.S. As a result, it may be difficult for you to effect service of process within the United States upon these persons or to enforce against them or us in U.S. courts judgments predicated upon the civil liability provisions of the federal securities laws of the U.S. We have been advised by our Mexican counsel, Mijares, Angoitia, Cortés y Fuentes, S.C., that there is doubt as to the enforceability, in original actions in Mexican courts, of liabilities predicated solely on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of U.S. federal securities laws.

## Item 4. Information on the Company

### History and Development of the Company

Grupo Televisa, S.A.B. was originally incorporated as a *sociedad anónima*, or limited liability corporation under the laws of Mexico in accordance with the *Ley General de Sociedades Mercantiles*, or Mexican Companies Law and later adopted the form of *sociedad anónima bursátil*, or limited liability stock corporation in accordance with the *Ley del Mercado de Valores*, or the Mexican Securities Market Law. It was incorporated under Public Deed Number 30,200, dated December 19, 1990, granted before Notary Public Number 73 of Mexico City, and registered with the Public Registry of Commerce in Mexico City on Commercial Page (*folio mercantil*) Number 142,164. Pursuant to the terms of our *estatutos sociales*, or bylaws, our corporate existence continues through 2106. Our principal executive offices are located in Mexico City at Avenida Vasco de Quiroga, No. 2000, Colonia Santa Fe, 01210 Ciudad de México, México. Our telephone number at that address is (52) (55) 5261-2000.

### Capital Expenditures

The table below sets forth our expected capital expenditures for the year ended December 31, 2021 and our actual capital expenditures, investments in joint ventures and associates, and acquisitions for the years ended December 31, 2020, 2019 and 2018.

| | Year Ended December 31,[1][2] | | | |
|---|---|---|---|---|
| | 2021 (Expected) | 2020 (Actual) | 2019 (Actual) | 2018 (Actual) |
| | (Millions of U.S. Dollars) | | | |
| Capital expenditures | U.S.$ 1,170.0 | U.S.$ 939.4 | U.S.$ 992.2 | U.S.$ 969.9 |
| GTAC[3] | 6.5 | 6.3 | 8.8 | 3.0 |
| Acquisition of assets of Axtel | — | — | — | 272.1 |
| Other acquisitions and investments[4] | — | 27.8 | — | 281.7 |
| Total capital expenditures and investments | U.S.$ 1,176.5 | U.S.$ 973.5 | U.S.$ 1,001.0 | U.S.$ 1,526.7 |

(1) Amounts in respect of some of the capital expenditures, investments and acquisitions we made in 2020, 2019 and 2018 were paid for in Pesos. These Peso amounts were translated into U.S. Dollars at the Interbank Rate in effect on the dates on which a given capital expenditure, investment or acquisition was made. See "Key Information — Selected Financial Data".

(2) See "Operating and Financial Review and Prospects — Results of Operations — Liquidity, Foreign Exchange and Capital Resources — Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity."

(3) See "— Business Overview — Our Operations—Cable", and "— Business Overview — Investments" for a discussion of GTAC, Cablecom, Telecable and TVI.

(4) In November 2018, we paid for the renewal of our broadcasting concessions in the aggregate cash equivalent amount of U.S.$281.7 million.

In 2020, 2019 and 2018, we relied on a combination of operating revenues, borrowings and net proceeds from dispositions to fund our capital expenditures, acquisitions and investments. We expect to fund our capital expenditures in 2021 and potential capital expenditures, investments and/or acquisitions going forward, which could be substantial in size, through a combination of cash from operations, cash on hand, equity securities, and/or the incurrence of debt, or a combination thereof.

For a more detailed description of our capital expenditures, investments and acquisitions in prior years, see "Operating and Financial Review and Prospects — Results of Operations — Liquidity, Foreign Exchange and Capital Resources — Liquidity" and "Operating and Financial Review and Prospects — Results of Operations — Liquidity, Foreign Exchange and Capital Resources — Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity".

**Business Overview**

The Company is a leading media company in the Spanish-speaking world, an important cable operator, an operator of a leading direct-to-home satellite pay television system and a broadband provider in Mexico.

The Company distributes the content it produces through several broadcast channels in Mexico and in over 70 countries through 27 pay-tv-brands, television networks, cable operators and over-the-top or "OTT" services.

In the United States, the Company's audiovisual content is distributed through Univision Communications Inc. ("Univision") a leading media company serving the Hispanic market. Univision broadcasts the Company's audiovisual content through multiple platforms in exchange for a royalty payment. In addition, the Company has equity representing approximately 36% on a fully-diluted basis of the equity capital in Univision Holdings, Inc., the controlling company of Univision.

The Company's cable business offers integrated services, including video, high-speed data and voice and mobile services to residential and commercial customers as well as managed services to domestic and international carriers.

The Company owns a majority interest in Sky, a leading direct-to-home satellite pay television system and broadband provider in Mexico, operating also in the Dominican Republic and Central America.

The Company also has interests in magazine publishing and distribution, professional sports and live entertainment, feature-film production and distribution, and gaming.

**Business Strategy**

We are a leading media company in the Spanish-speaking world, and we intend to continue expanding our business while maintaining profitability and financial discipline. We currently have a leading position in the Mexican television market and produce high quality programming.

We also have a DTH platform, Sky, and a Cable business, and we intend to strengthen our position in these businesses by continuing to make additional investments, which could be substantial in size.

In addition, we intend to continue to expand our business by developing new business initiatives and/or through business acquisitions and investments. However, we also continue to evaluate our portfolio of assets. In connection with the foregoing, on April 13, 2021, we entered into a definitive transaction agreement pursuant to which, subject to certain exceptions, our content business will be combined with UHI, creating a premier global Spanish-language media company to be called "Televisa-Univision." See "Information on the Company—Business Overview —Univision — 2021 Transaction Agreement" for a summary of the 2021 Transaction Agreement and the transactions contemplated thereby. The transaction is subject to customary closing conditions and is expected to be completed in 2021. Following the completion of the transaction, subject to certain exceptions, we will no longer own our content business and will own an additional equity interest in UHI.

***Maintaining Our Leading Position in the Mexican Television Market***

***Continuing to Produce High Quality Programming.*** We aim to continue producing the type of high quality television programming that in the past has propelled many of our programs to be among the most watched in Mexico. We have launched a number of initiatives in creative development, program scheduling and on-air promotion. These initiatives include improved production of our highly rated dramas, new comedy and game show formats and the development of reality shows and new series. We have improved our scheduling to be better aligned with viewer habits by demographic segment while improving viewer retention through more dynamic on-air graphics and pacing. We have enhanced tune-in promotion both in terms of creative content and strategic placement. We also plan to continue expanding and leveraging our Spanish-language video library, rights to soccer games and other events, as well as cultural, musical and show business productions. In addition, our strategic alliance with Telemundo allows us to broadcast more than 1,170 hours per year of Telemundo's original programming on Channel 9 and distribute Telemundo content in Mexico on an exclusive basis across multiple platforms including broadcast television, pay television and our emerging digital platforms.

***Maintaining High Operating Segment Income Margins.*** Our Content operating segment income margins for 2018, 2019 and 2020 were 37.9%, 36.1% and 37.9%, respectively. We aim to continue maintaining high operating segment income margins in our Content businesses by increasing revenues and controlling costs and expenses to the extent that we can without impacting the quality and appeal of our content.

***Continue Building Our Cable and DTH Platforms***

***Cable.*** We are a shareholder of several Mexican cable companies. For example:

- we own a controlling stake in Cablevisión, which operates in Mexico City and its metropolitan area, where it offers cable television, high speed internet and IP telephony services;
- we own TVI, which offers cable television, data and voice services in the metropolitan area of Monterrey and other areas of northern Mexico; it also offers specific data and voice services in the metropolitan area of Mexico City;
- we own Cablemás, which operates in approximately 105 cities in Mexico where it offers cable television, high speed internet and telephony services;
- we own Cablecom, which offers cable television, telephony, value added services and virtual networks to corporate customers around 15 states of Mexico;
- we own Telecable, a cable company that provides video, data and telephony (including mobile telephony services as a mobile virtual network operator) services in Mexico, primarily in the states of Guanajuato, Jalisco, Aguascalientes, Queretaro, Tamaulipas, Colima and Chiapas, among others; and
- since December 17, 2018, we own the residential fiber-to-the-home business, and related assets, acquired from Axtel in Mexico City, Zapopan, Monterrey, Aguascalientes, San Luis Potosi and Ciudad Juarez, through the acquisition of 100% of the equity interests of FTTH.

With a consolidated 6.3 million subscriber base and 15.8 million homes passed as of December 31, 2020, these companies are important service providers in Mexico. "Homes passed" refers to any residential homes or businesses that are connected to telecommunications systems, or those prepared to be connected to telecommunications systems but are not currently connected or require some type of investment in order to be connected. For instance, each apartment located in a building that is prepared to be connected to telecommunications systems represents one home passed. It is generally understood that a home or business counts as a home passed when it can be connected to a telecommunications network without additional extensions to the main transmission lines. Our cable strategy aims to increase our subscriber base, average monthly revenues per subscriber and penetration rate by:

- continuing to offer high quality programming;
- continuing to upgrade our existing cable network into a broadband or fiber-optic bidirectional network;
- aiming to provide digital services in order to stimulate new subscriptions, substantially reduce piracy and offer new value-added services;
- increasing the penetration of our high-speed internet access and other multimedia services as well as providing a platform to offer internet protocol, or IP, and telephony services;
- continuing the roll out of advanced digital set-top boxes which allow the transmission of high definition programming and recording capability, including OTT services;
- continuing to grow our mobile product, bundling it with our other services; and
- continuing to leverage our strengths and capabilities to develop new business opportunities and expand through additional investments and/or acquisitions, which can be substantial in size.

Our cable companies have introduced a variety of new services over the past years, such as interactive television and other enhanced program services, including high-speed internet access through cable modem and fiber-to-the-home, as well as IP telephony. In November 2014, we launched a unified commercial offer under the izzi brand for residential customers. Currently, izzi offers telecommunication services packages including unlimited telephony services, high-speed data access and pay-TV programming for residential customers and micro and small-sized enterprises. In June 2016, we launched "izzi TV", a new entertainment platform, which among other services, provides customers live channels, SVOD (Subscription Video on Demand), as well as access to all of the Company's content. Recently the bundle packages include access to Netflix and blim. izzi TV is available through the "izzi TV" set-top-box and through "izzi go", which is a TV Everywhere application for authenticated subscribers that enables users to access TV channels, movies and series on demand, compatible with iOS and Android platforms. izzi go also features remote control functions compatible with our izzi TV set-top-boxes, and allows subscribers to rent additional content through the application, all for a fixed price. For an additional cost, subscribers can choose from different add-ons to the "izzi TV" service, such as TVOD (Transactional Video on Demand) titles, HBO and Fox Premium, among others. In addition to the izzi brand, our cable companies also provide telecommunication services under the wizz and wizzplus brands in certain municipalities. In July 2018, our cable companies launched "afizzionados", our first proprietary sports channel dedicated to soccer, broadcasting selected sport content and exclusive matches. In November 2018, we launched "izzi flex" (wireless internet for homes) and "izzi pocket" (mobile internet), which offer speeds of 5 Mbps and up to 20 Mbps. In 2018 and 2019, we renewed our triple play product with packaging benefits of voice, broadband and video. In June 2020, we launched our mobile virtual network operator (MVNO) service, "izzi móvil", providing a mobile service for broadband subscribers, which offers calls, SMS and Gigabytes for a competitive price through a reseller agreement with Altan Redes, S.A.P.I. de C.V. ("Altan Redes"). We also provide mobile services through "Bestel móvil", which offers calls, SMS and Gigabytes according to the coverage area for enterprise, corporate, and government customers through a reseller agreement with Altan Redes and Radiomóvil Dipsa, S.A. de C.V. Likewise, we recently launched our new STB "izzi smart" that allow us to become one of the largest OTT aggregators in Mexico. It allows us to include in our offerings access to the main OTT platforms in the market and the possibility to bundle our pay-TV service with Netflix, Blim and Disney+, among others.

As of December 31, 2020, our cable companies had 4.3 million cable television, or video RGUs, 5.4 million broadband RGUs and 4.3 million IP telephone lines in service, or voice RGUs. In addition, we currently have 76,000 mobile service RGUs. The growth in our subscriber base has been driven primarily by the upgrade of our networks and the launch of competitive broadband offerings.

***DTH.*** We believe that Ku-band DTH satellite services offer an enhanced opportunity for expansion of pay television services into households seeking to upgrade reception of broadcasting signals and in areas not currently serviced by operators of cable or multi-channel, multi-point distribution services. We own a 58.7% interest in Innova, or Sky, our venture with DIRECTV. Innova is a DTH company with services in Mexico, Central America and the Dominican Republic with more than 7.4 million video subscribers, of which 3% were commercial subscribers as of December 31, 2020.

The key components of our DTH strategy include:

- offering high quality programming, including rights to our four over-the-air broadcast channels, exclusive broadcasts of sporting events, such as certain Mexican Soccer League matches, and the Spanish Soccer League, La Liga and La Copa del Rey, the Premier League, the Carabao Cup, the NFL Sunday Ticket, MLB Extra Innings, the NHL, several ice skating championships, marathons, Liga Arco Mexicana del Pacífico and Caribbean Series, UEFA Nations League and Bundesliga in Central America and exclusive matches in Mexico qualifying and friendly matches of the Brazilian national team, as well as special coverage of several women's soccer leagues such as the FA Women's Super League, the Frauen Bundesliga, the Women's Swedish Football League and Copa de la Reina;

- capitalizing on our relationship with DIRECTV and local operators in terms of technology, distribution networks, infrastructure and cross-promotional opportunities;

- capitalizing on the low penetration of pay-TV services in Mexico;

- providing superior digital Ku-band DTH satellite services and emphasizing customer service quality;

- providing aggressive HD offerings and continuously expanding our programming in HD; and

- providing single play broadband services as well as video-broadband bundles to complement our product offering.

***Continue Expanding the Portfolio of Channel Offerings in Mexico and Abroad***

***Network Subscription.*** Through our 27 pay-TV brands and 65 national and international feeds, we reached more than 42 million subscribers throughout Latin America, the Caribbean, the United States, Canada, Europe, Africa and Australia in 2020. Our pay-TV channels include, among others, three music channels, five movie channels, eight variety and entertainment channels, two sports channels and one news channel. All of our sports channels offer 24 hour a day programming 365 days a year. Popular channels include, among others, Distrito Comedia, TLNovelas, De Película and Golden.

***Transforming Our Publishing Business***

Despite the continuing challenges facing the industry, including the COVID-related global economic crisis, we continue to be among the leaders of the publishing business in Mexico and maintained a total approximate circulation of 11.7 million magazines during 2020. Editorial Televisa publishes 32 titles, with five wholly owned trademarks and 12 licensed trademarks from world renowned publishing houses, including Spanish language editions of some of the most prestigious brands in the world. During 2020, we rightsized our publishing business to focus our efforts on a multiplatform content generation model (print & digital) for our profitable brands.

***Increasing Our International Programming Sales Worldwide and Strengthening Our Position in the Growing U.S.-Hispanic Market***

We license our programs to television broadcasters and pay-TV providers in the United States, Latin America, Asia, Europe and Africa. Excluding the United States, in 2020, we licensed 74,209 hours of programming in over 70 countries throughout the world. We intend to continue exploring ways of expanding our international programming sales.

According to the "Annual Estimates of the Resident Population by Sex, Age, Race, and Hispanic Origin for the United States" issued by the U.S. Census Bureau, Population Division, the U.S.-Hispanic population is estimated to be 60.5 million, or approximately 18.4% of the U.S. population, and is currently one of the fastest growing segments in the U.S. population, with the growth among Hispanics responsible for over half of the U.S. population gains between 2010 and 2019. The U.S. Census Bureau projects that the Hispanic population will be approximately 21% of the U.S. population by the year 2030.

We intend to leverage our unique and exclusive content, media assets and long-term associations with others to benefit from the growing demand for entertainment among the U.S.-Hispanic population.

We supply television programming for the U.S.-Hispanic market through Univision, the leading Spanish-language content and media company in the United States. In exchange for this programming, during 2018, 2019 and 2020, Univision paid us U.S.$383.6 million, U.S.$389.1 million and U.S.$379.6 million respectively, in royalties. For a description of our arrangements with Univision, see "— Univision".

On April 13, 2021, we entered into a definitive transaction agreement with UHI, among others, in which, subject to certain exceptions, our content business will be combined with UHI, creating a premier global Spanish-language media company to be called "Televisa-Univision." See "Information on the Company—Business Overview —Univision" for a summary of the 2021 Transaction Agreement and the transactions contemplated thereby.

***Developing New Businesses and Expanding through Acquisitions***

We plan to continue leveraging our strengths and capabilities to develop new business opportunities and expand through acquisitions. We are constantly seeking investment opportunities that complement our business strategy. We may identify and evaluate opportunities for strategic acquisitions of complementary businesses, technologies or companies. We may also consider joint ventures, minority investments and other collaborative projects and investments. Any such acquisition or investment could be funded using cash on hand, our equity securities and/or the incurrence of debt, or a combination thereof.

Our recent acquisitions and investments include our acquisition on December 17, 2018 of the residential fiber-to-the-home business and related assets from Axtel in Mexico City, Zapopan, Monterrey, Aguascalientes, San Luis Potosi and Ciudad Juarez, through the acquisition of 100% of the equity interests of FTTH.

For a further discussion of some of our recent investments, see "— Investments".

We have grown our gaming business, which consists of casinos and an online gaming site. As of December 31, 2020, we had 18 casinos in operation, under the brand name "PlayCity". Due to the global pandemic, the casinos have opened and closed intermittently, following guidance from the relevant authorities. In accordance with our permit, we may open more casinos until May 2021. We plan to seek an extension of such period. In 2017, we launched our online sports betting site. The casinos and the online sports betting site are operated under the Gaming Permit obtained from the Mexican Ministry of the Interior, to establish, among other things, up to 45 casinos and number draws throughout Mexico.

Notwithstanding the foregoing, the Company continues to evaluate its portfolio of assets in order to determine if it should dispose select non-core operations.

***Expanding Our Business in the Mexican Telecommunications Markets by Taking Advantage of the Telecom Reform and Implementing Legislation***

Pursuant to the Telecom Reform (see "— Regulation — Telecom Reform and Broadcasting Regulations"), a "preponderant economic agent" (*agente económico preponderante*) in the telecommunications market means an economic agent that has, directly or indirectly, more than 50% of the national market share in telecommunications services, calculated based on the number of users, subscribers, network traffic or used capacity according to the data available to IFT. We are aware from the public records that, on March 7, 2014, IFT notified América Móvil, S.A.B. de C.V., or América Móvil, of a resolution which determined that América Móvil and its operating subsidiaries Radiomóvil Dipsa, S.A de C.V., or Telcel, and Teléfonos de México, S.A.B. de C.V., or Telmex, Teléfonos del Noreste, S.A. de C.V. or Telnor, as well as Grupo Carso, S.A.B. de C.V. and Grupo Financiero Inbursa, S.A.B. de C.V., are a preponderant economic agent in the telecommunications market, and imposed on them certain specific asymmetrical regulations which América Móvil reported publicly in the following areas:

- Interconnection: Regulation on interconnection, including the imposition of (a) asymmetric rates to be determined by IFT and (b) the implementation of an interconnection framework agreement (*convenio marco de interconexión*);

- Sharing of Infrastructure: Regulation on the access and use of passive infrastructure, including towers, sites, and ducts, at rates to be negotiated amongst the operators and, where agreement cannot be reached, to be determined by IFT using a methodology of long average incremental costs;

- Local Loop Unbundling: Regulation on local loop unbundling, including the imposition of rates to be determined by IFT using a methodology of long average incremental costs;

- Resale: Resale of wholesale voice, broadband and dual-play packages that replicate packages provided by the preponderant economic agent, at retail level, at rates to be negotiated among the operators and, where an agreement cannot be reached, to be determined by IFT using a methodology of retails minus;

- Indirect Access to the Local Loop: Regulation on the wholesale bitstream access to the preponderant economic agent's access network at rates to be negotiated among the operators and, where an agreement cannot be reached, to be determined by IFT using a methodology of retail minus;

- Wholesale Leased Lines: Regulation on wholesale leased lines for interconnection, local and domestic and international long distance, at rates to be negotiated among the operators and, where agreement cannot be reached, to be determined by IFT using a methodology of retail minus, except for leased lines for interconnection services where the methodology to be used for determining the applicable rates will be of long average incremental costs;

- Roaming: Regulation on the provision of wholesale roaming services, at rates to be negotiated amongst the operators and, where agreement cannot be reached, to be determined by IFT using a methodology of long average incremental costs;

- Elimination of National Roaming Charges: IFT has imposed the elimination of national roaming charges to the preponderant economic agent's subscribers;

- Mobile Virtual Network Operators: Regulation on wholesale access to mobile virtual operators to services provided by the preponderant economic agent to its subscribers, at rates to be negotiated among the operators and, where agreement cannot be reached, to be determined by IFT using a methodology of retail minus (for the reseller business model);

- Certain Obligations on the Provision of Services: Certain rates for the provision of telecommunications services to the subscribers of the preponderant economic agent shall be subject to rate control and/or authorization by IFT, by using a series of methodologies related to maximum prices and replicability. Also, a series of obligations relating to the sale of services and products, including the obligation to offer individually all services that are offered under a bundle scheme; limited exclusivity on handsets and tablets; and the obligation of eliminating the sim-lock on handsets;

- Content: IFT has issued the Relevant Content Ruling applicable for Preponderant Economic Agents, which contains a prohibition to acquire transmission rights for any territory within Mexico on an exclusive basis, relating to relevant content (*contenidos audiovisuales relevantes*), including without limitation national soccer play-offs (*liguilla*), FIFA world cup soccer finals and, any other event where high-audiences are expected at a national or regional level. The IFT may update the relevant content list every two years; and

- Information and Quality of Service Obligations: Several obligations related to information and quality of service, including the publication of a series of reference terms (*ofertas públicas de referencia*) of the wholesale and interconnection services subject of the asymmetric regulation imposed by IFT and accounting separation.

On March 8, 2017, IFT issued a resolution to the preponderant economic agent in the telecommunications market that modifies the asymmetrical regulations described above. The most relevant modifications are the following:

- Wholesale Leased Lines: the methodology to be used by IFT in case an agreement cannot be reached in wholesale leased lines for interconnection, local and domestic and international long distance, is limited to long average incremental costs;

- Functional separation: the preponderant economic agent in the telecommunications market will have to functionally separate the provision of wholesale services through the creation of a new legal entity and a wholesale division; which entity will solely and exclusively provide wholesale services related to access network elements, dedicated links and passive infrastructure, among other wholesale services;

The wholesale division within the existing companies will provide the other wholesale services subject to the aforementioned measures that are not provided by the newly created legal entity;

- Equivalence of Supplies and Inputs, Technical and Economic Replicability: The preponderant economic agent in the telecommunications market must guarantee the equivalence of inputs, the technical replicability of the services that it commercializes to its end users, and equal access to technical and commercial information;

- Fiber disaggregation Regulation on unbundling of P2P (point-to-point), fiber was added to the local loop unbundling regulation. Unbundling of passive optical networks (PON), is not considered under this service and remains accessible through the Indirect Access to the Local Loop service; and

- The preponderant economic agent in the telecommunications market must also guarantee the economic replicability of the services that it commercializes to its end users for which it will validate the economic replicability of the services "ex-post" based on the methodology, terms and conditions that the IFT determines.

According to public records, América Móvil and its operating subsidiaries, Telcel, Inbursa, Telmex and Telnor, filed *amparo* proceedings against IFT's original resolution. The courts issued a ruling confirming the constitutionality of IFT's resolution, with the exception of Telcel's proceeding that is pending before the Supreme Court.

In March 2018, América Móvil received a resolution from IFT determining the terms under which Telmex and Telnor shall, legally and functionally, separate the provision of wholesale regulated fixed services by incorporating new legal entities with their own corporate governance, independent from those of América Móvil's subsidiaries holding a concession, and by creating a wholesale business unit within Telmex and Telnor. Telmex and Telnor had two years to implement the separation ordered by the IFT. The resolution established a calendar for implementation and obligations to deliver periodic information to the IFT. In March 2020, the two-year period granted to the preponderant economic agent to implement the functional separation of Telmex and Telnor ended.

On December 2, 2020, IFT issued a resolution on its evaluation of the asymmetrical regulations imposed on Telmex, as preponderant economic agent in March 2014. Some of the most relevant modifications are: (i) the use of a long-run average incremental costs model to determine the local loop indirect access services rates, and that IFT may determine competitive geographic zones where such rates will be determined by Telmex; (ii) for dedicated-link leasing services, the IFT may determine competitive geographic zones where rates will be determined pursuant to a price cap methodology; and (iii) certain operative and informational modifications to the electronic management system. The resolution may be challenged by América Móvil.

The measures imposed on the preponderant economic agent, if properly implemented, will represent an opportunity for us to increase our coverage and product diversity, while reducing our costs and capital expenditures requirements as a result of the access to the network of the preponderant economic agent and the regulation of the terms and conditions, on competitive terms, of such access. Moreover, asymmetric regulations may create a beneficial economic and regulatory environment in the telephony and broadband markets and may further enhance our ability to compete in the telecommunications industry.

All of these measures, if properly implemented, could create a beneficial economic and regulatory environment, level the playing field for all participants in the telecommunications market and foster competition, representing an opportunity for the growth of our Sky and cable businesses; nevertheless, in the Company's view, the preponderant economic agent is not complying with its obligations under such measures and the Company has filed several complaints before IFT.

In August 2017, the Supreme Court of Justice of the Nation (SCJN) determined that the interconnection rate regime relating to mobile termination by the Preponderant Economic Agent in Telecommunications Network, which contained a limitation on the Preponderant Economic Agent's ability to charge for traffic termination in its mobile network, was unconstitutional. As a result, the SCJN ordered that the IFT issue a tariff. In November 2017, IFT resolved that the tariff for traffic termination in the mobile network of the Preponderant Economic Agent would be Ps.0.028562 per minute of interconnection from January 1, 2018 to December 31, 2018. In November 2018, the IFT determined that the tariff for traffic termination in the mobile network of the Preponderant Economic Agent would be Ps.0.028313 per minute of interconnection from January 1, 2019 to December 31, 2019. For 2020 and 2021, the IFT determined a lower tariff for traffic termination in the mobile network of the Preponderant Economic Agent being Ps.0.028313 and Ps.0.018489 per minute of interconnection, respectively.

In April 2018, the SCJN determined that the interconnection rate regime relating to fixed termination by the Preponderant Economic Agent in Telecommunications Network, which contained a limitation on the Preponderant Economic Agent's ability to charge for traffic termination in its fixed network, was unconstitutional. As a result, the SCJN ordered the IFT to issue a tariff for traffic termination in the fixed network of the Preponderant Economic Agent applicable from January 1 to December 31, 2019. In November 2018, the IFT determined that the tariff for traffic termination in the fixed network of the Preponderant Economic Agent will be Ps.0.003151 per minute of interconnection from January 1, 2019 to December 31, 2019. For 2020 and 2021, the tariff for traffic termination in the fixed network of the Preponderant Economic Agent will be Ps.0.003331 and Ps.0.002842 per minute of interconnection, respectively.

In January 2020, IFT imposed a fine on Telnor in the amount of Ps.1,311.8 million for a breach of the availability of information of certain passive infrastructure (post, duct) in the electronic management system (Sistema Electrónico de Gestión, or "SEG"), used to request wholesale services from Telnor.

Additionally, the Telecom Reform (1) permits 100% foreign ownership in satellite and telecommunications services and increases to up to 49% the level of permitted foreign ownership in television and radio services, subject to reciprocity of the originating foreign investment country, and (2) provides that the Mexican government will build a national network to facilitate effective access for the Mexican population to broadband and other telecommunications services. These amendments may provide opportunities for us to enter into joint ventures with foreign investors with proven international experience in these markets and also to work with the Mexican government in the development of this new network.

***Commitment to Sustainability***

As we strive to produce some of the best Spanish-language content globally and broadcast it through the most relevant platforms, and leverage on our extensive telecommunications infrastructure to provide entertainment and connect people, we focus on managing our environmental, social, and corporate governance (ESG) performance. We aim to develop a consistent, transparent, and comparable ESG reporting framework to inform our stakeholders. As part of that effort, we annually publish a comprehensive sustainability report pursuant to the Global Reporting Initiative (GRI) standards and also look to integrate incrementally other external standards, including the provisions of the Sustainability Accounting Standards Board (SASB) and the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD).

We acknowledge the importance of targeting climate change-related issues. For that reason, we are committed to reducing our environmental impact and greenhouse gas emissions through specific programs, training, and monitoring and reporting of emissions. We have also set ecological targets such as clean energy generation, energy consumption reduction, water consumption reduction, and greenhouse gases (GHG) emissions reduction. Our commitment to conserving natural capital is reflected in our Environmental Management Policy and Statement on Biodiversity and Environment, which acknowledges the importance of preserving and protecting ecosystems and biodiversity and reducing our environmental impact. To help protect Mexico's vast natural wealth and biodiversity, we (along with certain other Mexican companies and NGOs) established the Mexican Alliance for Biodiversity and Business to implement projects to promote conservation, sustainable use, and restoration. These targets align with public sector efforts, such as the UN Sustainable Development Goals.

Furthermore, we focus on our social performance. Growth of our employees is an important topic for us. We further enhance careers with training programs (ethics, anti-corruption, human rights, information security, and data protection), performance evaluations, and additional benefits. To help maintain the physical wellbeing of our employees, we manage, monitor and enhance key performance indicators, maintain policies, and conduct regular training and periodic audits on health and safety at work under the guidance of our Committee on Safety and Civil Protection and the Health and Safety Commission. We apply fair labor practices in our operations and adhere to best practices. We are committed to offering stable labor conditions to our employees by respecting their human and collective rights and providing a working environment that enables them to improve their performance and increase their engagement.

Additionally, we focus on achieving local community engagement through assessment and planning, to understand their potential, expectations, and needs. We create opportunities in education, culture, entrepreneurship, health, and environmental protection to improve communities and help build better and more sustainable societies through our social programs.

Sustainability and ESG-related risks are evaluated by our management on a regular basis. We embed sustainability at multiple levels of our business, with our Sustainability Coordination and Analysis Unit being responsible for ESG-related issues under the supervision of the Vice President of Investor Relations (who is responsible for advancing our ESG initiatives). Our Sustainability Committee (which is comprised of senior executives from different areas, such as Legal, Internal Audit, Human Resources, Risk Management and others) reviews and approves our sustainability strategy, monitors ESG initiatives, evaluates annual results and sets objectives aligned with our business strategy, programs for our growth, and sustainable development.

Our sustainability achievements result from a regular enhancement of policies and programs to improve corporate performance. During 2020, the Company's many sustainability efforts continued to be recognized globally. For example, the Company was selected for the 2020 Dow Jones Sustainability MILA Pacific Alliance Index and was one of only five Mexican companies selected for the DJS Emerging Markets Index. Also, the Company was included in three 2020 FTSE4Good Index Series: FTSE4Good Emerging Markets, FTSE4Good Emerging Latin America, and FTSE4Good BIVA.

Besides, the Company was selected as one of only five Mexican companies to be included in the 2020 Bloomberg Gender-Equality Index. Also, the Company was selected as a constituent of the ESG index, launched by S&P, Dow Jones and the Mexican Stock Exchange. Finally, the Company was confirmed as a signatory of the United Nations Global Compact, the world's largest corporate sustainability initiative.

In summary, we understand our sustainability strategy as a commitment to enhancing the lives of the communities we serve, and we believe by doing so, we will also contribute to our growth and success.

***Commitment to Social Responsibility***

In a challenging 2020, Fundación Televisa (or "Fundación") was committed to helping those most in need. We continued our existing programs, while we also developed new programs to respond to the COVID-19 pandemic. As a result, in 2020, we were able to impact the lives of 924,900 children and adults in both Mexico and the United States, investing (together with our allies) more than Ps.368.5 million.

Our innovative programs in education, culture, entrepreneurship, and environmental protection provide an empowering platform for hundreds of thousands of people to improve their lives, transform their communities, and build better and more sustainable societies. Our approach combines an effective leveraging of the Company's communication channels with state of the art digital tools, financial support and on-the-ground multidisciplinary teams.

We directly contributed to 11 of 17 of the United Nations Sustainable Development Goals.

In 2020, we managed to have more than 2.4 million of media impacts, reaching more than 51 million people with our messages. Some of those impacts related to safety measures regarding the COVID-19 pandemic, like staying at home and wearing safety masks campaigns, among others. At the same time, we helped more than 64 institutions and organizations through communication campaigns with television spaces.

We generated more than 1.5 million followers on social networks and more than 4 million people to our digital platforms.

Fundación programs work along different life stages. Empieza Temprano focuses on early childhood development by providing parents and families information and practical tips. To enhance the skills of K-12 students, Fundación has a civic values program called Valores. Cuantrix teaches computer science and coding. Technolochicas empowers young women through STEAM (Science, Technology, Engineering, Art and Mathematics) and Bécalos works to increase high-school and college completion while improving the student's employability. POSiBLE helps to expand high impact innovation-driven entrepreneurship through training, networking, resources, visibility and acceleration for high potential startups. In addition, Fundación's cultural and environmental programs cut across ages serving the general public in specific locations and more broadly through the digital and media space. Since 2020 was an atypical year, we adapted our programs and actions to the "new normal", using media and digital assets to be closer to our programs' recipients. Also, through our disaster relief program, we supported actions tailored to the COVID-19 pandemic.

Our numbers and recognitions include the following:

- We donated Ps.124.4 million to projects related to support hospitals, medical staff and vulnerable groups affected by the COVID-19 pandemic. This benefited more than 135,000 people with medical protection supplies, mechanical ventilators and food pantries, among other items and services. This effort was partnered with 16 other organizations.

- We had more than 40,000 students from public schools and 8,800 teachers and instructors, across Mexico, register in our Cuantrix platform to learn basic coding skills.

- We had more than 1,000 middle-school girls participate in Technolochicas STEAM activities in Mexico and the United States.

- We had 37,186 recipients of Bécalos scholarships, including 9,814 scholarships for students and teachers developing employability competencies, and 100 scholarships for students attending a program for talented youth. This year, Bécalos scholarships were particularly important for recipients, to be able to pay for internet connectivity. With these numbers, Bécalos reached a historic sum of 339,830 beneficiaries.

- We established a partnership with *Schmidt Futures and Rhodes Trust* to launch their RISE scholarship program in Mexico. This program provides a lifetime support to exceptional teenagers that want to change the world.

- We supported 18,210 entrepreneurs in developing their business models through our POSiBLE program.

- We participated with far-reaching communication campaigns, including teenage pregnancy prevention and also *Valores*, promoting civic values, and *Cero Violencia*, preventing domestic violence against women.

- We provided more than 51,360 parents with practical tips weekly via SMS and our digital newsletter through our Empieza Temprano program.

- We provided more than 37,345 recipients with new aid in health, nutrition, development, dwelling, and scholarships for the children of deceased medical staff that fought on the front lines of the pandemic.

- We launched “Cuarentena Fotográfica”, a visual arts cultural project which offered 14 digital tours on Facebook Live, through our photographic files, reaching more than 1.2 million attendees.

- We received the Caracol de Plata Award for the “Cabes tú, cabemos todos” a *Valores* program’s campaign. *Caracol de Plata* Awards recognize advertising messages to create awareness and finding solutions to social problems.

By responsibly leveraging media, talent, partnerships and financial assets, the efforts led by Fundación reflect the commitment of the Company to this particularly complex year and make a strategic contribution to building a more empowered, prosperous and democratic society where all people have a platform to succeed.

**Our Operations**

As of December 31, 2020, we classified our operations into four business segments: Cable, Sky, Content and Other Businesses. Through the third quarter of 2019, our recently disposed Radio Business was classified as part of the Other Businesses segment, and beginning in the fourth quarter of 2019, it was classified as held-for-sale operations in the business segment information until it was disposed in July 2020. In the third quarter of 2020, our former Radio business operations were classified as disposed operations in our business segment information.

***Cable***

***The Cable Television Industry in Mexico.*** Cable television offers multiple channels of entertainment, news and informational programs to subscribers who pay a monthly fee. These fees are based on the package of channels the subscribers receive. According to IFT, there were approximately 964 pay-TV concessions in Mexico, including 511 integrated sole concessions, as of the date of their report, serving approximately 18.4 million subscribers (including cable and DTH).

***Digital Cable Television Services.*** Our cable companies offer on-screen interactive programming guide with direct access to blim and Netflix through the "izzi TV" platform, video on demand, high definition channels as well as other services throughout Mexico. Along with their digital pay-TV service, our cable companies offer high speed internet and a competitive digital telephone service. Through their network, they are able to distribute high quality video content, new services, interactivity with video on demand, 1080i high definition, impulse and order pay-per-view, a-la-carte programming, among other products and services, with added value features and premium solutions for consumers, and telephony and internet. Likewise, our cable companies offer mobile applications such as "izzi go", which is a TV Everywhere application for authenticated subscribers through compatible PCs, iOS and Android platforms, that enables subscribers to access channels, movies and series on demand. "izzi go" also features remote control functionalities compatible with our "izzi TV" set-top-boxes, and allows subscribers to watch additional content through the application. In November 2020, izzi partnered with Disney+ to distribute the service both a la-carte and as a bundle in select triple play packages and with payment integration services for izzi customers.

***Revenues.*** Our cable companies generate revenues from their pay-TV, broadband and telephony services, from additional services such as video on demand, and from sales of advertising to local and national advertisers. Subscriber revenues come from monthly service and rental fees and, to a lesser extent, one-time installation fees.

***Cable Initiatives.*** Our cable companies plan to continue offering the following services to their subscribers:

- Enhanced programming services, including video on demand, subscription video on demand, high definition and bundled packages and OTT aggregation;
- Broadband internet services, including fixed/mobile solutions;
- IP telephony services; and
- Mobile services.

***Cablevisión.*** We own a 51% controlling stake in Cablevisión, one of the most important cable television operators in Mexico, which operates in Mexico City and its metropolitan area, where it offers cable television, high speed internet access and IP telephony services.

***TVI.*** In March 2016, we acquired the remaining 50% of the equity interest of TVI and its subsidiaries and as a result, TVI is a wholly-owned subsidiary of the Company. The transaction amounted to Ps.6,750 million, including the assumption of long-term liabilities in the aggregate amount of Ps.4,750.0 million, with maturities between 2017 and 2020, and a cash payment of Ps.2,000.0 million. TVI offers cable television, internet access, telephony services and bidirectional data transmission in the metropolitan area of Monterrey and other areas of northern Mexico.

***Cablemás.*** We own Cablemás, which operates in approximately 105 cities in Mexico where it offers cable television, high speed internet access and telephony services.

***Cablecom.*** On July 31, 2013, we invested Ps.7,000 million in convertible debt instruments, which in August 2014 we converted into 95% of the equity interest in Ares, the owner of 51% of the equity interest in Cablecom, a cable company that offers cable television, internet access and telephony services in Mexico. As part of the 2013 transaction, we also invested U.S.$195 million in a debt instrument issued by Ares. In August 2014, we acquired, pursuant to applicable regulations, the remaining 5% of the equity interest in Ares and the remaining 49% of the equity interest of Cablecom for an additional consideration of Ps.8,550 million, which consisted of the capitalization of the U.S. dollar debt instrument issued by Ares in the amount of Ps.2,642 million, and cash in the amount of Ps.5,908 million.

***Telecable.*** On January 8, 2015, through a series of transactions, we acquired 100% of the equity interest of Telecable for an aggregate consideration of Ps.10,002 million. Telecable is a cable company that provides cable television, internet access and telephony services in Mexico, primarily in the states of Guanajuato, Jalisco, Aguascalientes, Queretaro, Tamaulipas, and Colima, among others.

***Bestel.*** Currently, the Company indirectly holds 66.1% of the equity of Bestel (35.3% through Cablevisión and 30.8% through CVQ), which provides voice, data, and managed services to domestic and international carriers and to the enterprise, corporate, and government segments, cloud and other services in Mexico. Through Bestel (USA), Inc., Bestel provides cross-border services to U.S. carriers including internet protocol, or IP, transit, collocation, international private lines, virtual private networks, or VPNs, and voice services, as well as access to the Internet backbone via companies or carriers classified as "TIER 1" which are networks that can reach every other network on the internet without purchasing internet protocol address transit or paying settlements and "TIER 2" which are networks that peer with some networks, but purchase internet protocol address transit or pay settlements to reach at least some portion of the internet. Bestel operates approximately 32,000 kilometers of a fiber-optic network, including the fiber-optic network it owns. This fiber-optic network covers several important cities and economic regions in Mexico and has direct crossing of its network into San Antonio, Laredo, McAllen, El Paso and Dallas in Texas, Nogales in Arizona, Miami in Florida and San Diego and Los Angeles in California in the United States. This enables the Company to provide high capacity connectivity between the United States and Mexico.

***FTTH.*** On December 17, 2018, we acquired from Axtel its residential fiber-to-the-home business and related assets in Mexico City, Zapopan, Monterrey, Aguascalientes, San Luis Potosi and Ciudad Juarez, through our FTTH subsidiary. The acquired assets comprised 553,226 RGUs, consisting of 97,622 video, 227,802 broadband and 227,802 voice RGUs. The total value of the transaction amounts to Ps.4,713 million.

***Sky***

***Background.*** We operate "Sky", our DTH satellite venture in Mexico, Central America and the Dominican Republic, through Innova. We indirectly own 58.7% of this venture. The remaining 41.3% of Innova is owned by DIRECTV. For a description of capital contributions and loans we have made to Innova, see "Operating and Financial Review and Prospects — Results of Operations — Liquidity, Foreign Exchange and Capital Resources — Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity".

Innova's Social Part Holders Agreement provides that neither we nor News Corp. nor DIRECTV may directly or indirectly operate or acquire an interest in any business that operates a DTH satellite system in Mexico, Central America and the Dominican Republic (subject to limited exceptions).

As of December 31, 2018, 2019 and 2020, Innova's DTH satellite pay-TV service had 7,637,040, 7,429,351 and 7,477,294 gross active video subscribers, respectively. Innova primarily attributes its success to its superior programming content, its exclusive transmission of the largest coverage sporting events such as soccer tournaments and special events, its high quality customer service and its nationwide distribution network with approximately 763 points of sale. In addition to the above, Innova also attributes its success to VeTV, our low-end package in Mexico. Sky continues to offer the highest quality and exclusive content in the Mexican pay-TV industry. Its programming packages combine our over-the-air channels with other exclusive content.

During 2020, Sky offered exclusive content, which included certain Mexican Soccer League matches and the Spanish Soccer League, La Liga and La Copa del Rey, the Premier League, the Carabao Cup, the NFL Sunday Ticket, MLB Extra Innings, the NHL, several ice skating championships, marathons, Liga Arco Mexicana del Pacífico and Caribbean Series, UEFA Nations League and Bundesliga in Central America and some exclusive matches in Mexico, qualifying and friendly matches of the Brazilian national team, as well as special coverage of several women's soccer leagues, such as the FA Women's Super League, the Frauen Bundesliga, the Women's Swedish Football League and Copa de la Reina. In addition to new programming contracts, Sky continues to operate under arrangements with a number of third party programming providers to provide additional channels to its subscribers. Sky also has arrangements with the major programming studios and sports federations.

In 2020, the Sky HD Package comprised 161 channels, as well as ten additional channels for pay-per-view. We expect to continue broadening our HD offering in the coming years for which we may need additional transponder capacity.

As of December 31, 2020, the standard definition programming packages monthly fees for residential subscribers, net of a prompt payment discount if the subscriber pays within 12 days of the billing date, are the following: Basic Ps.159, Fun Ps.319, Fox+ Ps.494, HBO Ps.489, Universe Ps.724 and monthly fees for high definition programming packages are: Gold Ps.219, Platinum Ps.309 and Black Ps.704. Monthly fees for each programming package do not reflect a monthly rental fee in the amount of Ps.184 for standard definition, Ps.184 for Gold and Ps.214 for Platinum and Black packages for the decoder necessary to receive the service (or Ps.170 for standard definition, Ps.160 for Gold and Ps.200 for Platinum and Black packages if the subscriber pays within 12 days of the billing date) and a one-time activation fee which depends on the number of decoders and payment method. The monthly fees with respect to our prepaid programming package are the following: VeTV Ps.104, VeTV PLUS Ps.154 and the monthly rental fee for the decoder necessary to receive the service is Ps.120.

Sky devotes 10 pay-per-view channels to family entertainment and movies and four channels are devoted to adult entertainment. In addition, Sky assigns 15 extra channels exclusively for special events, known as Sky Events, which include concerts and sports. Sky provides some Sky Events at no additional cost while it sells others on a pay-per-view basis.

The installation fee is based on the number of set up boxes and the method of payment chosen by the subscriber. The monthly cost consists of a programming fee plus a rental fee for each additional box.

In 2018, Sky launched Fixed Wireless Broadband services under the brand name Blue Telecomm. Sky offers five, 10 or 20 mega single-play broadband services and five or 10 for video-broadband bundles. These services are limited to certain areas in Mexico. At the end of fiscal year 2020, Sky had 665,907 broadband customers.

***Programming.*** We are a major source of programming content for our DTH venture and have granted our DTH venture DTH satellite service broadcast rights to most of our existing and future program services (including pay-per-view services on DTH), subject to some pre-existing third party agreements and other exceptions and conditions. Through its relationships with us and DIRECTV, we expect that the DTH satellite service in Mexico will be able to continue to negotiate favorable terms for programming both with third parties in Mexico and with international suppliers from the United States, Europe and Latin America.

***Content***

***Television Industry in Mexico***

***General.*** There are 18 television stations operating in Mexico City and approximately 599 other television stations elsewhere in Mexico. Most of the stations outside of Mexico City rebroadcast programming originating from the Mexico City stations. We own and operate four of the 18 television stations in Mexico City, Channels 2, 4, 5 and 9. Some of these stations are affiliated with 207 repeater stations and 16 local stations outside of Mexico City. See "— Programming — Television Networks". Our major competitor, TV Azteca, owns and operates Channels 7 and 1 (formerly 13) in Mexico City, which we believe are affiliated with 177 stations outside of Mexico City. Likewise, TV Azteca owns the concession for Channel 40, or ADN 40, an ultra-high radioelectric frequency, or UHF, channel that broadcasts throughout the Mexico City metropolitan area, Grupo Imagen owns the concession for Channel 27 or Excelsior and Channel 29 or Cadena 3 or Imagen Television, Multimedios owns the concession for virtual Channel 6.1 and La Octava owns the concession for Channel 28 in Mexico City. The Mexican government currently operates seven stations in Mexico City, Channel 11 (IPN), which has 16 repeater stations, Channel 21, Channel 22, Channel 20 (TVUNAM), Channel 34, Channel 45 (Congress), Channel 30, an anchor station of Sistema Público de Radiodifusión del Estado Mexicano, which, we believe, has 25 repeater stations outside Mexico City, 25 stations (State Governments), and nine other university stations. There are 47 local television stations affiliated with Imagen Television, outside of Mexico City. There are also 41 independent stations which are unaffiliated with any other stations, 17 stations of Multimedios, 17 stations of Telsusa and two stations of La Octava outside of Mexico City. See "— Programming — Television Networks".

We estimate that approximately 31.8 million Mexican households have television sets, representing approximately 93.1% of all households in Mexico as of December 31, 2020. We believe that approximately 97.6 % of all households in Mexico City and the surrounding area have television sets.

***Programming***

***Programming We Produce.*** We produce a significant part of the Spanish-language television programming in the world. In 2018, 2019 and 2020, we produced approximately 83,712 hours, 88,370 hours and 86,891 respectively, of programming for broadcast on our network stations; including programming produced by our local stations, which represented 64.1%, 66.3% and 65.8% of our total hours produced in the same years, respectively. Programming and videos for broadcast on our pay-TV channels, through our cable operations and DTH satellite ventures, represented 22.1%, 20.6% and 21.5% of our total hours produced in 2018 and 2019 and 2020, respectively.

We produce a variety of programs, including dramas, newscasts, situation comedies, game shows, reality shows, children's programs, comedy and variety programs, musical and cultural events, movies and educational programming. Our dramas are broadcast either dubbed or subtitled in a variety of languages throughout the world.

Our programming also includes broadcasts of special events and sports events in Mexico promoted by us and others. Among the sports events that we broadcast are soccer games and professional wrestling matches. See "— Other Businesses — Sports and Show Business Promotions". In 2018, we broadcast the FIFA World Cup Russia 2018, the FIFA Women's World Cup Under 20 France 2018 and the FIFA Women's World Cup Under 17 Uruguay 2018. In 2019, we broadcast the FIFA Women's World Cup 2019, the FIFA U-20 World Cup 2019, the FIFA U-17 World Cup 2019 Draw, FIFA The Best Football Awards 2019, the FIFA U-17 World Cup 2019, the FIFA Beach Soccer World Cup 2019, the CONCACAF Gold Cup 2019, the CONMEBOL Copa America 2019 and the XVIII Pan American Games Lima 2019. In 2020, we broadcast the CONCACAF 2020 Women's Olympic Qualifiers, the 2020 Lausanne Olympic Youth Games, and friendly matches disputed by the Mexican National Soccer Team. We have secured the rights to broadcast the FIFA World Cup Qatar 2022 and the Canada, Mexico and USA 2026 World Cup and 2030 FIFA World Cup for Mexico and other territories in Latin America.

For 2020, we had secured the broadcasting rights of some CONCACAF minor events, but due to the ongoing COVID-19 global pandemic, CONCACAF decided to reschedule the events for 2021.

In October 2019, we secured from the International Olympic Committee ("IOC") the broadcasting rights for the Olympic Games to be held in Tokyo originally scheduled for July 2020. However, due to the ongoing COVID-19 global pandemic, the IOC decided to postpone the games to a later date, tentatively July 2021.

Our programming is produced primarily at our 32 studios in Mexico City. We also operate 23 fully equipped remote control units (OB Vans). Some of our local television stations also produce their own programming. These local stations operate 46 studios and 34 fully equipped remote control units. See " — Local Affiliates".

***Foreign-Produced Programming.*** We license and broadcast television programs produced by third parties outside Mexico. Most of this foreign programming is from the United States and includes television series, movies and sports events, including coverage of Major League Baseball games and National Football League games. Foreign-produced programming represented approximately 28.7%, 30.9% and 29.4% of the programming broadcast on our four television networks in 2018 2019 and 2020, respectively. A substantial majority of the foreign-produced programming aired on our networks was dubbed into Spanish and was aired on Channel 5, with the remaining aired on Channel 9.

***Talent Promotion.*** We operate Centro de Educación Artística, a school in Mexico City, to develop and train actors. We provide instruction free of charge, and a substantial number of the actors appearing on our programs have attended the school. We also promote writers and directors through a writers' school as well as various contests and scholarships.

***Television Networks.*** We operate three television networks that can be viewed throughout parts of Mexico depending on the schedules and programming on our affiliated television stations through Channels 2, 5 and 9 in Mexico City. The following table indicates the total number of operating television stations in Mexico affiliated with each of our three networks, as well as the total number of local affiliates, as of December 31, 2020.

| | Wholly Owned Mexico City Anchor Stations | Wholly Owned Affiliates | Majority Owned Affiliates | Minority Owned Affiliates | Independent Affiliates | Total Stations |
|---|---|---|---|---|---|---|
| Channel 2 | 1 | 124 | 2 | — | 1 | 128 |
| Channel 5 | 1 | 62 | — | — | 1 | 64 |
| Channel 9 | 1 | 17 | — | — | — | 18 |
| Subtotal | 3 | 203 | 2 | — | 2 | 210 |
| Local (Stations) Affiliates | — | 16 | — | — | — | 16 |
| Total | 3 | 219 | 2 | — | 2 | 226 |

***Channel 2 Network***. Channel 2, which is known as "*Las Estrellas*", or "The Stars", together with its affiliated stations, is the leading television network in Mexico and the leading Spanish-language television network in the world, as measured by the size of the audience capable of receiving its signal. Channel 2's programming is broadcast 24 hours a day, seven days a week, on 128 television stations located throughout parts of Mexico. The affiliate stations generally retransmit the programming and advertising transmitted to them by Channel 2 without interruption. Such stations are referred to as "repeater" stations. We estimate that the Channel 2 Network reaches approximately 31.1 million households, representing 98 % of the households with television sets in Mexico. The Channel 2 Network accounted for a majority of our national television advertising sales in each of 2018, 2019 and 2020.

The Channel 2 Network targets the average Spanish-speaking family as its audience. Its programs include dramas, news, entertainment, comedy and variety programs, movies, game shows, reality shows and sports. The dramas make up the bulk of the prime time lineup and consist of romantic dramas that unfold over the course of 70 to 120 half-hour episodes. Substantially all of Channel 2's programming is aired on a first-run basis and much of it is produced by us.

***Channel 5 Network.*** In addition to its anchor station, Channel 5 is affiliated with 63 repeater stations located throughout parts of Mexico. We estimate that the Channel 5 Network reaches approximately 28 million households, representing approximately 88.1% of households with television sets in Mexico. We believe that Channel 5 offers the best option to reach the 18-34 year old demographic, and we have extended its reach into this key group by offering new content. Channel 5 offers a combination of reality shows, national and international soccer, sitcoms, dramas, movies, cartoons and other children's programming. The majority of Channel 5's programs are produced outside of Mexico, primarily in the United States. Most of these programs are produced in English.

***Channel 9 Network.*** In addition to its anchor station, Channel 9 is affiliated with 17 repeater stations, approximately 50 % of which are located in central Mexico. We estimate that Channel 9 reaches approximately 17.9 million households, representing approximately 56.3% of households with television sets in Mexico.

The Channel 9 Network targets viewers 30 years and older. Its programs include movies, sports, sitcoms, game shows, dramas produced by third parties, news, an entertainment newscast and re-runs of popular programs from Channel 2.

***Channel 4.*** Channel 4 broadcasts in the Mexico City metropolitan area and to some other areas of the country through a network of repeater stations, and according to our estimates, reached over 23.4 million households in Mexico in 2020. As described above, as part of our plan to attract medium-sized and local Mexico City advertisers and some of the areas covered by the repeater stations, we focused the reach of this network throughout Mexico and revised the format of Channel 4 to create ForoTV in an effort to target viewers in those areas. We currently sell local advertising time on ForoTV to medium-sized and local advertisers at rates comparable to those charged for advertising on local, non-television media, such as radio, newspapers and billboards. However, by purchasing local advertising time on ForoTV, medium-sized and local advertisers are able to reach a wider audience than they would reach through local, non-television media.

ForoTV targets young adults between 30 and 40 years old, and adults more than 55 years old. Its programs consist primarily of journalist content, news, and round table programs in which the participants analyze the national and international news.

***Local Affiliates.*** There are currently 16 local television stations that we wholly own. These stations receive part of their programming from Channels 4 and 9. See "— Channel 4". The remaining programs aired consist primarily of programs licensed from our program library and locally produced programs. The locally produced programs include news, game shows, musicals and other cultural programs and programs offering professional advice. In 2018, 2019 and 2020, the local television stations owned by us produced 53,600 hours, 58,600 hours and 57,138 hours, respectively, of programming. Each of the local affiliates maintains its own sales department and sells advertising time during broadcasts of programs that it produces and/or licenses.

***Network Subscription.*** We produce or license a suite of Spanish and English-language television channels for pay-TV systems in Mexico, Latin America, the Caribbean, Europe, the United States, Canada, Africa and Australia. These channels include programming such as general entertainment, dramas, movies, news and music-related shows, interviews and videos. Some of the programming included in these channels is produced by us while other programming is acquired or commissioned from third parties. We commercialize 27 pay-TV brands through over 65 domestic and international feeds, which reach over 42 million subscribers worldwide, averaging seven networks per subscriber.

In 2018, 2019 and 2020, we produced approximately 18,500 hours, 18,100 hours and 18,179 hours, respectively, of programming and videos, for broadcast on our pay-TV channels. The names and brands of our channels include: Telehit, Telehit Música (formerly Telehit Urbano), Bandamax, De Película, Golden, Golden Edge, Golden Latinoamérica, Unicable TLNovelas, TLnovelas Inglés, TLN (Portugues), BitMe, Estrellas Latinoamérica, Estrellas Delay-2hrs, Estrellas Delay-1hr, Distrito Comedia, Adrenalina Sports Network, TUDN, and Unicable Latinoamérica (formerly Unicable Internacional).

***Licensing and Syndication.*** We license our programs and our rights to programs produced by other television broadcasters and pay-TV providers in the United States, Canada, Latin America, Asia, Europe and Africa. We collect licensing fees based on the size of the market for which the license is granted or on a percentage of the advertising sales generated from the programming. In addition to the programming licensed to Univision, we licensed 83,563 hours, 84,565 hours and 74,209 hours of programming in 2018, 2019 and 2020, respectively. See "Business Overview — Univision" and "Operating and Financial Review and Prospects — Results of Operations — Total Segment Results — Content". As of December 31, 2020, we had 278,422 half-hours of television programming in our library available for licensing.

***Expansion of Programming Reach.*** Our programs can be seen in the United States, Canada, Latin America, Asia, Europe, Africa and Australia. We intend to continue to expand our sales of Spanish-language programming internationally through pay-TV services.

***Televisa Digital.*** Televisa Digital is Mexico's leading creator of premium video content. The digital division consists of a collection of world-class online properties that deliver compelling content to diverse audiences across a network of websites, applications, OTT services, and third-party platforms. With our flagship site, Televisa.com, and the digital extensions of household brands such as Las Estrellas, Televisa News, Televisa Sports, Canal 5 and Televisa Networks, Televisa Digital is the hub for Mexico's most popular TV shows, live coverage, and premium original content. With unparalleled insights into audience behaviors and preferences across platforms, Televisa Digital is uniquely positioned to offer brand advertisers a premium advertising experience with content they trust.

In addition to its suite of owned and operated properties, the Company has a massive following on social media with 415 social accounts, combined followers of more than 280 million, and double-digit growth in video views. The Company has cultivated strong alliances with Facebook, Google, and most recently Amazon with the development of premium content series and innovative product partnerships that reach new and niche audiences. With the ability to tailor ads based on a user's demographics, interests and/or viewing behavior, the Company offers a brand-safe environment where advertisers can reach their target audience at scale.

We have license agreements to distribute Telemundo's original content on digital platforms in Mexico. As part of the agreements, Telemundo provides us with original content, including its highly popular dramas currently broadcast on our Channel 9 and on all of our digital platforms. The agreements complement and are part of the strategic alliance to distribute Telemundo's original content in Mexico across multiple platforms, including broadcast television, pay-TV and emerging digital platforms.

Televisa Digital has emerged as a top player in the advertising industry by offering its clients a curated slate of products ranging from traditional digital inventory to advanced programmatic solutions, targeted audience buying, TV extension video strategies, social media amplification and custom branded content development.

***OTT Platform***. In January 2014, we launched an over-the-top platform under the brand "VEO", which in February 2016 was relaunched as "blim" and recently renamed "blim tv". Blim tv is fully operated by Televisa, S.A. de C.V. and it provides a Subscription Video-On-Demand ("SVOD") service and TV Everywhere in Mexico, with an extensive catalogue of domestic and foreign entertainment (including a library of original productions, movies, series, documentaries, programs, dramas and children's content; and recently carrying 35 linear channels) and has been positioned as an important Spanish-language premium content provider in Mexico. Blim tv is accessible through a growing number of internet connected electronic devices. Blim tv service can be purchased on a monthly and weekly basis through recurring payment with credit card, debit card, prepaid gift cards and codes, payment aggregators, packaged subscriptions through carrier, IPSs and MSO billing and direct billing with other third parties' app stores. Blim tv is currently the fourth largest SVOD service provider in Mexico.

***Advertising Sales Plan.*** Our sales force is organized into separate teams, each of which focuses on groups of clients, in order to provide multi-platform offers that include free-to-air television, pay television, local stations and digital services. In 2018, we began billing our clients on a cost-per-rating-point basis rather than on a fixed pricing scheme. Most of our sales were made through "Modular 2.0" or "packages" that have a pre-determined allocation through national channels and dayparts through which we optimize the use of our inventory while committing to deliver certain amounts of gross rating points. The majority of our sales were made through these mechanisms.

This strategy remained largely unchanged in 2019.

In 2020, we began billing our clients on a cost-per-thousand-basis, rather than a cost-per-rating-point basis, while keeping the Modular 2.0 Strategy. In addition to this change, we also aligned prices and reduced the number of target audiences that could be requested by clients. In order to have additional time to explain these changes to advertisers, we also changed the closing period for the upfront option to the first quarter of 2020, instead of the end of 2019, as in previous years. As a result, it took us a longer time to close the up front negotiations and the advertising revenues for the first quarter of 2020 were also negatively impacted.

We sell commercial time in two ways: upfront and on a scatter basis. Advertisers that elected the upfront option locked in prices on a cost-per-rating-point basis in 2019 and in 2020 on a cost-per-thousand, or CPM, basis for most of our commercial inventory for the upcoming year, regardless of future price changes. Advertisers that choose the upfront option make annual prepayments, with cash or short-term notes, and are charged lower rates than those charged on a scatter basis for their commercial time, given the highest priority in schedule placement, and given a first option in advertising during special programs. Scatter advertisers, or advertisers who choose not to make upfront payments but rather advertise from time to time, risk both higher prices and limited access to choose commercial time slots. For a description of our advertising sales plan, see "Operating and Financial Review and Prospects — Results of Operations — Total Segment Results — Content — Advertising Rates and Sales".

We currently sell a significant portion of our available television advertising time. We use the remaining portion of our television advertising time primarily to satisfy our legal obligation to the Mexican government to provide up to 18 minutes per day of our broadcast time between 6:00 a.m. and midnight for public service announcements and 30 minutes per day for public programming (referred to in this annual report as Official Television Broadcast Time), and our remaining available television advertising time to promote, among other things, our products. See "Regulation — Television — Mexican Television Regulations — Government Broadcast Time". We sold approximately 46%, 55% and 42% of total available national advertising time on our networks during prime time broadcasts in 2018, 2019 and 2020, respectively, and approximately 38%, 49% and 40% of total available national advertising time during all time periods in 2018, 2019 and 2020, respectively. See "Operating and Financial Review and Prospects — Results of Operations — Total Segment Results — Content".

***Other Businesses***

***Publishing.*** Notwithstanding the challenges facing the publishing industry, we believe we have maintained our position as the most important publisher and distributor of magazines in Mexico, as measured by circulation.

With a total circulation of approximately 11.7 million copies in 2020, we publish 32 titles that are distributed in México. See "— Publishing Distribution". Our main publications in Mexico include *TV y Novelas*, a weekly entertainment and dramas magazine; *Vanidades*, a popular bi-weekly magazine for women; and *Caras*, a monthly leading lifestyle and socialite magazine.

We publish the Spanish-language edition of several magazines, including *Cosmopolitan*, *Harper's Bazaar* and *Esquire* through a joint venture with Hearst Communications, Inc.; and *Muy Interesante* pursuant to a license agreement with Zinet Media Global, S.L. We also publish a Spanish-language edition of *National Geographic* and *National Geographic Traveler* through a licensing agreement with National Geographic Partners, LLC. In addition, we publish several comics pursuant to license agreements with Marvel Brands LLC. and DC Comics.

Our digital advertising revenue increased from 18% of the total advertising revenue of the publishing business in 2019 to 26% in 2020.

***Publishing Distribution.*** We estimate that we distribute more than 50%, in terms of volume, of the magazines circulated in Mexico through our subsidiary, Distribuidora Intermex, S.A. de C.V., or Intermex. We believe that our distribution network, including independent distributors, reaches over 126 million Spanish-speaking people in Mexico. We also estimate that such distribution network reaches more than 7,705 points of sale in Mexico. In 2018, 2019 and 2020, 62%, 66% and 51% respectively, of the publications distributed by our company were published by our Publishing division. In addition, our distribution network sells a number of publications published by joint ventures and independent publishers, as well as sticker albums, books, novelties and other consumer products.

***Sports and Show Business Promotions.*** We actively promote a wide variety of sports events and cultural, musical and other entertainment productions in Mexico. Most of these events and productions are broadcast on our television stations, cable television system and DTH satellite services. See " Our Operations — Programming" "Our Operations — Cable — Digital Cable Television Services", and "Our Operations — Sky".

***Soccer.*** We own Club de Fútbol América S.A. de C.V., or Club América, which currently plays in the Mexican First Division and is one of the most popular and successful soccer teams in Mexico. In the Mexican First Division, each team plays two tournaments of 17 games per regular annual season. The best teams of each regular season engage in post-season championship play.

We own the Azteca Stadium, which has hosted two World Cup Inaugurations and Final Games (1970 and 1986). In 2016, the Azteca Stadium underwent major renovations, adding new premier zones (suites and club seats). The stadium currently has a total seating capacity of approximately 84,500 fans. The Azteca Stadium hosts the home games of Club América as well as the qualifying matches of the Mexican National Team. Also since the second half of 2018, the Azteca Stadium became host for the home games of the soccer team known as Cruz Azul, which also participates in the first division of the Professional Mexican Soccer League. In addition, the Azteca Stadium has been confirmed by FIFA to host soccer matches during the 2026 World Cup, which will be held in Canada, Mexico and the United States of America.

***National Football League.*** The Company entered into a contract with the National Football League, or the NFL, to host one regular season game each year beginning in 2016 through 2018. Due to field conditions, the 2018 NFL game was relocated to Los Angeles and postponed. It took place in 2019. The parties agreed for the stadium to host two regular season games in Mexico City during the 2020 and 2021 seasons, subject to certain conditions being met. Due to the COVID-19 pandemic, the game to take place in 2020 was postponed.

***Promotions.*** We promote a wide variety of concerts and other shows, including beauty pageants, song festivals and shows of popular Mexican and international artists. These are mostly done in relation to our content production and distribution businesses to promote our audiovisual properties.

***Feature Film Production and Distribution.*** We produce and co-produce first-run Spanish- and English-language feature films, some of which are among Mexico's top films based on box office receipts.

We distribute our films to movie theaters in Mexico, the United States and Latin America, and later release them for broadcast on video on demand, cable and network television; some of those films have been partially financed by us and are among the highest grossing Mexican films in Mexico, such as *No Manches Frida, Hazlo Como Hombre, 3 Idiotas, La Boda De Valentina, No Manches Frida 2, Mirreyes vs Godinez, Cindy la Regia* and the Spanish language film that broke audience and box office records in Mexico and the United States during its release year, *Instructions Not Included*, which became the second highest film in Mexico in terms of number of viewers. We distribute feature films produced by non-Mexican producers in Mexico. In 2018, 2019 and 2020, we distributed 22, 13 and nine feature films, respectively, including several U.S. box office hits.

At December 31, 2020, we owned or had rights to 474 Spanish-language theatrical films, 169 theatrical films in other languages, 25 Spanish-language video titles and 27 video titles in other languages. Many of these films and titles have been shown on our television networks, cable system, DTH and subscription video on demand services.

***Gaming Business.*** In 2006, we launched our gaming business, which consists of casinos and an online gaming site. As of December 31, 2020, we had 18 casinos in operation, under the brand name "PlayCity". Due to the global pandemic, the casinos have opened and closed intermittently, following guidance from the relevant authorities. In accordance with our permit, we may open new casinos until May 2021. We plan to seek an extension of such period. In 2017, we launched our online sports betting site. The casinos and our online sports betting site are operated under the Gaming Permit obtained from the Mexican Ministry of the Interior, to establish, among other things, up to 45 casinos and number draws throughout Mexico. During 2017, our management decided to begin an internal process to close Multijuegos, our lottery business, and in December 2017, we obtained an authorization from the Mexican Ministry of Interior, to suspend such business operations.

***Held-for-Sale Operations***

***Radio Stations.*** On July 2, 2020, we concluded the sale of our 50% equity participation in Sistema Radiópolis, S.A. de C.V., or Radiópolis. Such business was classified as a held-for-sale operation for accounting purposes until its disposal. Our participation in Radiópolis was operated under a joint venture with Promotora de Informaciones, S.A., or Grupo Prisa, a leading Spanish communications group.

**Investments**

***OCEN.*** We own a 40% stake in OCEN, a subsidiary of CIE, which owns all of the assets related to CIE's live entertainment business unit in Mexico. OCEN's business includes the production and promotion of a wide variety of live entertainment events such as concerts, theatrical, family and cultural events, as well as the operation of entertainment venues, the sale of entrance tickets (under an agreement with Ticketmaster Corporation), food, beverages and merchandising, and the booking and management of Latin artists. OCEN is ranked among the top five live show promoters in the world, according to Pollstar Magazine.

During 2018, 2019 and 2020, OCEN promoted 3,109, 3,490 and 565 events, respectively, and during 2020, it managed 12 entertainment venues in Mexico City, Guadalajara and Monterrey, providing an entertainment platform that established OCEN as one of the principal live entertainment companies in Mexico.

During 2020, 3.9 million entrance tickets were issued by OCEN's subsidiary Ticketmaster, compared to 19.6 million in 2019.

The significant drop in number of events and tickets issued during 2020 was due to the COVID-19 pandemic.

On July 24, 2019, we announced that Live Nation Entertainment, Inc. ("Live Nation") had agreed to purchase our unconsolidated 40% equity participation in OCEN. In consideration for the sale, we expected to receive Ps.5,206 million. Live Nation and the Company have an open dispute in connection with a purported unilateral termination of the stock purchase agreement by Live Nation, which was communicated to the Company in May 2020.

***Imagina.*** We owned equity participations equivalent to 19.05% of the capital stock of Imagina Media Audiovisual S.L., or Imagina, one of the main providers of content and audiovisual services for the media and entertainment industry in Spain. On June 26, 2018, we closed on the sale of our 19.05% stake in Imagina. From the total proceeds paid to us of approximately U.S.$341.0 million, 11% was retained in escrow. In December 2018, approximately U.S.$18.2 million (approximately 43% of the relevant amount) was released from escrow, plus an additional U.S.$1.7 million that were paid to Imagina's controlling shareholders as part of the agreement. In 2019, an additional U.S.$12.1 million was released. In 2020, an additional U.S.$2.9 million was released. By December 2020, approximately U.S.$2.6 million remained in escrow. The amount remaining in escrow will be released over time subject to customary terms and conditions under such escrow agreements.

***Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V.*** In March 2010, Telefónica, Editora Factum, S.A. de C.V., a wholly-owned subsidiary of the Company which was merged into CVQ in May 2015, and Megacable agreed to jointly participate, through a consortium known as Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V. ("GTAC"), in the public bid for a pair of dark fiber wires held by the CFE (Comisión Federal de Electricidad). In June 2010, the SCT granted GTAC a favorable award in the bidding process for a 20 year contract for the lease of up to 19,457 kilometers of dark fiber-optic capacity, along with a corresponding concession, granted in July 2010, to operate a public telecommunications network using DWDM technology. In June 2010, one of our subsidiaries entered into a long-term credit facility agreement to provide financing to GTAC in an amount up to Ps.688.2 million. Under the terms of this agreement, principal and interest are payable at dates agreed by the parties, between 2013 and 2021. In addition, a subsidiary of the Company entered into supplementary long-term loans to provide additional financing to GTAC for an aggregate principal amount of Ps.946.1 million. By the end of 2020, GTAC had in operation 180 links and 158 nationwide nodes, and the services for customers grew to 2,959, of which 91% have a capacity of 10 Gbps. The overall capacity per link is approximately 3.2 Tbps (80 optical channels x 10, 40 and 100 Gbps each channel). In addition, GTAC maintains four of its own routes (1,873 kilometers), three third-party dark fiber IRU (2,764 kilometers) and local loops (559 kilometers). This fiber-optic network represents for us an alternative to access data transportation services, increasing competition in the Mexican telecommunications market and therefore improving the quality of the services offered. The fiber-optic network aims to increase broadband internet access for businesses as well as households in Mexico.

We have investments in several other businesses. See Notes 3 and 10 to our consolidated year-end financial statements.

**Univision**

We have a number of arrangements with Univision, the leading Spanish-language content and media company in the United States that owns and operates the following: Univision Network, which is among the most-watched Spanish-language television networks in the United States; UniMás Network; Univision Cable Networks, including Galavisión and TUDN; 61 local television stations and 58 radio stations in major Hispanic markets across the United States, free AVOD streaming service PrendeTV; Univision Now; Univision.com; and Uforia, a music application featuring multimedia music content.

On December 20, 2010, Univision, we, UHI and other parties affiliated with the other investor groups that at the time owned a majority of the shares of UHI (the "Univision Sponsor Group") entered into various agreements and completed certain transactions as a result of which, among other things, we made a cash investment of U.S.$1,255 million in UHI (formerly known as BMP), in exchange for an initial 5% equity stake in UHI, and U.S.$1,125 million aggregate principal amount of 1.5% Convertible Debentures of UHI due 2025 which were convertible at our option into additional shares then equivalent to an approximately 30% equity stake of UHI. In connection with this investment, (i) we entered into an amended program license agreement, or PLA, with Univision, pursuant to which Univision has the exclusive right to broadcast certain of the Company's content in the United States, (ii) we entered into a new program license agreement with Univision, the Mexico License Agreement, or MLA, under which we have received the exclusive Spanish-language broadcast and digital rights to Univision's audiovisual programming (subject to certain exceptions) in Mexico during the term of the PLA, and (iii) three designees of the Company joined Univision's board of directors, which was later increased to four designees of the Company.

In December 2011, we made an additional investment of U.S.$49.1 million in cash in common stock of UHI by which we increased our equity interest in UHI from 5% to 7.1%. In August 2012, we made an additional investment of U.S.$22.5 million in cash in common stock of UHI by which we increased our equity interest in UHI from 7.1% to 8.0%. On January 30, 2014, a group of institutional investors made a capital contribution to UHI. As a result of this transaction, our equity stake in UHI decreased from 8.0% to 7.8%. In July 2015, we exchanged U.S.$1.125 billion principal amount of Univision's convertible debentures into warrants that were exercisable for certain classes of UHI's common stock. In connection with the conversion, Univision made a one-time payment to the Company of U.S.$135.1 million on July 15, 2015 to induce the conversion. In addition, on July 15 2015, we exercised 267,532 warrants to increase our common stock ownership from 7.8% to 10%.

Effective as of December 29, 2020, the Univision Sponsor Group that collectively owned a majority of the shares of UHI completed the sale of a majority of shares of UHI affiliates of Searchlight and ForgeLight. Liberty Global also acquired a minority preferred equity interest in UHI. In connection with those transactions, we retained all of our equity interests in UHI, and our commercial arrangements with UHI and Univision, including the PLA and MLA, remained in effect and unchanged. Also in connection with those transactions, we entered into new governance arrangements with the new shareholders with respect to UHI pursuant to which, among other things, three designees of the Company have remained on Univision's current nine-member board of directors. Also on December 29, 2020, we exercised all of our remaining warrants exercisable for UHI common stock in exchange for 4,590,953 shares of Class C common stock of UHI. As a result of the foregoing transactions, our equity ownership of UHI increased to approximately 36%.

***PLA and MLA***

Under the PLA, we have granted Univision exclusive Spanish-language broadcast and digital rights to our audiovisual programming (subject to certain exceptions) in the United States and all territories and possessions of the United States, including Puerto Rico, which includes the right to use our online, network and pay-television programming on Univision's current and future Spanish-language television networks (with certain exceptions), including the Univision, UniMás and Galavision cable television networks, owned or controlled by Univision and current and future Univision Spanish-language online and interactive platforms (such as PrendeTV, Univision Now, Univision.com and Video on Demand). Univision also has rights under the PLA to broadcast in the United States Mexican First Division soccer league games for which we own or control the United States rights, which began with select teams in 2011 and which expanded in 2015 to all teams to which we own or control United States rights. We have agreed to provide Univision with at least 8,531 hours of programming per year for the term of the PLA.

Under the MLA, we have the exclusive Spanish-language broadcast and digital rights to Univision's audiovisual programming (subject to certain exceptions) in Mexico during the term of the PLA.

On July 1, 2015, the Company, UHI and Univision, together with Univision's then major shareholders, entered into a Memorandum of Understanding (the "MOU") and Univision and a subsidiary of the Company entered into an amendment to the existing PLA (the "PLA Amendment"). Under the PLA Amendment, the terms of the existing strategic relationship between Univision and the Company were amended, including to revise the royalty computation. Under the computation as currently in effect, the royalty rate is 16.13%, and the Company receives an incremental 2% in royalty payments on Univision's Spanish-language media networks' revenues above a revenue base of U.S.$1.66 billion. In addition, given that Univision was unable to secure the broadcast rights in the United States for the World Cup in 2018, the royalty rate increased to 16.45% starting on June 1, 2018 and until the month prior to the next World Cup for which Univision is able to secure such rights, from 16.13%, compared to 16.54% under the previous terms of the PLA. With this second rate increase, the Company receives an incremental 2% in royalty payments above a reduced revenue base of U.S.$1.63 billion. The royalty base generally includes all Univision revenues from the exploitation or operation of its Spanish-language audiovisual platforms, sublicensing arrangements, licenses of content to network affiliates or multichannel video programming distributors, and Univision-branded online platforms, whether those revenues are derived on an advertising, subscription, distribution, interactive media, or transactional basis. At the time of the PLA Amendment, the Company and Univision amended the MLA to conform, in some aspects, to the PLA Amendment.

As part of the terms of the sale of a majority of the shares of UHI in 2020, the MOU was terminated. However, the PLA Amendment was not terminated and remains in effect.

Pursuant to the 2021 Transaction Agreement (as defined below), upon completion of the 2021 Transaction, the PLA and the MLA will be assigned to UHI, and we will no longer receive any royalties from Univision under the PLA.

***FCC Matters***

On January 3, 2017, the FCC (i) approved an increase in the authorized aggregate foreign ownership of Univision's issued and outstanding shares of common stock from 25% to 49%; and (ii) authorized the Company to hold up to 40% of the voting interests and 49% of the equity interests of Univision. Such authorization enabled the Company to increase its equity stake in Univision, which it did through the exercise of warrants in December 2020, as described earlier in this section under "— Univision". In addition, on December 23, 2020, the FCC approved the then-pending acquisition of a majority equity interest in UHI by affiliates of Searchlight and ForgeLight, subject to certain requirements, and authorized the foreign ownership of up to 100% of UHI's equity and voting interests.

***2021 Transaction Agreement***

As previously announced, on April 13, 2021, we entered into a definitive transaction agreement (the "2021 Transaction Agreement") with UHI and, for the limited purposes set forth therein, affiliates of Searchlight, ForgeLight and Liberty Global, pursuant to which, among other things, we will contribute our content business (other than certain assets relating to our news business, real estate and Mexican over-the-air broadcast concessions) to UHI. In consideration for the contribution of such business, we will receive U.S.$4.5 billion in a combination of cash (U.S.$3 billion) and U.S.$1.5 billion of common and preferred shares of UHI. In addition, we have entered into commercial arrangements with UHI pursuant to which we will receive additional consideration valued at approximately U.S.$300 million in the aggregate (all such transactions collectively, the "2021 Transaction"). The combined company following the closing of the 2021 Transaction will be called "Televisa-Univision." The cash consideration and expenses of UHI in the 2021 Transaction are expected to be financed by UHI through a new Series C preferred equity investment of U.S.$1 billion in the aggregate led by the SoftBank Latin American Fund, along with ForgeLight, with participation from Google and The Raine Group; and a debt commitment of U.S.$2.1 billion. In addition, following the completion of the 2021 Transaction, Televisa-Univision's news content production for Mexico will be outsourced from a company owned by the Azcárraga family, while Televisa-Univision will hold all assets, IP and library related to our news division.

The obligations of the parties to the 2021 Transaction Agreement to consummate the 2021 Transaction are subject to closing conditions, including, among others, (i) the authorization or non-objection of the Mexican Federal Antitrust Commission (*Comisión Federal de Competencia Económica*) and the Mexican Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones*) (the "IFT") under Mexican antitrust laws being obtained, (ii) the grant by the FCC of the applications, requests for waivers and petitions for declaratory ruling (if any) required to be filed with the FCC to obtain the approvals, waivers and declaratory rulings of the FCC pursuant to the applicable U.S. communications laws necessary to consummate the 2021 Transaction and such grant being in effect as issued by the FCC or extended by the FCC, (iii) the approval of the IFT under Mexican telecommunications laws being obtained, (iv) the approval or non-objection of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector being obtained (if filings with such committee are made in connection with the 2021 Transaction), (v) the authorization of the Mexican Foreign Investment Commission under Mexican foreign investment laws being obtained, (vi) the termination or expiration of any applicable waiting period or periods under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (vii) certain other approvals or consents from governmental entities being obtained, (viii) the approval of the 2021 Transaction by our shareholders being obtained, (ix) with respect to Grupo Televisa, subject to materiality qualifications, the accuracy of representations and warranties made by UHI and, with respect to UHI, subject to materiality qualifications, the accuracy of representations and warranties made by Grupo Televisa, (x) the absence of any court order or law preventing or declaring unlawful the consummation of the 2021 Transaction and (xi) the performance and compliance by us and UHI in all material respects of or with their respective obligations under the 2021 Transaction Agreement. The 2021 Transaction is expected to be completed in 2021, but there can be no assurance that it will be completed within such timeframe or at all.

Following the completion of the 2021 Transaction, our equity stake in UHI is expected to increase from approximately 36% to approximately 45%, and we will enter into new governance arrangements with the other shareholders of UHI, pursuant to which, among other things, we will be entitled to designate five of the 13 members of the Board of Directors of UHI, have at least proportionate membership on board committees and be afforded consent rights over certain matters. In addition, immediately following the closing of the 2021 Transaction, Messrs. Emilio Fernando Azcárraga Jean, Bernardo Gómez Martínez and Alfonso de Angoitia will participate in the management team of the Mexican content business of the combined Televisa-Univision for a transitional period.

The foregoing summary of the 2021 Transaction Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the 2021 Transaction Agreement, a copy of which has been filed as Exhibit 4.18 to this Form 20-F.

For additional information regarding our relationship with Univision, see Notes 9, 10, 14 and 20 to our consolidated year-end financial statements.

**Competition**

We compete with various forms of media, entertainment and telecommunications companies in Mexico, both Mexican and non-Mexican. See "Key Information — Risk Factors — Risk Factors Related to Our Business — We Face Competition in Each of Our Markets That We Expect Will Intensify".

***Cable***

Cablevisión, Cablemás, TVI, Cablecom, Telecable and FTTH face intense competition from several media, internet, OTT, cable, pay-TV and telecommunications companies throughout Mexico.

The telecommunications industry in Mexico has become highly competitive. New technologies and technical innovations have been implemented in the telecommunications sector, resulting in a significant increase in competition. We believe that there is a strong correlation between the increase in competition and the adoption of new technologies.

Our cable operators face intense competition in the Internet services market and in the fixed telephony services market from several service providers such as Totalplay and other cable companies, but also importantly from the preponderant economic agent in the telecommunications sector, which holds a significant market share, as well as other competitors in fixed-mobile solutions.

Our cable operators also face tough competition from other cable companies and from other pay-TV operators such as Dish Mexico, Total Play, Megacable, Sky and other cable operator companies. Recently, competition in this market has increased due to the growth of IPTV or OTT providers such as Netflix, Disney+, Claro Video and Prime Video (Amazon).

Our cable operators compete as well with other media with respect to advertising sales, including DTH, social media, outdoor advertising and publishing among others. The information technologies are changing and we expect will continue to change the consumption of advertising in the communications media.

***Sky***

Innova currently competes with, or expects to compete with, among others, cable television operators, MMDS systems, national broadcast networks (including our three free-to-air networks and Channel 4), regional and local broadcast stations, OTT content providers, internet video websites and other DTH concessions such as Dish Mexico, which as of the second quarter of 2020 had approximately 1.5 million subscribers, according to IFT. Currently, Dish Mexico offers not only low-priced packages, but also high-end products such as High Definition Packages. Innova also faces competition from: (a) unauthorized C-band and Ku-band television signals provided by third parties without authorization of the Mexican government; and (b) illegal streaming services that facilitate access to television channels and content through set up boxes and applications. Other competitors include radio, movie theaters, video rental stores, IPTV, video games and other entertainment sources. We also face significant competition from new entrants in pay-TV services as well as from the new public television networks. The consolidation in the entertainment and broadcast industries could further intensify competitive pressures. As the pay-TV market in Mexico matures, and as the offering of bundled services that include pay-TV, broadband and telephony increases, Innova expects to face competition from an increasing number of sources. Emerging technologies that provide new services to pay-TV customers as well as new competitors in the DTH field or cable, telecommunication and internet players entering into video services would require us to make significant capital expenditures in new technologies and additional transponder capacity.

In October 2008, Dish Mexico, a subsidiary of a U.S. based DTH company operating with certain arrangements with Telmex, started operations in Mexico through a DTH concession. Dish Mexico currently operates nationwide.

***Content***

Our television stations compete for advertising revenues and for the services of recognized talent and qualified personnel with other television stations (including the stations owned by TV Azteca and Imagen Television) in their markets, as well as with other advertising media, such as pay television networks, radio, newspapers, magazines, outdoor advertising, cable television and a multi-channel, multi-point distribution system, or MMDS, OTT content providers, internet websites and DTH satellite services. Our content also competes with other forms of entertainment and leisure time activities. We generally compete with 308 channels throughout Mexico, including the channels of our major competitor, TV Azteca, which owns and operates Channels 7 and 1 (formerly 13) in Mexico City, which we believe are affiliated with 177 stations outside of Mexico City. In addition, TV Azteca holds one concession title for Channel 40 or ADN 40.

In addition to the foregoing channels, there are additional operating channels in Mexico with which we also compete, including Channel 11, which has 15 repeater stations, and Channel 22, which has 25 repeater stations in Mexico, which are operated by the Mexican government, as well as Imagen Television that operates as a concession holder to broadcast on a national digital network. Our television stations are the leading television stations in their respective markets. See "— Our Operations — Programming — Television Networks".

We are a major supplier of Spanish-language programming in the United States and throughout the world. We face competition from other international producers of Spanish-language and English-language programming and other types of programming.

***Other Businesses***

***Publishing***

Each of our magazine publications competes for readership and advertising revenues with other magazines of a general character and with other forms of print and non-print media. Competition for advertising is based on circulation levels, reader demographics and advertising rates.

***Feature Film Production and Distribution***

Production and distribution of feature films is a highly competitive business in Mexico. The various producers compete for the services of recognized talent and for film rights to scripts and other literary property. We compete with other feature film producers, Mexican and non-Mexican, and distributors in the distribution of films in Mexico, the U.S. and in Latin America. See "— Other Businesses — Feature Film Production and Distribution". Our films also compete with other forms of entertainment and leisure time activities.

***Gaming Business***

Our principal competitors in the gaming industry are, with respect to casinos, Codere, Grupo Caliente, Grupo Cirsa, Grupo Logrand, and Palacio de los Números. We also face competition from several illegal casino and bingo parlors throughout Mexico.

**Regulation**

Our business, activities and investments are subject to various Mexican federal, state and local statutes, rules, regulations, policies and procedures, which are constantly subject to change and are affected by the actions of various Mexican federal, state and local governmental authorities. See "Key Information — Risk Factors — Risk Factors Related to Mexico — Imposition of Fines by Regulators and Other Authorities Could Adversely Affect Our Financial Condition and Results of Operations", "Key Information — Risk Factors — Risk Factors Related to Mexico — Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue" and "Key Information — Risk Factors — Risk Factors Related to Mexico — The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments". The material Mexican federal, state and local statutes, rules, regulations, policies and procedures to which our business, activities and investments are subject are summarized below. These summaries do not purport to be complete and should be read together with the full texts of the relevant statutes, rules, regulations, policies and procedures described therein.

***Cable***

***Concessions.*** Cable television operators apply for a concession from IFT in order to operate their networks and provide cable television services and other multimedia communications services. Applications are submitted to IFT and, after a formal review process, a concession is granted for an initial term of up to 30 years. Cablevisión obtained a telecommunications concession, which expires in 2029; in 2019 such concession became an integrated sole concession. Pursuant to its public telecommunications concession, Cablevisión can provide any telecommunication services in Mexico, including cable television, limited audio transmission services, bidirectional internet access and unlimited data transmission services in Mexico City and surrounding areas in the State of Mexico (*Estado de México*). The scope of Cablevisión's integrated sole concession is much broader than the scope of its former public telecommunications concession, which covered certain telecommunications services in Mexico City and its metropolitan area.

Cablemás operates under 62 concessions, which cover 20 Mexican states. Through these concessions, Cablemás provides cable television services, internet access and bidirectional data transmission services. Cablemás provides local and long distance telephony services. Each concession granted by the SCT and/or IFT allows Cablemás to install and operate a public telecommunications network. The expiration dates for Cablemás' concessions range from 2023 to 2046. Cablemás holds a concession title that allows it to provide any telecommunications service all around Mexico.

TVI operates under one integrated sole concession, which covers primarily six Mexican states. Through this concession, TVI provides cable television services, bidirectional data transmission and internet and telephony services. The integrated sole concession granted by IFT allows TVI to install and operate a public telecommunications network to provide any telecommunication and broadcasting services all around Mexico. TVI's concession will expire in 2045.

Cablecom and its affiliates operate under 25 concessions, which cover 15 Mexican states. Through these concessions, Cablecom provides cable television services, bidirectional data transmission and internet and telephony services. Each concession granted by the SCT or IFT allows Cablecom to install and operate a public telecommunications network. The expiration dates for Cablecom's concessions range from 2025 to 2045. Cablecom holds two concession titles that allows it to provide any telecommunications service all around Mexico.

Telecable operates under 32 concessions, which cover 10 Mexican states. Through these concessions, Telecable provides cable television services, bidirectional data transmission and internet and telephony services, as well as mobile telephony as a mobile virtual network operator (MVNO) in 29 Mexican States. Each concession granted by the SCT or IFT allows Telecable to install and operate a public telecommunications network. The expiration dates for Telecable's concessions range from 2022 to 2040. Telecable holds a concession title that allows it to provide any telecommunications service all around Mexico, which was extended by the IFT on December 16, 2020 for an additional 30 years, until December 26, 2056. The delivery of the concession title is pending.

FTTH operates under one concession, which covers six Mexican states. Through this concession, FTTH provides cable television services, bidirectional data transmission and internet and telephony services. This concession granted by IFT allows FTTH to install and operate a public telecommunications network. The expiration date for FTTH's concession is 2046. This concession title allows for the provision of any telecommunications service all around Mexico.

According to the LFTR, a public telecommunications concession may be renewed upon its expiration, or revoked or terminated prior to its expiration for a variety of circumstances, including:

- unauthorized interruption or termination of service;
- interference by the concessionaire with services provided by other operators;
- non-compliance with the terms and conditions of the public telecommunications concession (which has expressly established that failure to comply will result in the revocation of the concession);
- the concessionaire's refusal to interconnect with other operators;
- loss of the concessionaire's Mexican nationality;
- unauthorized assignment, transfer or encumbrance, in whole or in part, of the concession or any rights or assets;
- the liquidation or bankruptcy of the concessionaire; and
- ownership or control of the capital stock of the concessionaire by a foreign government.

In addition, IFT may establish under any public telecommunications concession further events which could result in revocation of the concession. Under current Mexican laws and regulations, upon the expiration or termination of a public telecommunications concession, the Mexican government has the right to purchase those assets of the concessionaire that are directly related to the concession, at market value.

Cable television operators are subject to the LFTR. Under current Mexican law, cable television operators are classified as public telecommunications networks, and must conduct their business in accordance with Mexican laws and regulations applicable to public telecommunications networks.

Under the applicable Mexican law, the Mexican government, through the SCT, may also temporarily seize or even expropriate all of a public telecommunications concessionaire's assets in the event of a natural disaster, war, significant public disturbance or threats to internal peace and for other reasons related to preserving public order or for economic reasons. The Mexican government is obligated by Mexican law to compensate the concessionaire, both for the value of the assets seized and related profits.

***Supervision of Operations.*** IFT regularly inspects the operations of cable systems and cable television operators must file periodic reports with IFT, and, as of 2020, publish, on their web pages, the average download speed of their internet services.

Under Mexican law, programming broadcast on cable networks is not subject to judicial or administrative censorship. However, this programming is subject to various regulations, including prohibitions on foul language, programming which is against good manners and customs or programming which is against the national security or against public order.

Mexican law also requires cable television operators to broadcast programming that promotes Mexican culture, although cable television operators are not required to broadcast a specified amount of this type of programming.

In addition to broadcasting programming that promotes Mexican culture, Mexican law also requires cable television operators to carry all air broadcast channels and *Señales de Instituciones Públicas Federales* or Public Federal Institutions Channels provided by the Mexican government according to the applicable regulations.

***Restrictions on Advertising.*** Mexican law restricts the type of advertising that may be broadcast on cable television. These restrictions are similar to those applicable to advertising broadcast on over-the-air Channels 2, 4, 5 and 9. See "— Regulation — Television — Mexican Television Regulations — Restrictions on Advertising".

***Forfeiture of Assets.*** Under Mexican regulations, at the end of the term of a public telecommunications concession, assets of concessionaires may be purchased by the Mexican government at market value.

***Non-Mexican Ownership of Public Telecommunications Networks***

Under current Mexican law, non-Mexicans may currently own up to 49%, subject to reciprocity by the relevant foreign country, of the outstanding voting stock of Mexican companies with a broadcast television or radio concession. However, non-Mexicans may currently own up to all of the outstanding voting stock of Mexican companies with a public telecommunications concession to provide cellular telephone, fixed-line telephone, pay-TV and data services.

***Application of Existing Regulatory Framework to Internet Access and IP Telephony Services***

Cablevisión, TVI, Cablecom, Telecable Cablemás and FTTH may be required, under Mexican law, to permit other concessionaires to connect their network to its network in a manner that enables its customers to choose the network by which the services are carried.

To the extent that a cable television operator has any available capacity on its network, as a public telecommunications network, Mexican law requires the operator to offer third party providers access to its network. Our cable operators currently do not have any capacity available on their networks to offer to third party providers and do not expect that they will have capacity available in the future given the broad range of services they plan to provide over their networks.

***Satellite Communications***

***Mexican Regulation of DTH Satellite Services.*** Under LFTR, concessions to broadcast DTH satellite services are for an initial term of up to 30 years, and are renewable for up to 30 years. We received a 30-year concession to operate DTH satellite services in Mexico utilizing SatMex satellites in May 1996. In November 2018, such concession transitioned into a unique concession which authorizes Sky to render the following services: DTH Pay TV; Private Satellite Link Services; and Fixed Telephony and Internet Access.

In November 2000, we received an additional 20-year concession to operate our DTH satellite service in Mexico using the IS-9 satellite system, a foreign-owned satellite system. Our use of the IS-16, IS-21 and SM-1 satellites has been authorized by the competent Mexican authorities. As of November 2020, due to modifications in the telecommunications legislation, such concession transitioned into a new 10-year authorization and, at the same time, we were granted a unique concession, thereby complementing our concession to continue providing the DTH service.

Like a public telecommunications network concession, a unique concession, as well as any other authorization, may be revoked or terminated by IFT prior to the end of its term in certain circumstances, which for a DTH concession include:

- The failure to use the concession within 180 days after it was granted;
- A declaration of bankruptcy of the concessionaire;
- Failure to comply with the obligations or conditions specified in the concession;
- Unlawful assignments of, or encumbrances on, the concession; or
- Failure to pay to the government the required fees.

At the termination of a concession, the Mexican government has the preemptive right to acquire the assets of a DTH satellite service concessionaire. In the event of a natural disaster, war, significant public disturbance or for reasons of public need or interest, the Mexican government may temporarily seize and expropriate all assets related to a concession, but must compensate the concessionaire for such seizure. The Mexican government may collect fees based on DTH satellite service revenues of a satellite concessionaire.

Under the LFTR, DTH satellite service concessionaires may freely set customer fees but must notify IFT of the amount, except that if a concessionaire has substantial market power, IFT may determine fees that may be charged by such concessionaire. The LFTR specifically prohibits cross-subsidies.

There is currently no limitation on the level of non-Mexican ownership of voting equity of DTH satellite system concessionaires.

***Regulation of DTH Satellite Services in Other Countries.*** Our current and proposed DTH ventures in other countries are and will be governed by laws, regulations and other restrictions of such countries, as well as treaties that such countries have entered into, regulating the delivery of communications signals to, or the uplink of signals from, such countries. In addition, the laws of some other countries establish restrictions on our ownership interest in some of these DTH ventures as well as restrictions on programming that may be broadcast by these DTH ventures.

***Television***

*Mexican Television Regulations*

***Concessions.*** The LFTR regulates, on a convergent basis, the use and exploitation of the radio-electric spectrum, and the telecommunications networks, as well as the rendering of broadcasting, cable, satellite pay-TV and telecommunications services.

Concessions for the commercial use of spectrum are granted through public bid processes. Such concessions are granted for a fixed term, subject to renewal in accordance with LFTR. Renewal of concessions for the use of spectrum require, among others: (i) to request such renewal to IFT in the year prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; (iii) a declaration by IFT that there is no public interest in recovering the spectrum granted under the related concession; and (iv) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT, including the payment of a related fee. To our knowledge, no spectrum granted for broadcasting services in Mexico has been recovered by the Mexican government in the past several years for public interest reasons, however, the Company is unable to predict any future action by IFT.

Pursuant to the Telecommunications and Broadcasting Federal Law, concessionaires will now only have one integrated sole concession to provide telecommunication and broadcasting services. Integrated sole concessions will be granted for a term of up to 30 years with the possibility to renew them, for the same term originally granted. Renewal of integrated sole concessions require, among others: (i) to request its renewal to IFT within the year prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; and (iii) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT. IFT shall resolve any request for renewal of the telecommunications concessions within 180 business days of its request. Failure by IFT to respond within such period of time shall be interpreted as if the request for renewal has been granted.

In May 2018, applications for the renewal of the Group´s 70 broadcasting concessions (comprising 225 TV stations), were timely filed under the LFTR and the terms set on the concessions, and as part of the renewal process, the Company regrouped its concessions to create (i) three concessionaires, each one specialized on broadcasting the National TV Networks of Las Estrellas, Canal 5 and Canal Nu9ve, respectively, and (ii) three concessionaires specialized on local TV content.

On November 6, 2018, IFT notified the Company the grant of the renewal of its concessions, the new conditions under which they will operate, as well as the relevant fee to be paid for such renewals.

On November 26, 2018, the Company timely accepted the new conditions for the renewal of the concessions and performed the payment of the relevant fee for a total amount of Ps.5,753 million, as a consequence, the IFT delivered to the Company (i) 23 concessions for the use of spectrum that comprise the Company 225 TV stations, for a term of 20 years, starting in January 2022, and ending in January 2042, and (ii) six concessions that grant the authorization to provide digital broadcasting television services of such 225 TV stations, for a term of 30 years, starting in January 2022 and ending in January 2052.

On March 7, 2014, IFT published in the Official Gazette of the Federation an invitation to a public auction for the concession for the two new National Digital Networks. The invitation provided that the concessions for the National Digital Networks would be granted for a term of 20 years for the operation of stations with, among other characteristics, mandatory geographic coverage in 123 locations corresponding to 246 channels within the Mexican territory.

The Company was prevented from participating as a bidder in the 2014 public auction. See "Key Information — Risk Factors Related to Mexico — The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments" and "Key Information — Risk Factors Related to Our Business — The Operation of Our Business May Be Adversely Affected if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions". In March 2015, IFT issued its ruling announcing Grupo Radio Centro and Imagen Television as winning bidders for two free to air broadcasting licenses with separate national coverage. Imagen Television has completed the process and received its license. However, since Grupo Radio Centro failed to pay the amount they bid for their free to air broadcasting license, the IFT's ruling announcing them as a winning bidder was declared null and void and they will not receive the license. As a result, the auction of the portion of the spectrum that was going to be assigned to Grupo Radio Centro took place during 2017. The new bid was for 148 channels for Digital Terrestrial Television, including at least 123 channels that were not allocated in the IFT-1 bidding process for the two national digital broadcast television networks. At the end of the process, offers were received for 32 channels located in 29 different coverage areas, located in 17 States and covering about 45 percent of the country's total population. The bidding process concluded in December 2017 with the issuance of the corresponding concession titles in favor of Compañía Periodística Sudcaliforniana, S.A. de C.V., Comunicación 2000, S.A. de C.V., Francisco de Jesús Aguirre Gómez, Intermedia de Chihuahua, S.A. de C.V., José Guadalupe Manuel Trejo García, Multimedios Televisión, S.A. de C.V., Quiero Media, S.A. de C.V., Radio Comunicación Gamar, S.A. de C.V., Radio Operadora Pegasso, S.A. de C.V., Radio-Televisión de Nayarit, S.A. de C.V., Tele Saltillo, S.A. de C.V., Televisión Digital, S.A. de C.V. and Telsusa Televisión México, S.A. de C.V. See "Key Information — Risk Factors — Risk Factors Related to Mexico — The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments".

None of our over-the-air television concessions has ever been revoked or otherwise terminated and, except for an immaterial concession to transmit an UHF restricted television service which expired in November 2010, all of our concessions have been renewed. See "Information on the Company — Business Overview — Regulation — Cable — Concessions".

We believe that we have operated our television concessions substantially in compliance with their terms and applicable Mexican law. If a concession is revoked or terminated, the concessionaire could be required to forfeit to the Mexican government all of its assets or the Mexican government could have the right to purchase all the concessionaire's assets. In our case, the assets of our licensee subsidiaries generally consist of transmitting facilities and antennas. See "Key Information — Risk Factors — Risk Factors Related to Our Business — The Operation of Our Business May Be Adversely Affected if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions".

As a result of the Telecom Reform, certain provisions of the LFTR and Guidelines related to the distribution of more than one channel of programming on the same transmission channel, or multiplexing, were passed. Such provisions optimize the use of the spectrum; for example, where the 6MHz spectrum was used entirely to broadcast only one channel of programming analog standard, now based on new technologies, more than one channel of programming digital standard on the same transmission channel can be broadcast. The Company, as a Preponderant Economic Agent has a restrictive obligation related to multiplexing. The IFT shall not authorize the Preponderant Economic Agent to broadcast channels in excess of 50% of the total channels authorized to other broadcasters in the same geographic coverage. The IFT has granted multiplexing authorizations to the Company: 35 authorizations for multiplexing the Channel 5 Network, 24 authorizations for multiplexing the Channel *Nu9ve Network*, two authorizations for multiplexing the Channel 2 Network, 23 authorizations for multiplexing Channel *Foro TV Network* and three authorizations for multiplexing the Channel CV Shopping and 65 authorizations for temporary transmissions of the Government Educational Channel "Aprendiendo en Casa 2", supporting the government measures for the COVID-19 pandemic. Further filings for new authorizations are still under evaluation.

***Supervision of Operations.*** To ensure that broadcasting is performed in accordance with the provisions established in the concession title, the LFTR and Guidelines, IFT is entitled to monitor compliance by exercising powers of supervision and verification: for example, the IFT can perform technical inspections of the television stations and the concessionaire must file annual reports with IFT.

On August 21, 2018, the Mexican Ministry of Interior published in the Official Gazette of the Federation an amendment to the regulations of broadcast television and pay-TV programming guidelines that provides for different age classifications for programming (the "Programming Guidelines Amendment"), which became effective on August 22, 2018, substituting in full force and effect the previous amendment published on February 15, 2017. The Programming Guidelines Amendment for broadcast television is as follows: (i) programs classified "D" extreme and adult only may broadcast after midnight to 5:00 am; (ii) programs classified "C" not suitable for people under the age of 18 may broadcast only after 9:00 p.m. to 5:59 am; (iii) programs classified "B15" for teenagers over 15 years old may be broadcast only after 7:00 p.m. to 5:59 am; (iv) programs classified "B" for teenagers may be broadcast only after 4:00 p.m. to 5:59 am; and (v) programs classified "A" and "AA" suitable for all age groups may be broadcast at any time. The same age classifications apply for pay-TV programming and the age classifications must be shown to the audience, but there are no applicable broadcasting time limitations.

On February 14, 2020, the Mexican Ministry of Interior published in the Official Gazette of the Federation an additional amendment to the Programming Guidelines, for which the only relevant change therein was to extend the display time for the Parental Advisory from 15 to 30 seconds.

***Content for Children and Teenagers.*** The LFTR includes new criteria for programming addressed for children and teenagers. Each concessionaire is also required to transmit each day, free of charge, up to 30 minutes of programming promoting cultural, educational, family counseling and other social matters, using programming provided by the Mexican government. Historically, the Mexican government has not used a significant portion of this time.

***Restrictions on Advertising.*** Mexican law regulates the type and content of advertising broadcast on television. In order to prevent the transmission of misleading advertising, without affecting freedom of expression and dissemination, the broadcasting of advertisements presented as journalistic news or information is prohibited. Under current law, advertisements of alcoholic beverages (other than beer and wine) may be broadcast only after 9:00 p.m. and advertisements for tobacco products are prohibited. Advertising for alcoholic beverages must not be excessive and must be combined with general promotions of nutrition and general hygiene. Health Law Guidelines were published in the Official Gazette of the Federation on April 15, 2014 and became effective on July 7, 2014, for the advertisement of the following products: snacks, flavored drinks, candies, chocolates, or foods similar to chocolates and became effective for the remaining products on January 1, 2015. See "Key Information — Risk Factors — Risk Factors Related to Mexico — The Amendments to the Regulations of the General Health Law on Advertising Could Materially Affect Our Business, Results of Operations and Financial Condition". Moreover, the Mexican government must approve any advertisement of lotteries and other sweepstakes games.

TV advertisement will not take up more than 18% of the broadcast time on any day in TV. However, this percentage can be increased by an additional 2% when at least 20% of the content programmed is national production. Another 5% of advertisement time can be added when at least 20% of the content programmed is independent national production. There are no restrictions on maximum rates. See "Key Information — Risk Factors — Risk Factors Related to Mexico — Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue", "— The Amendments to the Regulations of the General Health Law on Advertising Could Materially Affect Our Business, Results of Operations and Financial Situation" and "— The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments".

***Additional Rights for Audiences.*** Among others, the LFTR imposes new obligations on concessionaires. On November 29, 2016, IFT issued the Guidelines for the Defense of the Audiences, which were published on December 21, 2016, in the Federal Official Gazette. These guidelines and some related provisions of the LFTR were constitutionally challenged by the Executive Branch and the Senate particularly for concerns that they restrict freedom of speech. These procedures were dismissed by the Supreme Court of Justice by the entry into force of the reform of the LFTR published in the Official Gazette on October 31, 2017. The amendment to the LFTR includes among other things: (i) restricts the power of the IFT to regulate a large portion of the provisions established by the Guidelines for the Defense of the Audience; (ii) increases the ability of all broadcasting and telecommunications concessionaries to self-regulate themselves by granting them the ability to regulate their programming content and the way in which they decide to respect and promote the rights of the audiences through their code of ethics without being subject to IFT's approval; (iii) removes the obligation to make sure that, when broadcasting news, the reporting of factual material is clearly distinguished from commentaries and personal analysis; and (iv) makes clear that the appointment of an Ombudsman is not subject to special specifications and procedures set by IFT. As a result, the legal provisions that are contrary to this amendment were repealed.

***Government Broadcast Time.*** Television stations have to provide to the Mexican government up to 18 minutes per day of the television broadcast time between 6:00 a.m. and midnight, in each case distributed in an equitable and proportionate manner. Any time not used by the Mexican government on any day is forfeited. Generally, the Mexican government uses all or substantially all of the broadcast time available to it under this tax.

In April 2020, the President of Mexico issued a decree amending the rules on government broadcast time starting on May 2020. For the periods where no electoral pre-campaigns and campaigns are in place, television stations will have to provide to the Mexican government up to 11 minutes per day of television broadcast time between 6:00 am and midnight, in each case distributed in a proportionate manner. Another significant difference is that under the terms of the prior rules the unused minutes by the government were forfeited and could be used by the broadcasters, while in the new decree, the Secretaría de Gobernación, or Mexican Ministry of Interior, may reassign the unused minutes for the use by the Mexican government for an indefinite term.

***Foreign Ownership.*** Non-Mexican ownership of shares of Mexican enterprises is restricted in some economic sectors, including broadcast television, and radio. As a result of the Telecom Reform, the participation of foreign investors can be up to 49% in free to air radio and television, subject to reciprocity requirements, and up to 100% in telecommunications services and satellite communications. Such amendments are reflected in the LFTR and Mexico's Ley de Inversión Extranjera, or Foreign Investment Law, and the Reglamento de la Ley de Inversión Extranjera y del Registro Nacional de Inversiones Extranjeras, or the Regulation of the Foreign Investment Law and the Foreign Investment National Registry. See "— Satellite Communications — Mexican Regulation of DTH Satellite Services".

***Mexican Gaming Regulations***

Pursuant to Mexico's *Ley Federal de Juegos y Sorteos*, or Federal Law of Games and Draws, or Gaming Law, and its accompanying regulations, the *Reglamento de la Ley Federal de Juegos y Sorteos*, or Gaming Regulations, the Mexican Ministry of the Interior has the authority to permit the operation of games and lotteries that involve betting. This administrative authorization is defined as a permit under the Gaming Regulations. Under the Gaming Regulations, each permit establishes the terms and conditions for the operation of the respective activities authorized under the permit and the specific periods for operation of those activities. Permits for games and lotteries that involve betting have a maximum term of 25 years. The holder of the relevant permit must comply with all the terms provided in the permit, the Gaming Law and the Gaming Regulations. We were granted a Gaming Permit on May 25, 2005, which expires on May 24, 2030.

***Mexican Antitrust Law***

The Federal Antitrust Law became effective on July 7, 2014. It should be noted that IFT is entitled to review antitrust matters related to the telecommunications and broadcasting sectors, while the COFECE is in charge of all other antitrust matters. IFT or COFECE must authorize mergers and acquisitions before they take place. In addition, one of the thresholds was modified to only apply to sales or assets of economic agents in Mexico and not worldwide economic agents.

The Antitrust Law provides that the following reportable transactions, among others, are exempt from being reviewed by IFT or COFECE:

(i) Corporate restructurings.

(ii) Transactions where the acquirer has control over the target from its incorporation or from the date the last reported transaction was approved by IFT or COFECE.

(iii) Trusts in which the trustor contributes assets without intending to transfer, or causing the actual transfer of, assets to another company that is not part of the corporate structure of the trustor.

(iv) Transactions that have effect in Mexico involving non-Mexican participants, if the participants will not take control of Mexican legal entities, or acquire assets in Mexico, in addition to those previously controlled or owned by such participants.

(v) When the acquirer is a Brokerage House, whose operation involves the acquisition of stock, obligations, securities or assets, in order to place them among the investing public, except when the Brokerage House obtains a significant influence in the decisions of the company.

(vi) Acquisitions of equity securities (or convertible securities) through stock markets that represent less than 10% of such securities, and the acquirer is not entitled to: (w) appoint board members; (x) control a shareholders meeting decision; (y) vote more than 10% of voting rights of the issuer; or (z) direct or influence the management, operation, strategy or principal policies of the issuer.

(vii) When the acquisition of stock, assets, obligations or securities is made by one or more investment funds with speculative purposes that have no investments in companies or assets that participate or are occupied in the same relevant market of the acquired company.

According to transitory Article 9 of the LFTR, as long as there is a Preponderant Economic Agent in the telecommunications and broadcasting sectors, in order to promote competition and develop viable competitors in the future, it is not required to obtain IFT approval of mergers and acquisitions carried out by concession holders when the following requirements are met:

(a) The transaction reduces the Dominance Index in the sector and the Hirschman-Herfindahl Index does not increase by more than 200 points.

(b) As a result of the transaction, the economic agent involved has a sector share percentage of less than 20%.

(c) The Preponderant Economic Agent of the sector in which the transaction is taking place is not involved in the transaction.

(d) The transaction does not effectively diminish, harm or hinder the free competition and concurrency in the applicable sector.

Notwithstanding the above, concession holders involved in the transaction shall inform IFT of the transaction within ten days following the completion of the transaction and IFT will then have 90 calendar days to investigate the transaction and in case it determines the existence of substantial market power in the relevant market, it may impose the necessary measures to protect and encourage free competition and concurrency in such market.

As part of our expansion of our cable business, on December 17, 2018, we acquired FTTH under the provisions set forth in transitory Article 9 of LFTR. On May 8, 2019, the IFT launched an investigation to analyze if, as a result of the transaction, the Company acquired substantial power in the market of telecommunications networks providing voice, data or video services. On September 4, 2019, the IFT Investigative Authority issued a preliminary opinion, whereby it assessed that there were elements to determine that the Company had substantial power in 35 relevant markets of the telecommunications networks that provide restricted television and audio services. Those relevant markets comprise 35 municipalities in the following States: Aguascalientes, Chihuahua, Ciudad de México, Estado de México, Jalisco, Nuevo León and San Luis Potosí. As a response to the preliminary opinion, the Company presented its position and provided evidence to prove that the Company does not hold substantial power in the relevant markets established in the preliminary opinion. On November 26, 2020, the IFT notified the Company of the final resolution confirming the existence of substantial power in the 35 relevant markets of restricted television and audio services. Consequently, on December 17, 2020, the Company filed three *amparos* challenging the constitutionality of the resolution, which are now under review by the competent court. However, we are unable to predict the outcome of these procedures. Some of the consequences derived from the determination of substantial market power, are applicable as a matter of law and others may be imposed by IFT in a new procedure in accordance with the LFTR; these may consist of: (i) the obligation to obtain IFT's approval and to register the rates for our services; (ii) to inform the IFT in case of the adoption of new technology or modifications to the network; (iii) the agent with substantial power may not be entitled to the benefits of some rules of the "must carry" and "must offer" provisions; and (iv) the implementation of accounting separation.

Other relevant provisions provided in the Antitrust Law, are the following:

a) Granting the *Autoridad Investigadora*, or Prosecutor Authority, authority to investigate the commission of monopolistic practices, forbidden mergers, barriers to competition, essential facilities or substantial market power.

b) Enhancement of the legal power of the authorities for conducting its investigations (such as requesting written evidence and testimonies and performing verification visits).

c) Significantly increased monetary fines for the commission of illegal conduct.

d) IFT or COFECE, as applicable, may determine the existence of essential facilities when the following conditions are met: (i) one or several economic agents with substantial market power control a good; (ii) the reproduction of such good by other economic agents is unviable, now or in the future, due to technical, legal or economic reasons; (iii) the good is indispensable for the provision of other goods or services in other markets and does not have close substitutes.

e) IFT or COFECE, as applicable, may determine the existence of barriers to competition and free markets, when an element is found that either: (i) hinders the access of new entrants; (ii) limits competition; or (iii) hinders or distorts competition and the free market process.

f) The resolutions issued by IFT or COFECE, as applicable, can only be challenged by an *amparo* claim, which will be ruled by the Antitrust, Telecommunications and Broadcasting federal courts, without any judicial stay that can suspend the execution of the resolution.

The above mentioned provisions may significantly and adversely affect our business, results of operations and financial condition.

***Mexican Electoral Amendment***

In 2007, the Mexican Federal Congress published an amendment to the Mexican Constitution (referred to in this annual report as the 2007 Constitutional Amendment), pursuant to which, among other things, the *Instituto Federal Electoral*, or the Federal Electoral Institute, or IFE, has the exclusive right to manage and use the Official Television Broadcast Time (referred to in this annual report as Official Broadcast Time). In February 2014, the Mexican Federal Congress approved a Constitutional amendment creating the *Instituto Nacional Electoral*, or the National Electoral Institute, or INE, which replaced the IFE. The INE has the same functions and capabilities as the former IFE and regulates the services of television in the same manner, except that the INE has a relevant participation in the electoral campaigns in federal, state and local procedures by distributing the Official Broadcast Time among the political parties. For a description of the Official Broadcast Time, see "Information on the Company — Business Overview — Our Operations — Programming — Advertising Sales Plan". The INE has the exclusive right to use the Official Broadcast Time for its own purposes and for the use of political parties in Mexico (as provided in the Mexican Constitution) for self-promotion and, when applicable, to promote their electoral campaigns during election day, pre-campaign and campaign periods.

The INE and the political parties must comply with certain requirements included in the 2007 Constitutional Amendment for the use of Official Broadcast Time. During federal electoral periods, the INE will be granted, per the 2007 Constitutional Amendment, 48 minutes per day in each radio station and television channel, to be used during pre-campaign periods in two and up to three minutes per broadcast hour in each radio station and television channel, of which all the political parties will be jointly entitled to use one minute per broadcast hour. During campaign periods, at least 85% of the 48 minutes per day, shall be allocated among the political parties, and the remaining 15% may be used by the INE for its own purposes. During non-electoral periods, the INE will be assigned with up to 12% of the Official Broadcast Time, half of which shall be allocated among the political parties. In the event that local elections are held simultaneously with federal elections, the broadcast time granted to the INE shall be used for the federal and the local elections. During any other local electoral periods, the allocation of broadcast time will be made pursuant to the criteria established by the 2007 Constitutional Amendment and as such criteria are reflected in applicable law.

In addition to the foregoing, pursuant to the 2007 Constitutional Amendment political parties are forbidden to purchase or acquire advertising time directly or through third parties, from radio or television stations; likewise, third parties shall not acquire advertising time from radio or television stations for the broadcasting of advertisements which may influence the electoral preferences of Mexican citizens, nor in favor or against political parties or candidates to offices elected by popular vote.

***Telecom Reform and Broadcasting Regulations***

On June 12, 2013, the Telecom Reform came into force. The Telecom Reform, the LFTR and secondary regulations issued by the President and IFT, as applicable, and certain actions recently taken by IFT, an organization with constitutional autonomy responsible for overseeing the radio and television broadcasting industries and telecommunications, including all aspects of economic competition, affect or could significantly and adversely affect our business, results of operations and financial position. See "Key Information — Risk Factors — Risk Factors Related to Mexico — The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments".

The Telecom Reform created two regulatory bodies that are independent from the executive branch of government: COFECE (which assumed the functions of the former Mexican Antitrust Commission, except in the areas of telecommunications and broadcasting (television and radio)) and IFT (which oversees the Mexican telecommunications and broadcasting (television and radio) industries, including all antitrust matters relating to those industries). In addition, specialized federal courts empowered to review all rulings, actions and omissions of these independent regulatory bodies were created. No stay or injunction will suspend any measure or action taken by these regulatory bodies. Therefore, subject to limited exceptions, until any decision, action or omission by these regulatory bodies is declared void by a competent court through a binding and final judgment, COFECE's or IFT's decision, action or omission will be valid and will have full force and legal effect.

IFT is empowered, among other things, to (i) oversee the Mexican telecommunications (including cable and satellite pay-TV) and broadcasting (television and radio) industries, including all antitrust matters related to these industries; (ii) set limits to national and regional frequencies that can be exploited by a concession holder, or to the cross-ownership of telecommunications, television or radio businesses that serve the same market or geographical zone that may include the divestment of certain assets to comply with such limits; (iii) issue asymmetric regulation; (iv) grant and revoke telecommunications, television and radio concessions; (v) approve any assignment or transfer of control of such concessions; (vi) revoke a concession for various reasons, including in the case of a breach by a concessionaire of a non-appealable decision confirming the existence of illegal antitrust conduct ("*practica monopólica*"); and (vii) determine the payment to be made to the government for the granting of concessions.

Concessions for the use of spectrum will only be granted through public bid processes. On March 7, 2014, IFT published in the Official Gazette of the Federation an invitation to a public auction for the concession for the two National Digital Networks which would be granted for a term of 20 years for the operation of stations with, among other characteristics, mandatory geographic coverage in 123 locations corresponding to 246 channels within the Mexican territory.

In March 2015, IFT issued its ruling announcing Grupo Radio Centro and Imagen Television as winning bidders for two free to air broadcasting licenses with separate national coverage. Imagen Television has completed the process and received its license. However, since Grupo Radio Centro failed to pay the amount they bid for their free to air broadcasting license, the IFT's ruling announcing them as a winning bidder was declared null and void and they will not receive the license. As a result, the auction of the portion of the spectrum that was going to be assigned to Grupo Radio Centro took place during 2017. The new bid was for 148 channels for Digital Terrestrial Television, including at least 123 channels that were not allocated in the IFT-1 bidding process for the two national digital broadcast television networks. At the end of the process, offers were received for 32 channels located in 29 different coverage areas, located in 17 States and covering about 45% of the country's total population. The bidding process concluded in December 2017 with the issuance of the corresponding concession titles in favor of Compañía Periodística Sudcalifornia, S.A. de C.V., Comunicación 2000, S.A. de C.V., Francisco de Jesús Aguirre Gómez, Intermedia de Chihuahua, S.A. de C.V., José Guadalupe Manuel Trejo García, Multimedios Televisión, S.A. de C.V., Quiero Media, S.A. de C.V., Radio Comunicación Gamar, S.A. de C.V., Radio Operadora Pegasso, S.A. de C.V., Radio-Televisión de Nayarit, S.A. de C.V., Tele Saltillo, S.A. de C.V., Televisión Digital, S.A. de C.V. and Telsusa Televisión México, S.A. de C.V. See "Key Information — Risk Factors — Risk Factors Related to Mexico — The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments."

Access to information and communication technologies, as well as broadcasting and telecommunications services (including broadband), is established as a constitutional right. The Telecom Reform further requires that such information be diverse and timely, and that any person may search, receive and disclose information and ideas of any kind through any media. Among other things, the LFTR contemplates the right of audiences to be able to receive content that reflects ideological pluralism, and to have the right to replicate the news.

The Telecom Reform permits 100% foreign ownership in satellite and telecommunications services and increases to up to 49% the level of permitted foreign ownership in television and radio services, subject to reciprocity of the originating foreign investment country.

As a result of the Telecom Reform and LFTR, starting on September 10, 2013, concessionaries of broadcast services have been required to permit pay-TV concessionaries to retransmit broadcast signals, free of charge and without discrimination, within the same geographic coverage area simultaneously and without modifications, including advertising, and with the same quality of the broadcast signal, except in certain specific cases provided in the Telecom Reform. Also, since September 10, 2013, our pay-TV licensees are required to retransmit broadcast signals of others, free of charge and on a non-discriminatory basis, subject to certain exceptions and additional requirements provided for in the Telecom Reform.

On February 27, 2014, the Guidelines were published in the Official Gazette of the Federation, which include, among other obligations, the obligation of concessionaries of broadcast television licenses to permit the retransmission of their broadcast signals and the obligation of pay-TV concessionaries to allow such retransmission (without requiring the prior consent of the broadcast television concessionaries) in the same geographic coverage zone for free (subject to certain exceptions) and in a non-discriminatory manner in its entirety, simultaneously and without modifications by the broadcasting concessionaire, including advertising, and with the same quality of the broadcast signal without requiring consent from the broadcast television concessionaries.

The Telecom Reform calls for the National Development Plan. The National Development Plan includes a program for installing broadband connections in public facilities, which would identify the number of sites to be connected per year to promote access to broadband in public buildings dedicated to investigation, health, education, social services and in other facilities owned by the government. See "Key Information — Risk Factors — Risk Factors Related to Mexico — The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments".

The LFTR establishes a renewal procedure that would result in the granting of a renewal of an integrated sole concession (when involving radio-electric spectrum or orbital resources, a concession to exploit such spectrum is required) in order to provide telecommunications and broadcasting services. The integrated sole concession would be awarded for renewable 30 year terms. Renewal of integrated sole concessions require, among others: (i) to request its renewal to IFT within the year prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; and (iii) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT. IFT shall resolve any request for renewal of the concessions within 180 business days of its request. Failure by IFT to respond within such period of time shall be interpreted as if the request for renewal has been granted.

The LFTR also contemplates that concession holders that operate a public network of telecommunications must: (i) abstain from charging long distance fees for calls made by users to any national destination; (ii) if there was no other concession holder providing similar services in a certain territory, the concession holder providing the service in such territory shall have to continue providing the services; and (iii) concession holders must adopt the open architecture designs for the network to guarantee the interconnection and interoperation of their network.

The LFTR establishes the maximum amount of time that a concession holder providing broadcasting services with commercial purposes can use for commercial advertising. The maximum amount of advertising time is set at 18% of the total broadcasting time for each television channel (such percentage may be increased as described in "— Television — Mexican Television Regulations — Restrictions on Advertising").

The LFTR establishes that those concession holders providing broadcasting services shall offer broadcasting services and advertising spaces to any person or corporation that requires them on a non-discriminatory basis and on market terms granting the terms, packages, conditions, and rates in force at the time of the request. Additionally, the law provides that balance shall be maintained between advertising and programming. Advertising shall be subject to several rules, including the maximum time allowed for advertising (i.e. 18% of the total available time per channel in free to air television; and six minutes per hour on pay-television and audio). However, in free to air television, the time allowed for advertising can be increased by an additional 2% when at least 20% of the content aired is national production. Another 5% of advertisement time can be added when at least 20% of the content aired is independent national production. There are no restrictions on maximum rates.

**Significant Subsidiaries**

The table below sets forth our significant subsidiaries as of December 31, 2020.

| Name of Significant Subsidiary | Jurisdiction of Organization or Incorporation | Percentage Ownership[1] |
|---|---|---|
| Corporativo Vasco de Quiroga, S.A. de C.V. (CVQ) [3] | Mexico | 100.0% |
| Cablemás subsidiaries [2] [4] | Mexico | 100.0% |
| Telecable subsidiaries [2] [7] | Mexico | 100.0% |
| Empresas Cablevisión, S.A.B. de C.V. [2] [5] | Mexico | 51.2% |
| Milar, S.A. de C.V.[2] | Mexico | 51.2% |
| Cablevisión, S.A. de C.V. | Mexico | 51.2% |
| Arretis S.A.P.I. de C.V.[2] [5] | Mexico | 100.0% |
| TV Cable de Oriente, S.A. de C.V.[2] | Mexico | 100.0% |
| FTTH de México, S.A. de C.V. [5] | Mexico | 100.0% |
| Sky DTH, S.A. de C.V. [2] [9] | Mexico | 100.0% |
| Innova Holdings, S. de R.L. de C.V. [2][9] | Mexico | 58.7% |
| Innova, S. de R.L. de C.V. (Innova)[10] | Mexico | 58.7% |
| Televisión Internacional, S.A. de C.V. (TVI) [2] [5] | Mexico | 100.0% |
| Editorial Televisa, S.A. de C.V.[2] [6] [8] | Mexico | 100.0% |
| Grupo Distribuidoras Intermex, S.A. de C.V.[2] [6] [11] | Mexico | 100.0% |
| Grupo Telesistema , S.A. de C.V. [12] | Mexico | 100.0% |
| Grupo Bissagio, S.A. de C.V.[2] | Mexico | 100.0% |
| Multimedia Telecom, S.A. de C.V.[13] | Mexico | 100.0% |
| Villacezán, S.A. de C.V.[2][6] | Mexico | 100.0% |
| Televisa, S.A. de C.V.[14] | Mexico | 100.0% |
| Televisión Independiente de México, S.A. de C.V.[2] | Mexico | 100.0% |
| Controladora de Juegos y Sorteos de México, S.A. de C.V.[2] [6] [15] | Mexico | 100.0% |
| Ulvik, S.A. de C.V.[2] [16] | Mexico | 100.0% |

(1) Percentage of equity owned by us directly or indirectly through subsidiaries.

(2) While each of these subsidiaries is not a significant subsidiary within the meaning of Rule 1-02(w) of Regulation S-X under the Securities Act, we have included these subsidiaries in the table above to provide a more complete description of our operations.

(3) Direct subsidiary through which we conduct the operations of our Cable segment and parent company of Innova.

(4) The Cablemás subsidiaries are directly or indirectly owned by CVQ.

(5) One of four indirect subsidiaries through which, together with the Cablemás and Telecable subsidiaries, we conduct the operations of our Cable segment.

(6) One of four subsidiaries through which we conduct the operations of our Other Businesses segment.

(7) The Telecable subsidiaries are directly owned by CVQ.

(8) Direct subsidiary through which we conduct the operations of our Publishing business.

(9) One of two subsidiaries through which we own our equity interest in Innova.

(10) Indirect subsidiary through which we conduct the operations of our Sky segment. We currently own a 58.7% interest in Innova.

(11) Direct subsidiary through which we conduct the operations of our Publishing Distribution business.

(12) Direct subsidiary through which we conduct the operations of our Content segment and certain operations of our Other Businesses segment.

(13) Indirect subsidiary through which we maintained investments in shares of UHI and warrants issued by UHI that were exercisable for ordinary shares of UHI. We exercised all of our warrants for common shares of UHI on December 29, 2020, increasing our stake in UHI from 10% to 35.9% on a fully-diluted basis.

(14) Indirect subsidiary through which we conduct certain operations of our Content segment.

(15) Direct subsidiary through which we conduct the operations of our Gaming business.

(16) Direct subsidiary through which we conduct certain operations of our Content segment and certain operations of our Other Businesses segments.

**Property, Plant and Equipment**

***Broadcasting, Office and Production Facilities.*** Our properties consist primarily of broadcasting, production facilities, television and repeater stations, technical operations facilities, workshops, studios and office facilities, most of which are located in Mexico. We own most of our properties or lease offices and facilities through indirect wholly owned and majority owned subsidiaries. There are no major encumbrances on any of our properties and we currently do not have any significant plans to construct any new properties or expand or improve our existing properties. Our principal offices, which we own, are located in Santa Fe in Mexico City. Each of our television stations has individual transmission facilities located in Mexico, substantially all of which we own. Our television production operations are concentrated in four locations in Mexico City, 14 studios in San Angel, 12 studios located in Chapultepec, three studios in Santa Fe and one studio in Rojo Gomez. We own substantially all of these studios. The local television stations wholly or majority owned by us have in the aggregate 45 production studios. We own other properties used in connection with our operations, including a training center, technical operations facilities, studios, workshops, television and repeater stations, and office facilities. We beneficially own Azteca Stadium, which seats approximately 84,500 people, through a trust arrangement that was renewed in 1993 for a term of 30 years and that may be extended for additional periods. In the aggregate, these properties, excluding Azteca Stadium, currently represent approximately 6.1 million square feet of space, of which over 4.5 million square feet are located in Mexico City and the surrounding areas, and approximately 1.7 million square feet are located outside of Mexico City and the surrounding areas.

Our cable television, publishing and Mexican DTH satellite service businesses are located in Mexico City.

We also own or lease over a total of 98,305 square feet in properties in the United States, Latin America, Spain and Switzerland in connection with our operations there. We own or lease all of these properties through indirect wholly owned and majority owned subsidiaries. The following table summarizes our real estate and lease agreements in the United States, Latin America, Spain and Switzerland.

| Operations | Number of Properties | Location |
|---|---|---|
| Television and news activities | | |
| Leased properties | 2 | Madrid, Spain(1)<br>Zug, Switzerland(1) |
| Publishing activities | | |
| Owned properties | 3 | Miami, Florida(1)<br>Caracas, Venezuela (1)<br>Bogotá, Colombia(1) |
| DTH | | |
| Leased properties | 7 | San José, Costa Rica(1)<br>Guatemala(1)<br>Nicaragua(1)<br>Panamá(1)<br>San Salvador(1)<br>Honduras(1)<br>Dominican Republic(1) |
| Telephony | | |
| Leased properties | 6 | San Antonio, Texas(2)<br>Dallas, Texas(1)<br>Laredo, Texas(1)<br>McAllen, Texas(1)<br>Mission, Texas (1) |

***Satellites.*** We currently use transponder capacity on ten satellites: Eutelsat 117 West A (formerly Satmex 8), which reaches Mexico, the United States, Latin America, and the Caribbean; Eutelsat 115 West A (formerly Satmex 5), which reaches Mexico, the United States and Latin America; Intelsat IS-11, replacement of PAS 3-R (renamed in February 2007 IS-3R), which started operations in July 2009 and reaches North America, Western Europe, Latin America and the Caribbean; Galaxy 16 (formerly Galaxy IVR), which reaches Mexico, the United States and Canada; Galaxy 19, which reaches Mexico, the United States and Canada; Intelsat IS-35e, replacement of IS-905, which reaches Western and Eastern Europe; SES-14 (formerly NSS-806), which reaches North America, Western Europe, Latin America and the Caribbean; IS-21, which reaches Central America, Mexico, the Southern United States and the Caribbean; IS-16, which reaches Central America, Mexico, the Southern United States and the Caribbean; and SM-1, which reaches Central America, Mexico, the Southern United States and the Caribbean. In March 2010, Sky reached an agreement with a subsidiary of Intelsat to lease 24 transponders on the Intelsat IS-21 satellite which is mainly used for signal reception and retransmission services over the satellite's estimated 15-year service life. IS-21 started service in the third quarter of 2012, replacing Intelsat IS-9 as Sky's primary transmission satellite. In April 2010, Intelsat released the IS-16 satellite, where Sky has an additional twelve transponders to deliver new DTH-HD channels and more DTH SD channels; this satellite is also a back-up satellite for our DTH venture operations. For a description of guarantees related to our DTH venture transponder obligations, see Note 14 to our consolidated year-end financial statements.

Since 1996, we have been working with PanAmSat (now Intelsat) as our satellites services provider, which provided to the Company five Ku band transponders on Satellite PAS-3R, three of which were intended to be for DTH to Spain. We were required to pay an annual fee for each transponder of U.S. $3.1 million. Due to an exchange with three of five 54 MHz ku Band transponders, until April 2, 2016, we had capacity on two 36 MHz C band transponders on Galaxy 16.

In December 2005, we signed an extension with PanAmSat, for the use of three transponders on the PAS-3R satellite until 2009 and 2012 and two transponders on the Galaxy IVR (replaced by Galaxy 16) satellite until 2016. In October 2015, we signed a new contract with SES S.A. until June 2019 for the replacement of two transponders of Galaxy 16. The new contract included three transponders and a full service migration to the new satellite, AMC-9. On June 17, 2017, AMC-9 experienced a technical issue that impacted the satellite and thus, we entered into a new contract until June 30, 2022 to transition the full service of 147 Mhz to Intelsat's satellites, Galaxy 16 and Galaxy 19.

In February 2007, Intelsat renamed some of its satellite fleet acquired with its 2006 merger with PanAmSat: current names for PAS-9 and PAS-3R are IS-9 and IS-3R, respectively. Intelsat kept the name of Galaxy 16. In December 2007, Sky and Sky Brasil reached an agreement with Intelsat Corporation and Intelsat LLC to build and launch a new 24-transponder satellite, IS-16, for which service will be dedicated to Sky and Sky Brasil over the satellite's estimated 15-year life. The satellite was successfully launched in February 2010 and started operations in April 2010. In the third quarter of 2013, Sky entered into an agreement with DirecTV for the acquisition and launch of the SM-1 satellite, which was successfully launched in May 2015 and started operations on June 2015. See Note 12 to our consolidated year-end financial statements.

In August 2009, the contract on two remaining transponders of the IS-3R satellite expired (end of life of the satellite). We negotiated a new contract for the transponder on the IS-905 satellite until August 31, 2015, for the distribution of our content in Europe. In September 2015, the contract was renewed with Intelsat until August 2018. Migration from IS-905 to IS-35e took place from June to August 2018, and we renewed the contract with Intelsat from November 1, 2018 until October 31, 2021.

In February 2012, we renewed the contract with Satélites Mexicanos, S.A. de C.V., or Satmex, on Satmex 5 until January 31, 2015. In March 2014, Satélites Mexicanos, S.A. de C.V. was renamed Eutelsat Americas, as a part of Eutelsat Group. In February 2015, we renewed our contracts with Eutelsat Americas until January 2018, and also contracted for a new transponder on Eutelsat 117 West A from April 2015 until March 2018. In February and April 2018, we renewed our contracts with Eutelsat America until December 2022. In January 2019, we contracted for a new transponder on Eutelsat 117 West A from January 2019 until December 2021. In August 2020, we renegotiated and renewed the contracts for the three transponders with Eutelsat Americas until December 2024.

On October 31, 2012, the contract on one of the three transponders of the Galaxy 16 satellite expired. In November 2012, we entered into a new contract with SES, S.A., or SES, for a new transponder on the AMC-9 satellite until October 31, 2017, as a replacement of the previous one. On June 17, 2017, AMC-9 experienced a technical issue that impacted the satellite and thus, we entered into a new contract until June 30, 2022 to transition the full service of 147 Mhz to Intelsat's satellites, Galaxy 16 and Galaxy 19.

On November 15, 2016, we contracted a half transponder on SES NSS-806 until January 31, 2018. On September 5, 2018, SES NSS-806 was replaced with SES-14 and the contract was renewed with SES until January 31, 2019. On February 1, 2019, the contract with SES was renewed until January 31, 2020. In this renewal, the bandwidth was decreased from 18 MHz to 6 MHz. On February 1, 2020, the contract was renewed with SES until January 31, 2021. On February 1, 2021, the contract was renewed with SES until January 31, 2022. The bandwidth remained at 6 Mhz.

With several new domestic and international satellites having been launched recently, and with several others scheduled for launch in the next few years, including those scheduled for launch by Intelsat, Eutelsat Americas (formerly Satmex) and SES, we believe that we will be able to secure satellite capacity to meet our needs in the future, although no assurance can be given in this regard.

***Insurance.*** We maintain comprehensive insurance coverage for our offices, equipment, transmission lines networks and other property for risks including fire, earthquake, flooding, storm, and other similar events and the resulting business interruption losses, subject to some limitations. In addition, we maintain a cyber-insurance policy that covers certain types of cyber-related losses. We do not maintain insurance for our DTH business in case of loss of satellite transmission. We cannot provide any assurance that our insurance coverage is sufficient to cover any losses that we may sustain, or that we will be able to successfully claim our losses under our insurance policies on a timely basis or at all. If we incur any loss not covered by our insurance policies, or the compensated amount is significantly less than our actual loss or is not timely paid, our business, financial condition and results of operations could be materially and adversely affected.

## Item 5. Operating and Financial Review and Prospects.

You should read the following discussion together with our consolidated year-end financial statements and the accompanying notes, which appear elsewhere in this annual report. This annual report contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this annual report, particularly in "Key Information — Risk Factors". See "Key Information — Forward-Looking Statements" for further discussion of the risks and uncertainties inherent in forward-looking statements. In addition to the other information in this annual report, investors should consider carefully the following discussion and the information set forth under "Key Information — Risk Factors" before evaluating us and our business.

### COVID-19 Impact

The COVID-19 pandemic has affected our business, financial position and results of operations for the quarter ended March 31, 2021, and it is currently difficult to predict the degree of the impact in the future.

We cannot guarantee that conditions in the bank lending, capital and other financial markets will not continue to deteriorate as a result of the pandemic, or that our access to capital and other sources of funding will not become constrained, which could adversely affect the availability and terms of future borrowings, renewals or refinancings. In addition, the deterioration of global economic conditions as a result of the pandemic may ultimately reduce the demand of our products across our segments as our clients and customers reduce or defer their spending.

Although vaccination efforts have started countrywide since January 2021, the Mexican Government is still implementing the plan to reactivate economic activities in accordance with color-based phases determined on a weekly basis in every state of the country. Most non-essential economic activities are open with some limitations, mainly on capacity and hours of operation. However, a significant part of the population is still implementing social distancing and shelter-in-place policies. As a result, during the quarter ended March 31, 2021, this has affected, and is still affecting, the ability of our employees, suppliers and customers to conduct their functions and businesses in their typical manner.

As of the date of this report, given that they are considered essential economic activities, we have continued operating our media and telecommunications businesses uninterrupted to continue benefiting the country with connectivity, entertainment and information, and during the quarter ended March 31, 2021, we continued with the production of new content following the requirements and health guidelines imposed by the Mexican Government. During the quarter ended March 31, 2021, our Content business continued to recover as a result of the easing of lockdown restrictions in some jurisdictions in which our customers are located. Notwithstanding the foregoing, we are partially dependent on the demand for advertising from consumer-focused companies, and the COVID-19 pandemic has caused, and could further cause, advertisers to reduce or postpone their advertisement spending on our platforms.

In our Other Businesses segment, sporting and other entertainment events for which we have broadcast rights, or which we organize, promote and/or are located in venues we own, are operating with some limitations and taking the corresponding sanitary measures, and to date most of our casinos have resumed operations with reduced capacity and hours of operation. When local authorities approve the re-opening of the venues that are still not operating, rules may be enacted including restrictions on capacity and operating hours which may affect the results of our Other Businesses segment in the following months.

Notwithstanding the foregoing, the authorities may impose further restrictions on essential and non-essential activities, including but not limited to temporary shutdowns or additional guidelines which could be expensive or burdensome to implement, which may affect our operations.

The magnitude of the impact on our business will depend on the duration and extent of the COVID-19 pandemic and the impact of federal, state, local and foreign governmental actions, including continued or future social distancing, and consumer behavior in response to the COVID- 19 pandemic and such governmental actions. Due to the evolving and uncertain nature of this situation, we are not able to estimate the full extent of the impact of the COVID-19 pandemic, but it may continue affecting our business, financial position and results of operations over the near, medium or long-term.

**2021 Transaction**

On April 13, 2021, we and Univision Holdings, Inc., or UHI, announced a definitive transaction agreement in which our content and media assets will be combined with UHI to create the largest Spanish-language media company in the world.

We will continue to participate in UHI's growth potential by remaining the largest shareholder in UHI, with an equity stake of approximately 45% following the transaction. We will also retain ownership of our Cable, Sky and Other Businesses segments, as well as the main real estate associated with the production facilities, the broadcasting concessions and transmission infrastructure in Mexico.

We will contribute the assets specified in the 2021 Transaction Agreement, including, subject to certain exceptions, our Content business included in our Content business segment to UHI for U.S.$4.5 billion in a combination of cash (U.S.$3 billion) and U.S.$1.5 billion of common and preferred shares of UHI.

In connection with the transaction, UHI will receive all assets, IP and library related to the News division of our Content business, but will outsource production of news content for Mexico to a company owned by the Azcárraga family.

The Boards of Directors of the Company and UHI have approved the combination. The transaction is expected to close in 2021, subject to customary closing conditions, including receipt of regulatory approvals in the United States, Mexico and Colombia, among others, and approval of the Company's shareholders.

As a result of the transaction, we expect that our cash and cash equivalents will increase by U.S.$3,000 million, and our investment in common and preferred shares of UHI will increase by U.S.$1,500 million when the transaction is completed. We expect to recognize a net gain on disposition of discontinued operations in our consolidated statement of income in connection with the disposition of our Content business segment and the related assets specified in the 2021 Transaction Agreement. Additionally, after the transaction is completed, we expect increases in our consolidated share of income in associates derived from a larger ownership in UHI and in consolidated finance income derived from the returns from our investments in preferred shares issued by UHI to us in the transaction. These expected effects will be partially offset in our consolidated statement of income by a reduction in our consolidated operating income resulting primarily from the disposal of our Content business segment. We will continue to consolidate the results of our Content business segment until we cease to have control of this business segment, in accordance with the terms of the 2021 Transaction Agreement.

**Preparation of Financial Statements**

As required by regulations issued by *Comisión Nacional Bancaria y de Valores*, or the Mexican Banking and Securities Commission, for listed companies in Mexico, our financial information is presented in accordance with the IFRS as issued by the IASB for financial reporting purposes.

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2020 | 2019 | 2018 |
| | (Millions of Pesos)[1] | | |
| Net sales | Ps. 97,361.6 | Ps. 101,757.2 | Ps. 101,282.3 |
| Cost of sales | 56,989.6 | 59,067.4 | 57,839.3 |
| Selling expenses | 10,366.6 | 11,099.0 | 11,023.4 |
| Administrative expenses | 12,713.7 | 13,269.2 | 13,729.3 |
| Other income (expense), net | 233.7 | (1,316.6) | 1,562.3 |
| Operating income | 17,525.4 | 17,005.0 | 20,252.6 |
| Finance expense, net | 6,255.0 | 8,810.8 | 8,779.7 |
| Share of (loss) income of joint ventures and associates, net | (5,739.7) | 581.1 | 532.9 |
| Income taxes | 5,227.9 | 2,668.5 | 4,390.5 |
| Net income | 302.8 | 6,106.8 | 7,615.3 |
| Net income attributable to non-controlling interests | 1,553.1 | 1,480.7 | 1,605.9 |
| Net (loss) income attributable to stockholders of the Company | Ps. (1,250.3) | Ps. 4,626.1 | Ps. 6,009.4 |

(1) Certain data set forth in the table above may vary from the corresponding data set forth in our consolidated statements of income for the years ended December 31, 2020, 2019 and 2018 included in this annual report due to differences in rounding.

**Results of Operations**

For segment reporting purposes, our consolidated cost of sales, selling expenses and administrative expenses for the years ended December 31, 2020, 2019 and 2018 exclude corporate expenses and depreciation and amortization, which are presented as separate line items. The following table sets forth the reconciliation between our operating segment income and the consolidated operating income according to IFRS:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2020 | 2019 | 2018 |
| | | (Millions of Pesos)[1] | |
| Net sales[2] | Ps. 97,138.3 | Ps. 100,915.8 | Ps. 100,362.3 |
| Cost of sales[2][3] | 40,423.1 | 43,141.9 | 43,732.2 |
| Selling expenses[2][3] | 8,854.6 | 9,279.5 | 9,191.4 |
| Administrative expenses[2][3] | 7,421.2 | 7,534.5 | 7,103.3 |
| Intersegment operations[4] | 71.5 | 72.2 | — |
| **Operating segment income** | **40,510.9** | **41,032.1** | **40,335.4** |
| Corporate expenses | 1,882.9 | 1,888.4 | 2,154.7 |
| Depreciation and amortization | 21,260.8 | 21,008.8 | 19,834.2 |
| Other income (expense), net | 233.7 | (1,316.6) | 1,562.3 |
| Intersegment operations[4] | (71.5) | (72.2) | — |
| Disposed operations[2] | (4.0) | 258.9 | 343.8 |
| **Operating income** | **Ps. 17,525.4** | **Ps. 17,005.0** | **Ps. 20,252.6** |

(1) Certain data set forth in the table above may vary from the corresponding data set forth in our consolidated statements of income for the years ended December 31, 2020, 2019 and 2018 included in this annual report due to differences in rounding.

(2) The sale of the Company's Radio Business was concluded on July 2, 2020. Accordingly, the net sales, cost of sales, operating expenses and the operating segment income associated with the Radio Business, which was part of the Company's Other Businesses segment, are presented separately as disposed operations for the years ended December 31, 2020, 2019 and 2018.

(3) Excluding corporate expenses and depreciation and amortization.

(4) As a result of the adoption of IFRS 16 Leases ("IFRS 16"), intersegment operations related to intercompany leases were not eliminated on the Operating Segment Income level as in prior years.

The following table sets forth our segment net sales data for the indicated periods as a percentage of total segment net sales:

| | Year Ended December 31,[1] | | |
|---|---|---|---|
| | 2020 | 2019 | 2018 |
| **Segment Net Sales** | | | |
| Cable | 43.5% | 39.2% | 34.5% |
| Sky | 21.2 | 20.1 | 20.9 |
| Content | 31.2 | 33.0 | 37.3 |
| Other Businesses | 4.1 | 7.7 | 7.3 |
| Total segment net sales | 100.0% | 100.0% | 100.0% |
| Intersegment operations | (6.9) | (5.1) | (4.6) |
| Disposed operations | 0.2 | 0.8 | 0.9 |
| Total consolidated net sales | 93.3% | 95.7% | 96.3% |

The following table sets forth our consolidated operating income as a percentage of our total consolidated net sales:

| | Year Ended December 31,[1] | | |
|---|---|---|---|
| | 2020 | 2019 | 2018 |
| **Net Sales** | | | |
| Cost of sales[2] | 41.7% | 42.8% | 43.6% |
| Selling expenses[2] | 9.1 | 9.2 | 9.2 |
| Administrative and corporate expenses[2] | 9.6 | 9.3 | 9.1 |
| Depreciation and amortization | 21.8 | 20.7 | 19.6 |
| Other (income) expense, net | (0.2) | 1.3 | (1.5) |
| Consolidated operating income | 18.0 | 16.7 | 20.0 |
| Total consolidated net sales | 100.0% | 100.0% | 100.0% |

(1) Certain segment data set forth in these tables may vary from the corresponding data set forth in our consolidated year-end financial statements due to differences in rounding. The segment net sales and total segment net sales data set forth in this annual report include sales from intersegment operations in all periods presented. See Note 26 to our consolidated year-end financial statements.

(2) Excluding depreciation and amortization.

**Summary of Business Segment Results**

The following tables set forth the net sales and operating segment income of each of our reportable business segments and intersegment operations, corporate expenses, depreciation and amortization, other income (expense), net and disposed operations for the years ended December 31, 2020, 2019 and 2018. Reportable segments are those that are based on our method of internal reporting to senior management for making operating decisions and evaluating performance of operating segments, and certain qualitative, grouping and quantitative criteria. As of December 31, 2020, we classified our operations into four business segments: Cable, Sky, Content and Other Businesses.

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2020 | 2019 | 2018 |
| | | (Millions of Pesos)[1] | |
| **Segment Net Sales** | | | |
| Cable | Ps. 45,367.1 | Ps. 41,702.0 | Ps. 36,233.0 |
| Sky | 22,134.7 | 21,347.1 | 22,002.2 |
| Subtotal Content | 32,613.0 | 35,060.5 | 36,490.1 |
| World Cup Rights | — | — | 2,733.6 |
| Total Content | 32,613.0 | 35,060.5 | 39,223.7 |
| Other Businesses[2] | 4,276.0 | 8,200.3 | 7,715.5 |
| Total Segment Net Sales | 104,390.8 | 106,309.9 | 105,174.4 |
| Intersegment Operations[1] | (7,252.5) | (5,394.1) | (4,812.1) |
| Disposed Operations[2] | 223.3 | 841.4 | 920.0 |
| Total Consolidated Net Sales | Ps. 97,361.6 | Ps. 101,757.2 | Ps. 101,282.3 |
| | | | |
| **Operating Segment Income** | | | |
| Cable | Ps. 18,898.3 | Ps. 17,797.6 | Ps. 15,302.5 |
| Sky | 9,135.3 | 9,121.2 | 9,767.3 |
| Subtotal Content | 12,360.8 | 12,649.1 | 13,444.6 |
| World Cup Rights | — | — | 1,410.5 |
| Total Content | 12,360.8 | 12,649.1 | 14,855.1 |
| Other Businesses[2] | 116.5 | 1,464.2 | 410.5 |
| Total Operating Segment Income[3] | 40,510.9 | 41,032.1 | 40,335.4 |
| Corporate Expenses[3] | (1,882.9) | (1,888.4) | (2,154.7) |
| Depreciation and Amortization[3] | (21,260.8) | (21,008.8) | (19,834.2) |
| Other Income (Expense), net | 233.7 | (1,316.6) | 1,562.3 |
| Intersegment Operations[4] | (71.5) | (72.2) | — |
| Disposed Operations[2] | (4.0) | 258.9 | 343.8 |
| Consolidated Operating Income[5] | Ps. 17,525.4 | Ps. 17,005.0 | Ps. 20,252.6 |

(1) Certain segment data set forth in these tables may vary from the corresponding data set forth in our consolidated year-end financial statements due to differences in rounding. The segment net sales and total segment net sales data set forth in this annual report include sales from intersegment operations in all years presented. See Note 26 to our consolidated year-end financial statements.

(2) The sale of the Company's Radio business was concluded on July 2, 2020. Accordingly, the net sales and the operating segment income associated with the Radio business, which was part of the Company's Other Businesses segment, are presented separately as disposed operations for the years ended December 31, 2020, 2019 and 2018.

(3) The total operating segment income data set forth in this annual report do not include corporate expenses nor depreciation and amortization in any year presented, but are presented herein to facilitate the discussion of segment results.

(4) As a result of the adoption of IFRS 16, intersegment operations related to intercompany leases were not eliminated on the Operating Segment Income level as in prior years.

(5) Consolidated operating income reflects corporate expenses, depreciation and amortization, other income (expense), net, intersegment operations and disposed operations in the years presented. See Note 26 to our consolidated year-end financial statements.

**Seasonality**

Our results of operations are seasonal. We typically recognize a disproportionately large percentage of our overall consolidated net sales (principally advertising) in the fourth quarter in connection with the holiday shopping season. For example, in 2020, 2019 and 2018, we recognized 28.5%, 27.8% and 26.4%, respectively, of our consolidated net sales in the fourth quarter of the year. Our costs, in contrast to our revenues, are more evenly incurred throughout the year and generally do not correlate to the amount of advertising sales.

**Preponderant Economic Agent Status**

For a discussion of the consequences regarding IFT's March 6, 2014 decision determining that we, together with other entities with concessions to provide broadcast television, are preponderant economic agents in the broadcasting sector in Mexico see "Key Information — Risk Factors — Risk Factors Related to Mexico — The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments". For a discussion regarding the opportunities and options for us as a result of IFT's determination that Grupo Carso, S.A.B de C.V., Grupo Financiero Inbursa, S.A.B. de C.V., and other entities are preponderant economic agents in the telecommunications market in Mexico see "Information on the Company — Business Overview — Business Strategy — Expanding our Business in the Mexican Telecommunications Markets by Taking Advantage of the Telecom Reform and Implementing Legislation".

**Results of Operations for the Year Ended December 31, 2020**
**Compared to the Year Ended December 31, 2019**

**Total Segment Results**

***Net Sales***

Net sales decreased by Ps.4,395.6 million, or 4.3%, to Ps.97,361.6 million for the year ended December 31, 2020 from Ps.101,757.2 million for the year ended December 31, 2019. This decrease was due to revenue decline in the Other Businesses and Content segments.

***Cost of Sales***

Cost of sales decreased by Ps.2,968.3 million, or 6.8%, to Ps.40,595.3 million for the year ended December 31, 2020 from Ps.43,563.6 million for the year ended December 31, 2019. This decrease was due to lower costs in our Content and Other Businesses segments.

***Selling Expenses***

Selling expenses decreased by Ps.510.8 million, or 5.4%, to Ps.8,892.6 million for the year ended December 31, 2020 from Ps.9,403.4 million for the year ended December 31, 2019. This decrease was attributable to lower selling expenses in our Sky and Other Businesses segments.

***Administrative and Corporate Expenses***

Administrative and corporate expenses decreased by Ps.138.6 million, or 1.5%, to Ps.9,321.2 million for the year ended December 31, 2020 from Ps.9,459.8 million for the year ended December 31, 2019. The decrease reflects lower administrative expenses in our Content and Other Businesses segments.

Corporate expenses decreased by Ps.5.5 million, or 0.3%, to Ps.1,882.9 million in 2020, relatively flat when compared with Ps.1,888.4 million in 2019.

Share-based compensation expense in 2020 and 2019 amounted to Ps.984.4 million and Ps.1,129.6 million, respectively, and was accounted for as corporate expense. Share-based compensation expense is measured at fair value at the time the equity benefits are conditionally sold to officers and employees, and is recognized over the vesting period.

***Cable***

Cable net sales are derived from the provision of cable and telecommunication services, as well as advertising sales. Net sales relating to pay-TV services generally consist of monthly subscription fees for basic and premium service packages, fees charged for pay-per-view programming and, to a significantly lesser extent, monthly rental and one-time installation fees, broadband internet and telephone services subscription. The voice and data business derives revenues from providing data and long-distance services solutions to carriers and other telecommunications service providers through its fiber-optic network. Net sales relating to pay-TV advertising consist of revenues from the sale of advertising on Cablevisión, Cablemás, TVI, Cablecom and Telecable. Rates are based on the day and time the advertising is aired, as well as the type of programming in which the advertising is aired. Pay-TV subscription and advertising rates are adjusted periodically in response to inflation and in accordance with market conditions.

Cable net sales, representing 43.5% and 39.2% of our segment net sales for the years ended December 31, 2020 and 2019, respectively, increased by Ps.3,665.1 million, or 8.8%, to Ps.45,367.1 million for the year ended December 31, 2020 from Ps.41,702.0 million for the year ended December 31, 2019.

Total revenue generating units or RGUs reached 14.1 million. Total net additions for the year were more than 1.4 million.

Cable operating segment income increased by Ps.1,100.7 million, or 6.2%, to Ps.18,898.3 million for the year ended December 31, 2020 from Ps.17,797.6 million for the year ended December 31, 2019, and the margin reached 41.7%.

These favorable variances were partially offset by higher programming and personnel costs and expenses.

The following table sets forth the breakdown of RGUs per service type for our Cable segment as of December 31, 2020 and 2019.

| | 2020 | 2019 |
|---|---|---|
| **Video** | **4,284,682** | **4,318,863** |
| **Broadband (data)** | **5,430,859** | **4,696,054** |
| **Voice** | **4,296,530** | **3,637,992** |
| **Mobile** | **75,515** | **-** |
| **RGUs** | **14,087,586** | **12,652,909** |

***Sky***

Sky net sales are primarily derived from program services, activation fees and equipment rental to subscribers, national advertising sales and broadband internet services, and as of 2019 it provides telephone services to its subscribers.

Sky net sales, representing 21.2% and 20.1% of our segment net sales for the years ended December 31, 2020 and 2019, respectively, increased by Ps.787.6 million, or 3.7%, to Ps.22,134.7 million for the year ended December 31, 2020 from Ps.21,347.1 million for the year ended December 31, 2019. Total net additions for the year were approximately 327.5 thousand RGUs. This growth was mainly driven by 279.8 thousand broadband net additions. Sky continued growing its video business after adding 47.9 thousand RGUs. In addition, Sky closed the year with 197,175 video RGUs in Central America and the Dominican Republic.

The following table sets forth the breakdown of RGUs per service type for Sky as of December 31, 2020 and 2019.

| | 2020 | 2019 |
|---|---|---|
| **Video** | **7,477,294** | **7,429,351** |
| **Broadband (data)** | **665,907** | **386,114** |
| **Voice** | **892** | **1,145** |
| **RGUs** | **8,144,093** | **7,816,610** |

Sky operating segment income increased by Ps.14.1 million, or 0.2%, to Ps.9,135.3 million for the year ended December 31, 2020 from Ps.9,121.2 million for the year ended December 31, 2019, and the margin was 41.3%. The increase in operating segment income was due to the increase in revenues and was partially offset by an increase in programming and broadband costs.

***Content***

We categorize our sources of revenue in our Content segment as follows:

- Advertising,
- Network Subscription, and
- Licensing and Syndication.

Given the cost structure of our Content segment, operating segment income is reported as a single line item.

The Advertising revenue is derived primarily from the sale of advertising time on our television broadcast operations, which include the production of television programming and broadcasting of Channels 2, 4, 5 and 9 (“television networks”), as well as the sale of advertising time on programs provided to pay television companies in Mexico and in our internet business, and the production of television programming and broadcasting for local television stations in Mexico. The broadcasting of television networks is performed by television repeater stations in Mexico which are wholly-owned, majority-owned or minority-owned by the Group or otherwise affiliated with our networks.

The Network Subscription revenue is derived from domestic and international programming services provided to independent cable television systems in Mexico and our direct-to-home (“DTH”) satellite and cable television businesses. These programming services for cable and pay-per-view television companies are provided in Mexico, other countries in Latin America, the United States and Europe. The programming services consist of both programming produced by us and programming produced by third parties.

The Licensing and Syndication revenue is derived from international program licensing and syndication fees. Our television programming is licensed and syndicated to customers abroad, including Univision.

The following table presents net sales and operating segment income in our Content segment, and the percentage of change when comparing 2020 with 2019:

| | Year Ended December 31, | | Change |
|---|---|---|---|
| | 2020 | 2019 | |
| | (Millions of Pesos) | | (%) |
| **Net Sales** | | | |
| Advertising | Ps. 16,349.8 | Ps. 19,459.4 | (16.0)% |
| Network Subscription Revenue | 5,466.2 | 4,993.2 | 9.5% |
| Licensing and Syndication | 10,797.0 | 10,607.9 | 1.8% |
| **Total Net Sales** | **Ps. 32,613.0** | **Ps. 35,060.5** | **(7.0)%** |
| **Operating Segment Income** | **Ps. 12,360.8** | **Ps. 12,649.1** | **(2.3)%** |

Content net sales, representing 31.2% and 33.0% of our total segment net sales for the years ended December 31, 2020 and 2019, respectively, decreased by Ps.2,447.5 million, or 7.0%, to Ps.32,613.0 million for the year ended December 31, 2020 from Ps.35,060.5 million for the year ended December 31, 2019.

Advertising revenue decreased by 16.0%. The decrease in sales is explained by a significant deterioration in the Mexican economy due to COVID-19.

Network Subscription Revenue increased by 9.5%. The increase is mainly related to the increase in the price we charge our affiliated distributors for our pay TV networks and to the favorable impact of the depreciation of the Mexican peso on our dollar-denominated revenues.

Licensing and Syndication revenue increased by 1.8%. The increase was due to the favorable impact of the depreciation of the Mexican peso on our dollar-denominated revenues; and was partially offset by lower royalties from Univision by 2.4%, reaching U.S.$379.6 million dollars.

Content operating segment income decreased by Ps.288.3 million, or 2.3%, to Ps.12,360.8 million for the year ended December 31, 2020 compared with Ps.12,649.1 million for the year ended December 31, 2019. The margin was 37.9%.

***Advertising Rates and Sales***

Our sales force is organized into separate teams, each of which focuses on groups of clients, in order to provide multi-platform offers that include free-to-air television, pay television, local stations and digital services. In 2018, we began billing our clients on a cost-per-rating-point basis rather than on a fixed pricing scheme. Most of our sales were made through "Modular 2.0" or "packages" that have a pre-determined allocation through national channels and dayparts through which we optimize the use of our inventory while committing to deliver certain amounts of gross rating points. The majority of our sales were made through these mechanisms. This strategy remained largely unchanged in 2019.

In 2020, we began billing our clients on a cost-per-thousand, or CPM, basis rather than a cost-per-rating-point basis, while keeping the Modular 2.0 Strategy. In addition to this change, we also aligned prices and reduced the number of target audiences that could be requested by clients. In order to have additional time to explain these changes to advertisers, we also changed the closing period for the upfront option to the first quarter of 2020, instead of the end of 2019, as in previous years. As a result, it took us a longer time to close the up front negotiations and the advertising revenues for the first quarter of 2020 were also negatively impacted.

We sell commercial time in two ways: upfront and on a scatter basis. Advertisers that elected the upfront option locked in prices on a cost-per-rating-point basis in 2019, and in 2020 on a cost-per-thousand, or CPM, basis for most of our commercial inventory for the upcoming year, regardless of future price changes. Advertisers that choose the upfront option make annual prepayments, in cash or short-term notes, and are charged lower rates than those charged on a scatter basis for their commercial time, given the highest priority in schedule placement, and given a first option in advertising during special programs. Scatter advertisers, or advertisers who choose not to make upfront payments but rather advertise from time to time, risk both higher prices and limited access to choose commercial time slots. See "Information on the Company — Business Overview — Our Operations — Programming — Advertising Sales Plan".

We sold approximately 46%, 55% and 42% of total available national advertising time on our networks during prime time broadcasts in 2018, 2019 and 2020, respectively, and approximately 38%, 49% and 40% of total available national advertising time during all time periods in 2018, 2019 and 2020, respectively. Television broadcasting advertising time that is not sold to the public is primarily used to satisfy our legal obligation to the Mexican government to provide Official Television Broadcast Time and to promote, among other things, our products.

We moved the closing of the 2021 and 2020 up-front plans from the last quarter of 2020 and 2019 to the first months of 2021 and 2020, respectively. In light of this change, the results cannot be compared to those obtained in previous years. As of April 2021 and 2020, we had received Ps.14, 525 million and Ps.14,611 million, respectively, of advertising deposits and advances for advertising time in all of our Content platforms and in other segments, and we are still in negotiations with some clients. As of April 2021 and 2020, we had collected 30% and 26%, respectively, of these amounts. The rest is in the form of short-term, non-interest bearing notes. The weighted average maturity of these notes as of April 2021 and 2020 were 4.0 and 3.7 months, respectively.

***Other Businesses***

Other Businesses net sales are primarily derived from the promotion of sports and special events in Mexico, the distribution of feature films, gaming, publishing and publishing distribution.

Other Businesses net sales, representing 4.1% and 7.7% of our segment net sales for the years ended December 31, 2020 and 2019, respectively, decreased by Ps.3,924.3 million, or 47.9%, to Ps.4,276.0 million for the year ended December 31, 2020 from Ps.8,200.3 million for the year ended December 31, 2019. Other Businesses were affected by the closing of the economy and measures taken in response to COVID-19, which included the suspension or limitation of activities in some businesses of this segment (primarily gaming and sports and special events businesses).

Other Businesses operating segment income decreased by Ps.1,347.7 million, or 92.0%, to Ps.116.5 million for the year ended December 31, 2020 from Ps.1,464.2 million for the year ended December 31, 2019. This decrease was due to the decrease in net sales in all our businesses.

The sale of the Company's Radio business was concluded on July 2, 2020. Accordingly, the net sales and the operating segment income associated with the Radio business, which was part of the Company's Other Businesses segment, are presented separately as disposed operations for the years ended December 31, 2020 and 2019.

***Depreciation and Amortization***

Depreciation and amortization expense increased by Ps.252.0 million, or 1.2%, to Ps.21,260.8 million for the year ended December 31, 2020 from Ps.21,008.8 million for the year ended December 31, 2019. This change primarily reflected an increase in depreciation and amortization expense in our Sky and Content segments.

***Other Income or Expense, Net***

Other income or expense, net, changed by Ps.1,550.3 million to other income, net of Ps.233.7 million for the year ended December 31, 2020, from other expense, net of Ps.1,316.6 million for the year ended December 31, 2019. This favorable change reflected primarily: (i) a pre-tax gain on disposition of our 50% equity stake in our former Radio business, the sale of which was concluded in July 2020; (ii) a non-recurring income related to the cancellation of a related-party provision in the fourth quarter of 2020; and (iii) a lower non-recurring severance expense in connection with the dismissal of personnel in our Content segment. These favorable variances were partially offset by: (i) a higher expense related to legal and financial advisory and professional services; and (ii) a loss on disposition of investment.

**Non-operating Results**

***Finance Income or Expense, Net***

Finance income or expense, net, significantly impacts our consolidated financial statements in periods of currency fluctuations. Under IFRS, finance income or expense, net, reflects:

- interest expense;
- interest income;
- foreign exchange gain or loss attributable to monetary assets and liabilities denominated in foreign currencies; and
- other finance income or expense, net, including gains or losses from derivative instruments.

Our foreign exchange position is affected by our assets or liabilities denominated in foreign currencies, primarily U.S. dollars. We record a foreign exchange gain or loss if the exchange rate of the Peso to the other currencies in which our monetary assets or liabilities are denominated varies.

Finance expense, net, decreased by Ps.2,555.8 million to Ps.6,255.0 million for the year ended December 31, 2020, from Ps. 8,810.8 million for the year ended December 31, 2019. This decrease reflected primarily: (i) a Ps.2,069.6 million increase in foreign exchange gain, net, resulting primarily from a higher U.S. dollar average net liability position beginning in March 31, 2020, in conjunction with a decrease in the carrying value of our hedged investments in shares and warrants of UHI, and a 16.4% appreciation of the Mexican peso against the U.S. dollar from that date through December 31, 2020, the effect of which was partially offset by a 5.6% depreciation of the Mexican peso against the U.S. dollar for the year ended December 31, 2020, in comparison with a 4.0% appreciation for the year ended December 31, 2019; and (ii) a Ps.962.5 million favorable change in other finance income or expense, net, resulting primarily from changes in fair value of our derivative contracts. These favorable variances were partially offset by: (i) a Ps.80.2 million increase in interest expense, primarily due to a higher average principal amount of long-term debt in 2020; and (ii) a Ps.396.1 million decrease in interest income, primarily explained by a lower average amount of cash equivalents as well as a reduction in interest rates.

***Share of Income of Associates and Joint Ventures, Net***

This line item reflects our equity participation in the operating results and net assets of unconsolidated businesses in which we maintain an interest, but which we do not control. We recognize equity in losses of associates and joint ventures up to the amount of our initial investment, subsequent capital contributions and long-term loans, or beyond that amount when we have made guaranteed commitments in respect of obligations incurred by associates and joint ventures.

Share of income or loss of associates and joint ventures, net, changed by Ps.6,320.8 million, to a share of loss of Ps.5,739.7 million in 2020, from a share of income of Ps.581.1 million in 2019. This unfavorable change reflected mainly: (i) a Ps.5,455.4 million impairment adjustment to the carrying value of our investment in shares of UHI during the first quarter of 2020; (ii) a lower share of income of UHI, and (iii) a share of loss of Ocesa Entretenimiento, S.A. de C.V. (“OCEN”), a live entertainment company with operations primarily in Mexico, in which we maintain a 40% interest.

***Income Taxes***

Income taxes increased by Ps.2,559.4 million, or 95.9%, to Ps.5,227.9 million in 2020, compared with Ps.2,668.5 million in 2019. This increase reflected an increased tax base (income before share of loss of associates and joint ventures) as well as a higher effective income tax rate. The effective income tax rate increased primarily in connection with the cancellation of deferred tax assets related to unused tax losses, income tax adjustments from prior years, and an inflationary tax gain resulting from a higher net monetary liability position of our significant companies for the year ended December 31, 2020.

The Mexican corporate income tax rate was 30% in each of the years 2020, 2019 and 2018, and will be 30% in 2021.

***Net Income Attributable to Non-controlling Interests***

Net income attributable to non-controlling interests reflects that portion of operating results attributable to interests held by third parties in businesses, which are not wholly-owned by us, including our Cable and Sky segments.

Net income attributable to non-controlling interests increased by Ps.72.4 million, or 4.9%, to Ps.1,553.1 million in 2020, compared with Ps.1,480.7 million in 2019. This increase reflected primarily a higher portion of net income attributable to non-controlling interests in our Cable segment, which was partially offset by a lower portion of net income attributable to non-controlling interests in our Sky and Other Businesses segments.

***Net Income or Loss Attributable to Stockholders of the Company***

Net income or loss attributable to stockholders of the Company amounted to a loss of Ps.1,250.3 million for the year ended December 31, 2020, compared with a net income of Ps.4,626.1 million for the year ended December 31, 2019. The unfavorable net change of Ps.5,876.4 million, reflected:

- a Ps.6,320.8 million decrease in share of income or loss of associates and joint ventures, net;
- a Ps.2,559.4 million increase in income taxes;
- a Ps.777.9 million decrease in income before depreciation and amortization;
- a Ps.252.0 million increase in depreciation and amortization; and
- a Ps.72.4 million increase in net income attributable in non-controlling interests.

These changes were partially offset by:

- a Ps.2,555.8 million decrease in finance expense, net; and
- a Ps.1,550.3 million increase in operating in other income.

**Results of Operations for the Year Ended December 31, 2019**
**Compared to the Year Ended December 31, 2018**

**Total Segment Results**

***Net Sales***

Net sales increased by Ps.474.9 million, or 0.5%, to Ps.101,757.2 million for the year ended December 31, 2019 from Ps.101,282.3 million for the year ended December 31, 2018. This increase was mainly attributable to revenue growth in the Cable segment.

***Cost of Sales***

Cost of sales decreased by Ps.573.1 million, or 1.3%, to Ps.43,563.6 million for the year ended December 31, 2019 from Ps.44,136.7 million for the year ended December 31, 2018. This decrease was due to lower costs primarily in our Content segment.

***Selling Expenses***

Selling expenses increased by Ps.74.9 million, or 0.8%, to Ps.9,403.4 million for the year ended December 31, 2019 from Ps.9,328.5 million for the year ended December 31, 2018. This increase was attributable to higher selling expenses, primarily in our Cable segment.

***Administrative and Corporate Expenses***

Administrative and corporate expenses increased by Ps.167.2 million, or 1.8%, to Ps.9,459.8 million for the year ended December 31, 2019 from Ps.9,292.6 million for the year ended December 31, 2018. The growth reflects an increase in administrative expenses, primarily in our Cable segment.

Corporate expenses decreased by Ps.266.3 million, or 12.4%, to Ps.1,888.4 million in 2019, from Ps.2,154.7 million in 2018. The decrease reflected primarily a lower share-based compensation expense.

Share-based compensation expense in 2019 and 2018 amounted to Ps.1,129.6 million and Ps.1,327.5 million, respectively, and was accounted for as corporate expenses. Share-based compensation expense is measured at fair value at the time the equity benefits are conditionally sold to officers and employees, and is recognized over the vesting period.

***Cable***

Cable net sales, representing 39.2% and 34.5% of our segment net sales for the years ended December 31, 2019 and 2018, respectively, increased by Ps.5,469.0 million, or 15.1%, to Ps.41,702.0 million for the year ended December 31, 2019 from Ps.36,233.0 million for the year ended December 31, 2018.

Total RGUs reached 12.7 million, the net additions for the year were approximately 811,137.

Cable operating segment income increased by Ps.2,495.1 million, or 16.3%, to Ps.17,797.6 million for the year ended December 31, 2019 from Ps.15,302.5 million for the year ended December 31, 2018, and the operating segment income margin reached 42.7%, 50 basis points ("bps") above the margin reached in 2018. These favorable variances were partially offset by higher programming and personnel costs and expenses.

The following table sets forth the breakdown of RGUs per service type for our Cable segment as of December 31, 2019 and 2018.

| | 2019 | 2018 |
|---|---|---|
| **Video** | **4,318,863** | **4,384,247** |
| **Broadband (data)** | **4,696,054** | **4,479,017** |
| **Voice** | **3,637,992** | **2,978,508** |
| **RGUs** | **12,652,909** | **11,841,772** |

***Sky***

Sky net sales, representing 20.1% and 20.9% of our segment net sales for the years ended December 31, 2019 and 2018, respectively, decreased by Ps.655.1 million, or 3.0%, to Ps.21,347.1 million for the year ended December 31, 2019 from Ps.22,002.2 million for the year ended December 31, 2018. At the end of 2019, the number of video RGUs had decreased by 207,689, compared with 2018. This is mainly due to a lower number of video RGUs given the disconnections in the fourth quarter of 2018 and first quarter of 2019 that followed Sky's transmission of the FIFA World Cup in 2018. Subsequent to this effect, Sky added video RGUs in each of the last three quarters of 2019 and closed 2019 with 7.4 million. In addition, Sky closed 2019 with 169,692 video RGUs in Central America and the Dominican Republic.

During 2019, Sky continued expanding its broadband operations with the addition of 294,273 broadband RGUs. It closed the year with 386 thousand broadband RGUs.

The following table sets forth the breakdown of RGUs per service type for Sky as of December 31, 2019 and 2018.

| | 2019 | 2018 |
|---|---|---|
| **Video** | **7,429,351** | **7,637,040** |
| **Broadband (data)** | **386,114** | **91,841** |
| **Voice** | **1,145** | **—** |
| **RGUs** | **7,816,610** | **7,728,881** |

Sky operating segment income decreased by Ps.646.1 million, or 6.6%, to Ps.9,121.2 million for the year ended December 31, 2019 from Ps.9,767.3 million for the year ended December 31, 2018, and the operating segment income margin was 42.7%. The decrease in operating segment income, was due to the decrease in revenues and an increase in programming and broadband costs.

***Content***

The following table presents net sales and operating segment income in our Content segment, and the percentage of change when comparing 2019 with 2018:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2019 | 2018 | Change |
| | (Millions of Pesos) | | (%) |
| **Net Sales** | | | |
| Advertising | Ps. 19,459.4 | Ps. 21,154.9 | (8.0)% |
| Network Subscription Revenue | 4,993.2 | 4,814.3 | 3.7% |
| Licensing and Syndication | 10,607.9 | 10,520.9 | 0.8% |
| **Subtotal Net Sales** | **Ps. 35,060.5** | **Ps. 36,490.1** | **(3.9)%** |
| World Cup Rights | — | 2,733.6 | n/a |
| **Total Net Sales** | **Ps. 35,060.5** | **Ps. 39,223.7** | **(10.6)%** |
| **Subtotal Operating Segment Income** | **Ps. 12,649.1** | **Ps. 13,444.6** | **(5.9)%** |
| World Cup Rights | — | 1,410.5 | n/a |
| **Operating Segment Income** | **Ps. 12,649.1** | **Ps. 14,855.1** | **(14.9)%** |

Content net sales, representing 33.0% and 37.3% of our total segment net sales for the years ended December 31, 2019 and 2018, respectively, decreased by Ps.4,163.2 million, or 10.6%, to Ps.35,060.5 million for the year ended December 31, 2019 from Ps.39,223.7 million for the year ended December 31, 2018.

Advertising revenue decreased by 8.0%. The decrease is substantially explained by a significant drop in government advertising. Core private sector advertising sales were down by 1.8%.

Network Subscription Revenue increased by 3.7%. The increase is mainly due to a price increase.

Licensing and Syndication revenue increased by 0.8%. The increase was due to higher royalties from Univision by 1.4%, reaching U.S.$389.1 million dollars, achieving a record high; and was partially offset by lower contract revenues in Europe and Asia. In 2018, Content net sales benefited from the sublicensing of certain broadcasting and digital rights for the FIFA World Cup Russia 2018 in Latin American markets, by Ps.2,733.6 million; and the income for this operation was Ps.1,410.5 million.

Content operating segment income decreased by Ps.2,206.0 million, or 14.9%, to Ps.12,649.1 million for the year ended December 31, 2019 compared with Ps.14,855.1 million for the year ended December 31, 2018. Excluding the non-recurring licensing revenue, content operating segment income decreased by 5.9% to Ps.12,649.1 million compared with Ps.13,444.6 million in 2018. The margin was 36.1%, in line with the previous year.

***Other Businesses***

Other Businesses net sales, representing 7.7% and 7.3% of our segment net sales for the years ended December 31, 2019 and 2018, respectively, increased by Ps.484.8 million, or 6.3%, to Ps.8,200.3 million for the year ended December 31, 2019 from Ps.7,715.5 million for the year ended December 31, 2018. The increase in revenues was mainly driven by performance in our soccer and gaming businesses, partially offset by our publishing and film distribution businesses.

Other Businesses operating segment income increased by Ps.1,053.7 million, or 256.7%, to Ps.1,464.2 million for the year ended December 31, 2019 from Ps.410.5 million for the year ended December 31, 2018, mainly reflecting an increase in soccer, gaming and film distribution businesses, partially offset by the performance of our publishing business.

The assets and related liabilities of the Radio business are classified as held-for-sale in the Company's consolidated statement of financial position as of December 31, 2019. Accordingly, the net sales and the operating segment income associated with the Radio business, which was part of the Company's Other Businesses segment, are presented separately as disposed operations for the years ended December 31, 2019 and 2018. Notwithstanding the foregoing, the transaction was consummated for legal and tax purposes.

***Depreciation and Amortization***

Depreciation and amortization expense increased Ps.1,174.6 million, or 5.9%, to Ps.21,008.8 million for the year ended December 31, 2019 from Ps.19,834.2 million for the year ended December 31, 2018. This change primarily reflected an increase in depreciation and amortization expense in our Cable and Content segments.

***Other Income or Expense, Net***

Other income or expense, net, changed by Ps.2,878.9 million to other expense, net of Ps.1,316.6 million for the year ended December 31, 2019, from other income, net of Ps.1,562.3 million for the year ended December 31, 2018. This unfavorable change reflected primarily: (i) the absence in 2019 of a Ps.3,513.8 million pre-tax gain due to the disposition of our 19.9% stake in Imagina Media Audiovisual, S.L. ("Imagina"), a Spanish media group, the sale of which closed in June 2018, and (ii) a higher expense related to legal, financial and accounting advisory and professional services. These unfavorable variances were mainly offset by: (i) the absence in 2019 of other taxes paid by Sky in Central America in 2018; (ii) a lower loss on disposition of property and equipment, and (iii) interest income on asset tax recovered from prior years.

**Non-operating Results**

***Finance Income or Expense, Net***

Finance income or expense, net, significantly impacts our consolidated financial statements in periods of currency fluctuations. Finance income or expense, net, reflects:

- interest expense;
- interest income;
- foreign exchange gain or loss attributable to monetary assets and liabilities denominated in foreign currencies; and
- other finance income or expense, net, including gains or losses from derivative instruments.

Our foreign exchange position is affected by our assets or liabilities denominated in foreign currencies, primarily U.S. dollars. We record a foreign exchange gain or loss if the exchange rate of the Peso to the other currencies in which our monetary assets or liabilities are denominated varies.

Finance expense, net, increased by Ps.31.1 million to Ps.8,810.8 million for the year ended December 31, 2019, from Ps.8,779.7 million for the year ended December 31, 2018. This increase reflected primarily: (i) a Ps.694.7 million increase in interest expense, primarily due to a higher average principal amount of debt in 2019, as well as interest expense in the amount of Ps.426.5 million related to additional lease liabilities recognized beginning on January 1, 2019, in connection with the adoption of IFRS 16, which became effective on that date; (ii) a Ps.38.0 million decrease in interest income, primarily explained by a lower average amount of cash equivalents and (iii) a Ps.13.6 million increase in other finance expense, net, resulting primarily from changes in fair value of our derivative contracts. These unfavorable variances were partially offset by a Ps.715.2 million increase in foreign exchange gain, net, resulting primarily from the effect of a 4.0% appreciation of the Mexican peso against the U.S. dollar in 2019, in comparison with a 0.2% appreciation in 2018, on our average net U.S. dollar liability position.

***Share of Income of Associates and Joint Ventures, Net***

This line item reflects our equity participation in the operating results and net assets of unconsolidated businesses in which we maintain an interest, but which we do not control. We recognize equity in losses of associates and joint ventures up to the amount of our initial investment, subsequent capital contributions and long-term loans, or beyond that amount when we have made guaranteed commitments in respect of obligations incurred by associates and joint ventures.

Share of income of associates and joint ventures, net, increased by Ps.48.2 million, or 9.0%, to Ps.581.1 million in 2019, from Ps.532.9 million in 2018. This increase reflected mainly a higher share of income of Univision Holdings, Inc. or UHI, the controlling company of Univision Communications Inc., which was partially offset by the absence of the share of income from OCEN, for the last five months of 2019, as we classified our investment in OCEN as current assets held for sale, in connection with a related sale agreement.

***Investments in Warrants and Shares of UHI as of March 31, 2020***

In conjunction with the acquisition of the majority stock of UHI by a group of investors, which was announced on February 25, 2020, we reviewed the assumptions and inputs related to our discounted cash flow model used to determine the fair value of our investment in warrants and shares of UHI as of March 31, 2020. In addition, we retained the services of a third party to perform a valuation analysis. Based on these assessments and reviews, we recognized:

I. a decline in the estimated fair value of our investment in warrants exercisable for shares of UHI as of March 31, 2020, in the amount of Ps.21,937.1 million, which was accounted for in accumulated other comprehensive income or loss ("OCI"), net of income tax of Ps.6,581.1 million, in our consolidated statement of financial position as of March 31, 2020; and

II. a decrease in the carrying value of our investment in shares of UHI as of March 31, 2020, in the amount of Ps.5,455.4 million, which was accounted for in share of income or loss of associates and joint ventures in our consolidated statement of income ("IS") for the three months ended March 31, 2020.

The following table summarizes the carrying value of the investments in UHI as of March 31, 2020, and December 31, 2019, before and after the change in estimated fair value ("FV"), in millions of Mexican pesos.

| Investments in UHI | Carrying Value at December 31, 2019 | Carrying Value before FV Change at March 31, 2020[1] | FVChange | Carrying value at March 31, 2020 | FV Change Accounted for in |
|---|---|---|---|---|---|
| Warrants, at fair value | 33,775.4 | 42,683.3 | (21,937.1) | 20,746.2 | OCI |
| Shares, at equity method | 8,189.7 | 10,476.6 | (5,455.4) | 5,021.2 | IS |
| **Total** | **41,965.1** | **53,159.9** | **(27,392.5)** | **25,767.4** | |

(1) This carrying value takes into account the positive impact that the depreciation of the Mexican peso had, during first quarter 2020, on this U.S. dollar-denominated investment.

For additional information regarding our relationship with UHI, see Notes 9, 10, 14 and 20 to our consolidated year-end financial statements.

***Income Taxes***

Income taxes decreased by Ps.1,722.0 million, or 39.2%, to Ps.2,668.5 million in 2019, compared with Ps.4,390.5 million in 2018. This decrease reflected mainly a lower income tax base, as well as a reduction in effective income tax rate.

The Mexican corporate income tax rate was 30% in each of the years 2019, 2018 and 2017, and was 30% in 2020.

***Net Income Attributable to Non-controlling Interests***

Net income attributable to non-controlling interests reflects that portion of operating results attributable to the interests held by third parties in the businesses, which are not wholly-owned by us, including our Cable and Sky segments, as well as our Radio business.

Net income attributable to non-controlling interests decreased by Ps.125.2 million, or 7.8%, to Ps.1,480.7 million in 2019, compared with Ps.1,605.9 million in 2018. This decrease reflected primarily a lower portion of net income attributable to non-controlling interests in our Sky segment.

***Net Income Attributable to Stockholders of the Company***

Net income attributable to stockholders of the Company reached the amount of Ps.4,626.1 million for the year ended December 31, 2019, compared with Ps.6,009.4 million for the year ended December 31, 2018. The net decrease of Ps.1,383.3 million reflected:

- a Ps.2,878.9 million unfavorable changes in other income or expense, net; and
- a Ps.1,174.6 million increase in depreciation and amortization.

These changes were partially offset by:

- a Ps.1,722.0 million decrease in income taxes;
- a Ps.805.9 million increase in operating income before depreciation and amortization and other income or expenses, net; and
- a Ps.125.2 million decrease in net income attributable to non-controlling interests.

**Effects of Depreciation and Inflation**

The following table sets forth, for the periods indicated:

- the percentage that the Peso depreciated or appreciated against the U.S. Dollar;
- the Mexican inflation rate;
- the U.S. inflation rate; and
- the percentage change in Mexican GDP compared to the prior period.

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| (Appreciation) depreciation of the Peso as compared to the U.S. Dollar[(1)] | 6.0% | (4.0)% | (0.2)% |
| Mexican inflation rate[(2)] | 3.2 | 2.8 | 4.8 |
| U.S. inflation rate | 1.3 | 2.3 | 1.9 |
| Increase (decrease) in Mexican GDP[(3)] | (8.2) | (0.1) | 2.0 |

(1) Based on changes in the Interbank Rates, as reported by CitiBanamex, at the end of each period, which were as follows: Ps.19.6730 as of December 31, 2018, Ps.18.8838 as of December 31, 2019 and 19.9493 as of December 31, 2020.

(2) Based on changes in the NCPI from the previous period, as reported by the Mexican Central Bank, which were as follows: 103.0 in 2018, 105.9 in 2019 and 109.3 in 2020.

(3) As estimated by the *Instituto Nacional de Estadística, Geografía e Informática*, or INEGI.

The general condition of the Mexican economy, the depreciation of the Peso as compared to the U.S. Dollar, inflation and high interest rates have in the past adversely affected, and may in the future adversely affect, our:

- Advertising and Other Revenues. Inflation in Mexico adversely affects consumers. As a result, our advertising customers may purchase less advertising, which would reduce our advertising revenues, and consumers may reduce expenditures for our other products and services, including pay-TV services.
- Foreign Currency-Denominated Revenues and Operating Costs and Expenses. We have substantial operating costs and expenses denominated in foreign currencies, primarily in U.S. Dollars. These costs are principally due to our activities in the United States, the costs of foreign-produced programming and publishing supplies and the leasing of satellite transponders. The following table sets forth our foreign currency-denominated revenues and operating costs and expenses stated in millions of U.S. Dollars for 2020, 2019 and 2018:

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | | 2019 | | 2018 | |
| | | | | (Millions of U.S. Dollars) | | |
| Revenues | U.S.$ | 720 | U.S.$ | 823 | U.S.$ | 933 |
| Operating costs and expenses | | 567 | | 677 | | 750 |

On a consolidated basis, in 2020, 2019 and 2018, our foreign-currency-denominated costs and expenses did not exceed our foreign-currency-denominated revenues but there can be no assurance that they will continue not to do so in the future. As a result, we will continue to remain exposed to future depreciation of the Peso, which would increase the Peso equivalent of our foreign-currency-denominated costs and expenses.

- Finance Expense, Net. The depreciation of the Peso as compared to the U.S. Dollar generates foreign exchange losses relating to our net U.S. Dollar-denominated liabilities and increases the Peso equivalent of our interest expense on our U.S. Dollar-denominated indebtedness. Foreign exchange losses, derivatives used to hedge foreign exchange risk and increased interest expense increase our finance expense, net.

We have also entered into and will continue to consider entering into additional financial instruments to hedge against Peso depreciation and reduce our overall exposure to the depreciation of the Peso as compared to the U.S. Dollar, inflation and high interest rates. We cannot assure you that we will be able to enter into financial instruments to protect ourselves from the effects of the depreciation of the Peso as compared to the U.S. Dollar, inflation and increases in interest rates, or if so, on favorable terms. In the past, we have designated, and from time to time in the future we may designate, certain of our investments or other assets as effective hedges against Peso depreciations. See “Key Information — Risk Factors — Risk Factors Related to Mexico”, “Quantitative and Qualitative Disclosures About Market Risk — Market Risk Disclosures” and Note 4 to our consolidated year-end financial statements.

**IFRS**

Our consolidated financial information as of December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018, was prepared in accordance with IFRS as issued by the IASB.

***New and Amended IFRS Standards***

Below is a list of the new and amended standards that have been issued by the IASB and are effective for annual periods starting on or after June 1, 2021. Our management does not expect the pronouncements effective for annual periods beginning on January 1, 2021 to have a material impact on our consolidated financial statements. Our management is in the process of assessing the potential impact those pronouncements effective for annual periods beginning on or after January 1, 2021 will have on our consolidated financial statements. Some amendments and improvements to certain IFRS standards became effective on January 1, 2020, and they did not have any significant impact on our consolidated financial statements.

| New or Amended IFRS Standard | Title of the IFRS Standard | Effective for Annual Periods Beginning On or After |
|---|---|---|
| Amendments to IFRS 10 and IAS 28 [1] | *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* | Postponed |
| IFRS 17 [2] | *Insurance Contracts* | January 1, 2023 |
| Amendments to IAS 1 [1] | *Classification of Liabilities as Current or Non-current* | January 1, 2023 |
| Annual Improvements [1] | *Annual Improvements to IFRS Standards 2018-2020* | January 1, 2022 |
| Amendments to IAS 16 [1] | *Property, Plant and Equipment: Proceeds before Intended Use* | January 1, 2022 |
| Amendments to IAS 37 [1] | *Onerous Contracts – Cost of Fulfilling a Contract* | January 1, 2022 |
| Amendments to IFRS 3 [1] | *Reference to the Conceptual Framework* | January 1, 2022 |
| Amendment to IFRS 16 [1] | *COVID-19-Related Rent Concessions* | June 1, 2020 |
| Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 [2] | *Interest Rate Benchmark Reform – Phase 2* | January 1, 2021 |
| Amendments to IAS 8 | *Definition of Accounting Estimates* | January 1, 2023 |
| Amendments to IAS 1 and IFRS Practice Statement 2 | *Disclosure of Accounting Policies* | January 1, 2023 |

[1] This new or amended IFRS Standard is not expected to have a significant impact on our consolidated financial statements.

[2] This new or amended IFRS Standard is not expected to be applicable to our consolidated financial statements.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, were issued in September 2014 and address and acknowledge inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involved a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involved assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015, the IASB postponed the effective date of these amendments indefinitely pending the outcome of its research project on the equity method of accounting.

IFRS 17 *Insurance Contracts* ("IFRS 17") was issued in May 2017 and amended in June 2020. IFRS 17 supersedes IFRS 4 *Insurance Contracts* ("IFRS 4"), which has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosures of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts with discretionary participation features issued. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Under the provisions of IFRS 17, insurance obligations will be accounted for using current values instead of historical cost. Amendments to IFRS 17 were issued in June 2020 aimed at helping companies implement the Standard and making it easier for them to explain their financial performance. The fundamental principles introduced when IFRS 17 was issued in May 2017 remained unaffected. IFRS 17 is effective on January 1, 2023, and earlier application is permitted.

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* were issued in January 2020, and clarify one of the criteria in IAS 1 for classifying a liability as non-current that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2023 retrospectively in accordance with IAS 8. Earlier application is permitted.

Annual Improvements to IFRS Standards 2018-2020, were issued in May 2020, and make minor amendments to certain IFRS Standards. The amendments are effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The following table shows the IFRS Standards amended and the subject of the amendments.

| **Standard** | **Subject of Amendment** |
|---|---|
| IFRS 1 *First-time Adoption of International Reporting Standards* | Subsidiary as a First-time Adopter |
| IFRS 9 *Financial Instruments* | Fees in the "10 per cent" Test for Derecognition of Financial Liabilities |
| Illustrative Examples accompanying IFRS 16 *Leases* | Lease Incentives |
| IAS 41 *Agriculture* | Taxation in Fair Value Measurements |

Amendments to IFRS 3 *Reference to the Conceptual Framework*, were issued in May 2020, and update a reference in IFRS 3 Business Combinations to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16 *Property, Plant and Equipment: Proceeds before Intended Use*, were issued in May 2020, and prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in income or loss.

Amendments to IAS 37 *Onerous Contracts – Cost of Fulfilling a Contract*, were issued in May 2020, and specify which costs a company includes when assessing whether a contract will be loss-making, under the guidelines of IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Amendment to IFRS 16 *Covid-19-Related Rent Concessions* was issued in May 2020, and exempts lessees from having to consider individual lease contracts to determine whether rent concessions (i.e. temporary rent reductions) occurring as a direct consequence of the Covid-19 pandemic are lease modifications, and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to Covid-19-related rent concessions that reduce lease payments due on or before June 30, 2021. IFRS 16 specifies how lessees should account for changes in lease payments, including concessions. However, applying those requirements to a potentially large volume of Covid-19-related rent concessions could be practically difficult, especially in the light of the many challenges stakeholders face during the pandemic. This optional exemption gives timely relief to lessees and enables them to continue providing information about their leases that is useful to investors. The amendment does not affect lessors. The amendment is effective for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted, including in financial statements not authorized for issue.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 *Interest Rate Benchmark Reform – Phase 2*, were issued in August 2020 as a complement to those amendments issued in September 2019 (Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform, which were focused on the accounting effects of uncertainty in the period leading up to the reform). The "interest rate benchmark reform" refers to the market-wide reform of an interest rate benchmark (such as an interbank offered rate or IBOR), including the replacement of an interest rate benchmark with an alternative benchmark rate. Phase 2 amendments focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. The amendments in this final phase relate to: (i) changes to contractual cash flows – a company will not have to derecognize or adjust the carrying amount of financial instruments for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate; (ii) hedge accounting – a company will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and (iii) disclosures – a company will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

Amendments to IAS 8 *Definition of Accounting Estimates,* were issued in February 2021, the amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies.

Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies, were issued in February 2021, the Board amended paragraphs 117–122 of IAS 1 Presentation of Financial Statements to require entities to disclose their material accounting policy information rather than their significant accounting policies. To support this amendment the Board also amended IFRS Practice Statement 2 Making Materiality Judgements (Materiality Practice Statement) to explain and demonstrate the application of the 'four-step materiality process' to accounting policy disclosures.

***Critical Accounting Estimates and Assumptions***

We have identified certain key accounting policies upon which our consolidated financial condition and results of operations are dependent. The application of these key accounting policies often involves complex considerations and assumptions and the making of subjective judgments or decisions on the part of our management. In the opinion of our management, our most critical accounting policies under IFRS are those related to the accounting for programming, goodwill and other indefinite-lived intangible assets, long-lived assets, deferred income taxes, financial assets measured at fair value and warrants issued by UHI. For a full description of these and other accounting policies, see Note 2 to our consolidated year-end financial statements.

**(a) Accounting for Programming**

We produce a significant portion of programming for initial broadcast over its television networks in Mexico, our primary market. Following the initial broadcast of this programming, we then license some of this programming for broadcast in secondary markets, such as Mexico, the United States, Latin America, Asia, Europe and Africa. Under IFRS, in order to properly capitalize and subsequently amortize production costs related to this programming, we must estimate the expected future benefit period over which a given program will generate revenues (generally, over a five-year period). We then amortize the production costs related to a given program over the expected future benefit period. Under this policy, we generally expense approximately 70% of the production costs related to a given program in its initial broadcast run and defer and expense the remaining production costs over the remainder of the expected future benefit period (see Note 2 (g) to our consolidated year-end financial statements).

We estimate the expected future benefit periods based on past historical revenue patterns and usage for similar types of programming and any potential future events, such as new outlets through which we can exploit or distribute our programming, including our consolidated subsidiaries and equity investees. To the extent that a given future expected benefit period is shorter than the estimate, we may have to accelerate capitalized production costs sooner than anticipated. Conversely, to the extent that a given future expected benefit period is longer than the estimate, we may have to extend the amortization schedule for the remaining capitalized production costs.

We also enter into license arrangements with various third party programming producers and providers, pursuant to which we receive the rights to broadcast programming produced by third parties over our television networks in Mexico. For programming licensed from third parties, we estimate the expected future benefit period based upon the term of the license. In addition, we may purchase programming from third parties, from time to time. In this case, we estimate the expected future benefit period based on the anticipated number of showings in Mexico. To the extent that a given future expected benefit period is shorter than the estimate, we may have to accelerate the amortization of the purchase price or the license fee sooner than anticipated. Conversely, to the extent that a given future expected benefit period is longer than the estimate, we may have to extend the amortization schedule for the remaining portion of the purchase price or the license fee.

Assuming a hypothetical 10% decrease in expected future revenue from programming as of December 31, 2020, the balance of such programming would decrease in the amount of Ps.349,704, with a corresponding increase in programming amortization expense.

**(b) Goodwill and Other Indefinite-lived Intangible Assets**

Goodwill and other intangible assets with indefinite useful lives are reviewed for impairment at least annually. When an impairment test is performed, the recoverable amount is assessed by reference to the higher of the net present value of the expected future cash flows (value in use) of the relevant CGU and the fair value less cost to sell.

The recoverable amount of CGUs has been determined based on the higher of value in use and fair value less costs to disposal calculations. These calculations require the use of estimates, which include management's expectations of future revenue growth, operating costs, profit margins and operating cash flows for each CGU, long-term growth rates and discount rates based on weighted average cost of capital, among others.

During 2020 and 2019, we recorded impairment adjustments for other indefinite-lived intangible assets (trademarks) related to its Publishing business. See Note 2 (b) and (l) to our consolidated year-end financial statements for disclosure regarding concession intangible assets.

**(c) Long-lived Assets**

We present certain long-lived assets other than goodwill and indefinite-lived intangible assets in our consolidated statement of financial position. Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may no longer be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Recoverability is analyzed based on projected cash flows. Estimates of future cash flows involve considerable management judgment. These estimates are based on historical data, future revenue growth, anticipated market conditions, management plans, and assumptions regarding projected rates of inflation and currency fluctuations, among other factors. If these assumptions are not correct, we would have to recognize a write-off or write-down or accelerate the amortization schedule related to the carrying value of these assets (see Notes 2 (m), 13 and 22 to our consolidated year-end financial statements). We have not recorded any significant impairment charges during any of the years presented herein.

**(d) Deferred Income Taxes**

We record our deferred tax assets based on the likelihood that these assets are realized in the future. This likelihood is assessed by taking into consideration the future taxable income. In the event we were to determine that we would be able to realize our deferred tax assets in the future in excess of the net recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made. Should we determine that we would not be able to realize all or part of our net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made.

**(e) Financial Assets Measured at Fair Value**

We have a significant amount of financial assets that are measured at fair value on a recurring basis. The degree of management's judgment involved in determining the fair value of a financial asset varies depending upon the availability of quoted market prices. When observable quoted market prices exist, that is the fair value estimate we use. To the extent such quoted market prices do not exist, management uses other means to determine fair value (see Notes 4 and 15 to our consolidated year-end financial statements).

**(f) Warrants issued by UHI**

Our management applied significant judgment to determine the classification of the warrants issued by UHI and held through December 29, 2020. These warrants did not comply with the definition of a derivative financial instrument because the initial investment that we paid to acquire the original instrument (Convertible Debentures) was significant and a derivative requires no initial investment or one that is smaller than would be required for a contract with similar response to changes in market factors; therefore, we classified the warrants issued by UHI as equity instrument with changes in fair value recognized in other comprehensive income or loss in consolidated equity. Significant judgment was applied by our management in assessing that the characteristics of the warrants issued by UHI were closer to an equity instrument in accordance with the IAS 32 *Financial Instruments: Presentation* and IFRS 9 (see Notes 3, 9, 10 and 15 to our consolidated year-end financial statements).

**Financial assets and liabilities measured at fair value as of December 31, 2020, 2019 and 2018 (in thousands of Pesos):**

| | Balance as of December 31, 2020 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Internal Models with Significant Observable Inputs (Level 2) | Internal Models with Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| Assets: | | | | |
| At FVOCIL: | | | | |
| Open-Ended Fund | Ps. 1,135,803 | Ps. — | Ps. 1,135,803 | Ps. — |
| Other equity instruments | 5,397,504 | 5,397,504 | — | — |
| Total | Ps. 6,533,307 | Ps. 5,397,504 | Ps. 1,135,803 | Ps. — |
| Liabilities: | | | | |
| Derivative financial instruments | Ps. 3,476,223 | Ps. — | Ps. 3,476,223 | Ps. — |
| Total | Ps. 3,476,223 | Ps. — | Ps. 3,476,223 | Ps. — |

| | Balance as of December 31, 2019 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Internal Models with Significant Observable Inputs (Level 2) | Internal Models with Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| Assets: | | | | |
| At FVOCIL: | | | | |
| Open-Ended Fund | Ps. 4,688,202 | Ps. — | Ps. 4,688,202 | Ps. — |
| Other equity instruments | 5,751,001 | 5,751,001 | — | — |
| Warrants issued by UHI | 33,775,451 | — | — | 33,775,451 |
| Derivative financial instruments | 4,592 | — | 4,592 | — |
| Total | Ps. 44,219,246 | Ps. 5,751,001 | Ps. 4,692,794 | Ps. 33,775,451 |
| Liabilities: | | | | |
| Derivative financial instruments | Ps. 915,290 | Ps. — | Ps. 915,290 | Ps. — |
| Total | Ps. 915,290 | Ps. — | Ps. 915,290 | Ps. — |

| | Balance as of December 31, 2018 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Internal Models with Significant Observable Inputs (Level 2) | Internal Models with Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| Assets: | | | | |
| Temporary investments | Ps. 30,992 | Ps. 30,992 | Ps. — | Ps. — |
| At FVOCIL: | | | | |
| Open-Ended Fund | 7,662,726 | — | 7,662,726 | — |
| Other equity instruments | 6,545,625 | 6,545,625 | — | — |
| Other financial assets | 72,612 | 72,612 | — | — |
| Warrants issued by UHI | 34,921,530 | — | — | 34,921,530 |
| Derivative financial instruments | 1,035,522 | — | 1,035,522 | — |
| Total | Ps. 50,269,007 | Ps. 6,649,229 | Ps. 8,698,248 | Ps. 34,921,530 |
| Liabilities: | | | | |
| Derivative financial instruments | Ps. 148,061 | Ps. — | Ps. 148,061 | Ps. — |
| Total | Ps. 148,061 | Ps. — | Ps. 148,061 | Ps. — |

The table below presents the reconciliation for all assets and liabilities measured at fair value using internal models with significant unobservable inputs (Level 3) during the years ended December 31, 2020, 2019 and 2018.

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Balance at beginning of year | Ps. 33,775,451 | Ps. 34,921,530 | Ps. 36,395,183 |
| Included in other comprehensive income | (16,387,752) | (1,146,079) | (1,473,653) |
| Warrants exercised for common stock of UHI | (17,387,699) | — | — |
| Balance at the end of year | Ps. — | Ps. 33,775,451 | Ps. 34,921,530 |

***Non-current Financial Assets***

Investments in debt securities or with readily determinable fair values, are classified as non-current investments in financial instruments, and are recorded at fair value with unrealized gains and losses included in consolidated stockholders' equity as accumulated other comprehensive result.

Non-current financial assets are generally valued using quoted market prices or alternative pricing sources with reasonable levels of price transparency. Such instruments are classified in Level 1, Level 2, and Level 3, depending on the observability of the significant inputs.

***Open-Ended Fund***

We have an investment in an Open-Ended Fund that has as a primary objective to achieve capital appreciation by using a broad range of strategies through investments in securities, including without limitation stock, debt and other financial instruments, a principal portion of which are considered as Level 1 financial instruments, in telecom, media and other sectors across global markets, including Latin America and other emerging markets. Shares may be redeemed on a quarterly basis at the NAV per share as of such redemption date (see Notes 4 and 9).

***UHI Warrants***

In July 2015, we exchanged our investment in U.S.$1,125 million principal amount of Convertible Debentures due 2025 issued by UHI for 4,858,485 warrants that were exercisable for UHI's common stock, and exercised 267,532 of these warrants to increase our equity stake in UHI from 7.8% to 10%. On December 29, 2020, we exercised all of our remaining warrants for common shares of UHI to increase our equity stake in UHI from 10% to 35.9% on a fully diluted basis (see Notes 9 and 10 to our consolidated year-end financial statements). The carrying amount of these warrants included the original value of U.S.$1,063.1 million invested in December 2010 in the form of Convertible Debentures issued by UHI that were then exchanged for these warrants in July 2015.

We determined the fair value of our investment in warrants by using the income approach based on post-tax discounted cash flows. The income approach requires management to make judgments and involves the use of significant estimates and assumptions. These estimates and assumptions include long-term growth rates and operating margins used to calculate projected future cash flows, risk-adjusted discount rates based on weighted average cost of capital within a range of 8% to 9%, among others. Our estimates for market growth were based on historical data, various internal estimates and observable external sources when available, and are based on assumptions that are consistent with the strategic plans and estimates used to manage the underlying business. Since the described methodology is an internal model with significant unobservable inputs, the UHI warrants are classified as Level 3. Additionally, we determined the fair value of our investment in warrants by using the Black-Scholes model ("BSPM"). The BSPM involves the use of significant estimates and assumptions. The assumptions used as of December 29, 2020 and December 31, 2019 and 2018, included UHI stock's spot price of U.S.$190, U.S.$390 and U.S.$387 per share on a fully-diluted, as–converted basis, respectively, and UHI stock's expected volatility of 64%, 40% and 36%, respectively.

***Derivative Financial Instruments***

Derivative financial instruments include swaps, forwards and options (see Notes 2(w), 4 and 15 to our consolidated year-end financial statements).

Our derivative portfolio is entirely over-the-counter ("OTC"). Our derivatives are valued using industry standard valuation models; projecting future cash flows discounted to present value, using market-based observable inputs including interest rate curves, foreign exchange rates, and forward and spot prices for currencies.

When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit spreads considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used. All derivatives are classified in Level 2.

***Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis***

The majority of our non-financial instruments, which include goodwill, intangible assets, inventories, transmission rights and programming and property, plant and equipment, are not required to be carried at fair value on a recurring basis. However, if certain triggering events occur (or at least annually in the fourth quarter for goodwill and indefinite-lived intangible assets) such that a non-financial instrument is required to be evaluated for impairment, a resulting asset impairment would require that the non-financial instrument be recorded at the lower of carrying amount or its fair value.

The impairment test for goodwill involves a comparison of the estimated fair value of each of our reporting units to its carrying amount, including goodwill. We determine the fair value of a reporting unit using a combination of a discounted cash flow analysis and a market-based approach, which utilize significant unobservable inputs (Level 3) within the fair value hierarchy. The impairment test for intangible assets not subject to amortization involves a comparison of the estimated fair value of the intangible asset with its carrying value. We determine the fair value of the intangible asset using a discounted cash flow analysis, which utilizes significant unobservable inputs (Level 3) within the fair value hierarchy. Determining fair value requires the exercise of significant judgment, including judgment about appropriate discount rates, perpetual growth rates, the amount and timing of expected future cash flows for a period of time that comprises five years, as well as relevant comparable company earnings multiples for the market-based approach.

Once an asset has been impaired, it is not remeasured at fair value on a recurring basis; however, it is still subject to fair value measurements to test for recoverability of the carrying amount.

**Liquidity, Foreign Exchange and Capital Resources**

***Liquidity.*** We generally rely on a combination of cash on hand, operating revenues, borrowings and net proceeds from dispositions to fund our working capital needs, capital expenditures, acquisitions and investments.

We moved the closing of the 2021 and 2020 up-front plans from the last quarter of 2020 and 2019 to the first months of 2021 and 2020, respectively. In light of this change, the results cannot be compared to those obtained in previous years. As of April, 2021 and 2020, we had received Ps.14,525 and Ps.14,611 million, respectively, of advertising deposits and advances for advertising time in all of our Content platforms and in other segments, and we are still in negotiations with some clients. As of April, 2021 and 2020, we had collected 30% and 26%, respectively, of these amounts. The rest is in the form of short-term, non-interest bearing notes. The weighted average maturity of these notes as of April, 2021 and 2020 were 4.0 and 3.7 months, respectively.

During the year ended December 31, 2020, we had a net increase in cash and cash equivalents of Ps. 1,034.5 million, as compared to a net decrease in cash and cash equivalents of Ps.4,098.0 million during the year ended December 31, 2019.

Net cash provided by operating activities for the year ended December 31, 2020, amounted to Ps.33,160.9 million. Adjustments to reconcile income before income taxes to net cash provided by operating activities are overall due to depreciation and amortization of Ps.21,260.8 million, interest expense of Ps.10,482.2 million, share of loss of associates and joint ventures of Ps.5,739.7, cancellation of provision of Ps.691.2 million and other amortization of Ps.380.9 million; and partially offset by net unrealized foreign exchange gain of Ps.2,596.2 million, gain on disposition of investments of Ps.789.9 million, other finance income of Ps.89.3 million, income on disposition of property and equipment of Ps.74.2 million, interest income of Ps.72.9 million. Income taxes paid for the year ended December 31, 2020 amounted to Ps.8,681.5 million.

Net cash used in investing activities for the year ended December 31, 2020, amounted to Ps.15,919.7 million, and was primarily used for investments in property, plant and equipment of Ps.20,131.7 million; other investments in intangible assets of Ps.1,235.2 million and disposition of other investment of Ps.602.5 million; partially offset by cash provided from disposition of investments in financial instruments of Ps.3,155.6 million; disposition of property, plant and equipment of Ps.1,520.4 million, disposition of Radiópolis of Ps.1,248.0 million and investments in joint ventures of Ps.125.6 million.

Net cash used in financing activities for the year ended December 31, 2020, amounted to Ps.16,195.2 million, and was primarily used for interest payment of Ps.9,455.4 million; prepayment of Mexican peso debt related to Sky in the aggregate principal amount of Ps.2,750.0 million; dividends paid and reduction of capital of noncontrolling interest of Ps.1,420.5 million; repayment and prepayment of other notes payable of Ps.1,324.1 million; repayment of debt and lease payments of Ps.2,114.5 million; and repurchases of CPOs under a share repurchase program of Ps.195.6 million which effect was partially offset by cash provided by derivative financial instruments of Ps.1,261.8 million.

During the year ended December 31, 2019, we had a net decrease in cash and cash equivalents of Ps. 4,098.0 million, as compared to a net decrease in cash and cash equivalents of Ps.6,666.7 million during the year ended December 31, 2018.

Net cash provided by operating activities for the year ended December 31, 2019, amounted to Ps.27,269.1 million. Adjustments to reconcile income before income taxes to net cash provided by operating activities are overall due to depreciation and amortization of Ps.21,008.8 million, interest expense of Ps.10,402.0 million, loss on disposition of property and equipment of Ps.270.4 million, loss on derivatives in other finance expense, net of Ps.872.3 million, other amortization of Ps.531.4 million and provision for deferred compensation of Ps.199.2 million; and partially offset by net unrealized foreign exchange gain of Ps.1,121.0 million, share of income of associates and joint ventures of Ps.581.0 million, interest receivable for Asset Tax from prior years of Ps.140.0 million, interest income of Ps.102.7 million and gain on disposition of investments of Ps.1.0 million. Income taxes paid for the year ended December 31, 2019 amounted to Ps.8,816.6 million.

Net cash used in investing activities for the year ended December 31, 2019, amounted to Ps.17,005.1 million, and was primarily used for investments in property, plant and equipment of Ps.19,108.3 million; and other investments in intangible assets of Ps.2,106.8 million; partially offset by cash provided from disposition of investments in financial instruments of Ps.2,301.7 million; investments in associates and other investments of Ps.149.4 million; temporary investments of Ps.31.0 million; and disposition of property, plant and equipment of Ps.981.5 million.

Net cash used in financing activities for the year ended December 31, 2019, amounted to Ps.14,301.9 million, and was primarily used for prepayment of all of the outstanding Notes due 2020, 2021 and 2022 in the aggregate principal amount of Ps.21,000 million; issuance of Ps.14,247.5 Senior Notes due 2049; long-term loans from Mexican banks of Ps.10,000.0 million; interest payment of Ps.9,180.1 million; repayment of debt and lease payments of Ps.2,432.3 million; dividends paid to noncontrolling interest of Ps.1,594.6 million; repurchases of CPOs under a share repurchase program of Ps.1,385.8 million; repayment of other notes payable of Ps.1,294.4 million; and dividends paid of Ps.1,066.2 million; which effect was partially offset by cash provided by derivative financial instruments of Ps.596.0 million.

***Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity***

During 2021, we:

- expect to make aggregate capital expenditures for property, plant and equipment totaling approximately U.S.$1,170.0 million, of which approximately U.S.$850.0 million and approximately U.S.$230.0 million are for the expansion and improvements of our Cable and Sky segments, respectively, and the remaining amount is for our Content and Other Businesses segments; and

- expect to provide financing to GTAC in connection with long-term credit facilities and our 33.3% interest in GTAC in the aggregate principal amount of Ps.128.8 million (U.S.$6.5 million).

During 2020, we:

- made aggregate capital expenditures for property, plant and equipment totaling approximately U.S.$ 939.4 million, of which approximately U.S.$662.5 million and approximately U.S.$250.2 million are for the expansion and improvements of our Cable and Sky segments, respectively, and the remaining amount is for our Content and Other Businesses segments; and

- provided financing to GTAC in connection with long-term credit facilities and our 33.3% interest in Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V. (“GTAC”) in the aggregate principal amount of Ps.132.9 million (U.S.$6.3 million).

During 2019, we:

- made aggregate capital expenditures for property, plant and equipment totaling approximately U.S.$992.2 million, of which approximately U.S.$675.3 million and approximately U.S.$209.1 million are for the expansion and improvements of our Cable and Sky segments, respectively, and the remaining amount is for our Content and Other Businesses segments; and

- provided financing to GTAC in connection with long-term credit facilities and our 33.3% interest in GTAC in the aggregate principal amount of Ps.172.2 million (U.S.$8.8 million).

***Refinancings.*** In October 2017, we concluded the offering of Ps.4,500 million aggregate principal amount of local bonds (*Certificados Bursátiles*) due 2027 with an interest rate of 8.79%. We used the net proceeds of the offering for general corporate purposes and working capital. In December 2017, we redeemed in full the U.S.$500 million aggregate principal amount of our 6.0% Senior Notes due 2018.

In March 2016, (i) our Sky segment entered into long-term debt agreements with two Mexican banks in the aggregate principal amount of Ps.5,500 million, with maturities between 2021 and 2023, and interest payable on a monthly basis at an annual rate in the range of 7.0% and 7.13%, and prepaid an intercompany long-term loan in the principal amount of Ps.3,500 million; and (ii) we prepaid a portion of our Mexican peso outstanding long-term loans with original maturities between 2016 and 2017 in the aggregate principal amount of Ps.3,532 million.

In November and December 2017, we entered into long-term debt agreements with three Mexican banks in the aggregate principal amount of Ps.6,000 million, with maturities between 2022 and 2023, and interest payable on a monthly basis at an annual rate of 28-day Equilibrium Interbank Interest Rate ("Tasa de Interés Interbancaria de Equilibrio" or "TIIE") plus a range between 125 and 130 basis points.

In May 2019, we concluded the offering of U.S.$750 million aggregate principal amount of 5.25% Senior Notes due 2049. The net proceeds of the offering were used for general corporate purposes, which may include repayment or repurchase of existing indebtedness.

In June 2019, we entered into a credit agreement for a five-year term loan with a syndicate of banks in the aggregate principal amount of Ps.10,000 million. The funds from this loan were used for general corporate purposes, including the refinancing of the Company's indebtedness. This loan bears interest at a floating rate based on a spread of 105 or 130 basis points over the 28-day TIIE rate depending on the Company's net leverage ratio.

In July 2019, we prepaid all of the outstanding local bonds (*Certificados Bursátiles*) due 2021 and 2022, in the aggregate principal amount of Ps.11,000 million.

In October 2019, we prepaid all of the outstanding local bonds (*Certificados Bursátiles*) due 2020, in the aggregate principal amount of Ps.10,000.0 million. Accordingly, we classified this debt as current as of September 30, 2019, net of related finance costs, in the amount of Ps.9,992.4 million.

On March 24, 2020, the Company drew down the U.S.$618 million under the Revolving Credit Facility and fully prepaid the facility on October 6, 2020. The facility remains available through March 26, 2022.

***Indebtedness.*** As of December 31, 2020, our consolidated long-term portion of debt amounted to Ps. 121,936.0 million and our consolidated current portion of debt was Ps.2,551.6 million. As of December 31, 2019, our consolidated long-term portion of debt amounted to Ps. 120,444.7 million and our consolidated current portion of debt was Ps. 2,435.8 million. The consolidated debt is presented net of unamortized finance costs as of December 31, 2020 and 2019, in the aggregate amount of Ps.1,324.3 million and Ps1,441.6 million, respectively, and interest payable in the aggregate amount of Ps.1,934.7 million and Ps. 1,943.9 million in 2020 and 2019, respectively.

In March 2018, the Company entered into a Revolving Credit Facility ("RCF") with a syndicate of banks for U.S.$583.0 million payable in Mexican pesos, for a three-year term. In December 2018, this facility was increased by U.S.$35.0 million reaching a total amount of U.S.$618.0 million. The funds may be used for the repayment of existing indebtedness and other general corporate purposes as may be authorized by our Board of Directors. In August 2019, the Company extended the RCF for one more year to maintain the total 3-year term. This RCF was available as of December 31, 2019. In March 2020, the Company drew down the RCF as a prudent and precautionary measure in order to increase our cash position and preserve financial flexibility in light of current uncertainty in the global and local markets resulting from the COVID-19 outbreak; the aggregate principal amount was Ps.14,771.0 million, with maturity in the first quarter of 2022, this facility bears interest at a floating rate based on a spread of 87.5 or 112.5 basis points over the 28-day TIIE rate depending on our net leverage ratio, the Company may prepay such amount on the last day of any interest period. The Company prepaid the full amount drawn on October 6, 2020 without penalty.

We may from time to time incur additional indebtedness or repurchase, redeem or repay outstanding indebtedness.

The following table sets forth a description of our outstanding indebtedness as of December 31, 2020, net of unamortized finance costs and interest payable (in millions of Pesos):

| | 2020[1] | | | | |
|---|---|---|---|---|---|
| | Principal | Finance Costs | Principal, Net of Finance Costs | Interest Payable | Total | Effective Interest Rate |
| **U.S. dollar Senior Notes:** | | | | | | |
| 6.625% Senior Notes due 2025 [2] | Ps. 11,969.6 | Ps. (162.8) | Ps. 11,806.8 | Ps. 224.7 | **Ps. 12,031.5** | 7.60% |
| 4.625% Senior Notes due 2026 [2] | 5,984.8 | (24.4) | 5,960.4 | 138.4 | **6,098.8** | 5.03% |
| 8.50% Senior Notes due 2032 [2] | 5,984.8 | (19.9) | 5,964.9 | 155.4 | **6,120.3** | 9.00% |
| 6.625% Senior Notes due 2040 [2] | 11,969.6 | (120.5) | 11,849.1 | 431.7 | **12,280.8** | 7.05% |
| 5% Senior Notes due 2045 [2] | 19,949.3 | (413.0) | 19,536.3 | 144.1 | **19,680.4** | 5.39% |
| 6.125% Senior Notes due 2046 [2] | 17,954.3 | (119.3) | 17,835.0 | 549.8 | **18,384.8** | 6.47% |
| 5.25% Senior Notes due 2049 [2] | 14,962.0 | (294.2) | 14,667.8 | 78.6 | **14,746.4** | 5.59% |
| Total U.S. dollar debt | 88,774.4 | (1,154.1) | 87,620.3 | 1,722.7 | **89,343.0** | |
| **Mexican peso debt:** | | | | | | |
| 8.79% Notes due 2027 [3] | 4,500.0 | (16.1) | 4,483.9 | 95.6 | **4,579.5** | 8.84% |
| 8.49% Senior Notes due 2037 [2] | 4,500.0 | (11.9) | 4,488.1 | 31.8 | **4,519.9** | 8.94% |
| 7.25% Senior Notes due 2043 [2] | 6,500.0 | (53.1) | 6,446.9 | 65.4 | **6,512.3** | 7.92% |
| Bank loans [4] | 16,000.0 | (88.3) | 15,911.7 | 6.7 | **15,918.4** | 5.62% |
| Bank loans (Sky) [5] | 2,750.0 | — | 2,750.0 | 12.4 | **2,762.4** | 7.04% |
| Bank loans (TVI) [6] | 852.9 | (.8) | 852.1 | — | **852.1** | 5.97% |
| Total Mexican peso debt | 35,102.9 | (170.2) | 34,932.7 | 211.9 | **35,144.6** | |
| Total debt | 123,877.3 | (1,324.3) | 122,553.0 | 1,934.6 | **124,487.6** | |
| Less: Current portion of long-term debt | 617.5 | (.5) | 617.0 | 1,934.6 | **2,551.6** | |
| Long-term debt, net of current portion | Ps. 123,259.8 | Ps. (1,323.8) | Ps. 121,936.0 | Ps. — | **Ps. 121,936.0** | |
| **Lease liabilities:** | | | | | | |
| Satellite transponder lease liabilities[7] | Ps. 3,818.5 | Ps. — | Ps. 3,818.5 | Ps. — | **Ps. 3,818.5** | 7.30% |
| Other lease liabilities [8] | 728.5 | — | 728.5 | — | **728.5** | 7.94% |
| Lease liabilities recognized as of January 1, 2019[8] | 4,745.3 | — | 4,745.3 | — | **4,745.3** | |
| Total lease liabilities | 9,292.3 | — | 9,292.3 | — | **9,292.3** | |
| Less: Current portion | 1,277.7 | — | 1,277.7 | — | **1,277.7** | |
| Lease liabilities, net of current portion | Ps. 8,014.6 | Ps. — | Ps. 8,014.6 | Ps. — | **Ps. 8,014.6** | |

(1) U.S. Dollar-denominated debt is translated into Pesos at an exchange rate of Ps.19.9493 per U.S. Dollar, the Interbank Rate, as reported by CitiBanamex, as of December 31, 2020.

(2) The Senior Notes due between 2025 and 2049, in the aggregate outstanding principal amount of U.S.$4,450 million and Ps.11,000 million are unsecured obligations of the Company, rank equally in right of payment with all existing and future unsecured and unsubordinated indebtedness of the Company, and are junior in right of payment to all of the existing and future liabilities of the Company's subsidiaries. Interest rate on the Senior Notes due 2025, 2026, 2032, 2037, 2040, 2043, 2045, 2046 and 2049, including additional amounts payable in respect of certain Mexican withholding taxes, is 6.97%, 4.86%, 8.94%, 8.93%, 6.97%, 7.62%, 5.26%, 6.44% and 5.52% per annum, respectively, and is payable semi-annually. These Senior Notes may not be redeemed prior to maturity, except: (i) in the event of certain changes in law affecting the Mexican withholding tax treatment of certain payments on the securities, in which case the securities will be redeemable, in whole or in part, at the option of the Company; and (ii) in the event of a change of control, in which case we may be required to redeem the securities at 101% of their principal amount. Also, we may, at our own option, redeem the Senior Notes due 2025, 2026, 2037, 2040, 2043, 2046 and 2049, in whole or in part, at any time at a redemption price equal to the greater of the principal amount of these Senior Notes or the present value of future cash flows, at the redemption date, of principal and interest amounts of the Senior Notes discounted at a fixed rate of comparable U.S. or Mexican sovereign bonds. The Senior Notes due 2026, 2032, 2040, 2043, 2045, 2046 and 2049 were priced at 99.385%, 99.431%, 98.319%, 99.733%, 96.534%, 99.677% and 98.588%, respectively, for a yield to maturity of 4.70%, 8.553%, 6.755%, 7.27%, 5.227%, 6.147% and 5.345%, respectively. The Senior Notes due 2025 were issued in two aggregate principal amounts of U.S.$400 million and U.S.$200 million, and were priced at 98.081% and 98.632%, respectively, for a yield to maturity of 6.802% and 6.787%, respectively. The agreement of these Senior Notes contains covenants that limit the ability of the Company and certain restricted subsidiaries engaged in the Group's Content segment, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations and similar transactions. The Senior Notes due 2025, 2026, 2032, 2037, 2040, 2045, 2046 and 2049 are registered with the U.S. Securities and Exchange Commission ("SEC"). The Senior Notes due 2043 are registered with both the SEC and the Mexican Banking and Securities Commission ("Comisión Nacional Bancaria y de Valores" or "CNBV").

(3) In 2010, 2014, 2015 and October 2017, we issued Notes ("Certificados Bursátiles") due 2020, 2021, 2022 and 2027, respectively, through the BMV in the aggregate principal amount of Ps.10,000 million, Ps.6,000 million, Ps.5,000 million and Ps.4,500 million, respectively. In July 2019, we prepaid all of the outstanding Notes due 2021 and 2022 in the aggregate principal amount of Ps.11,000 million. On October 3, 2019, we prepaid all of the outstanding Notes due 2020 in the aggregate principal amount of Ps.10,000 million. Interest rate on the Notes due 2020 was 7.38% per annum and was payable semi-annually. Interest rate on the Notes due 2021 and 2022 was the TIIE plus 35 basis points per annum and was payable every 28 days. Interest rate on the Notes due 2027 is 8.79% per annum and is payable semi-annually. The Company may, at its own option, redeem the Notes due 2027, in whole or in part, at any semi-annual interest payment date at a redemption price equal to the greater of the principal amount of the outstanding Notes and the present value of future cash flows, at the redemption date, of principal and interest amounts of the Notes discounted at a fixed rate of comparable Mexican sovereign bonds. The agreement of the Notes contains covenants that limit the ability of the Company and certain restricted subsidiaries appointed by the Company's Board of Directors, and engaged in the Group's Content segment, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations and similar transactions.

(4) In November and December 2017, we entered into long-term credit agreements with three Mexican banks, in the aggregate principal amount of Ps.6,000 million, and an annual interest rate payable on a monthly basis of 28-day TIIE plus a range between 125 and 130 basis points, and principal maturities between 2022 and 2023. The proceeds of these loans were used primarily for the prepayment in full of the Senior Notes due 2018. Under the terms of these loan agreements, we are required to: (a) maintain certain financial coverage ratios related to indebtedness and interest expense; and (b) comply with the restrictive covenant on spin-offs, mergers and similar transactions. In 2016, we entered into a long-term credit agreement with a Mexican bank in the principal amount of Ps.1,250 million with principal maturities between 2017 and 2018, and an annual interest rate payable on a monthly basis of 28-day TIIE plus 117.5 basis points. We prepaid the remaining principal amount under this credit agreement in the fourth quarter of 2017, in the aggregate amount of Ps.629.3 million, which included accrued and unpaid interest. In June 2019, we entered into a credit agreement for a five-year term loan with a syndicate of banks in the aggregate principal amount of Ps.10,000 million. The funds from this loan were used for general corporate purposes, including the refinancing of the Company's indebtedness. This loan bears interest at a floating rate based on a spread of 105 or 130 basis points over the 28-day TIIE rate depending on the net leverage ratio for the Group and its subsidiaries. The credit agreement for this loan requires the maintenance of financial ratios related to indebtedness and interest expense. During 2018, we executed a revolving credit facility with a syndicate of banks, for up to an amount equivalent to U.S.$618 million payable in Mexican pesos. The funds may be used for the repayment of existing indebtedness and other general corporate purposes. In March 2020, we drew down Ps.14,770.7 million under this revolving credit facility, with a maturity in the first quarter of 2022, and interest payable on a monthly basis at a floating rate based on a spread of 87.5 or 112.5 basis points over the 28-day TIIE rate depending on the Group's net leverage ratio. This facility was used by us as a prudent and precautionary measure to increase the Group's cash position and preserve financial flexibility in light of uncertainty in the global and local markets resulting from the COVID-19 outbreak. On October 6, 2020, we prepaid in full without penalty amount of Ps.14,770.7 million under this revolving credit facility. We retained the right to reborrow the total amount under the facility, which remains available through March 2022.

(5) In March 2016, Sky entered into long-term credit agreements with two Mexican banks in the aggregate principal amount of Ps.5,500 million, with maturities between 2021 and 2023, and interest payable on a monthly basis with an annual interest rate in the range of 7.0% and 7.13%. In July 2020, Sky prepaid a portion of these loans in the aggregate cash amount of Ps.2,818,091, which included principal amount prepayments of Ps.2,750,000 and related accrued interest and transaction costs in the amount of Ps.68,091. Under the terms of these credit agreements, we are required to: (a) maintain certain financial coverage ratios related to indebtedness and interest expense and (b) comply with the restrictive covenant on spin-offs, mergers and similar transactions.

(6) Includes outstanding balances in 2020 in the aggregate principal amount of Ps.852.9 million, in connection with credit agreements entered into by TVI with Mexican banks, with maturities between 2021 and 2022, bearing interest at an annual rate of TIIE plus a range between 100 and 125 basis points, which is payable on a monthly basis. This TVI long-term indebtedness is guaranteed by the Company. Under the terms of these credit agreements, TVI is required to comply with certain restrictive covenants and financial coverage ratios.

(7) Under a capital lease agreement entered into with Intelsat Global Sales & Marketing Ltd. ("Intelsat") in March 2010, Sky is obligated to pay, at an annual interest rate of 7.30%, a monthly fee through 2027 of U.S.$3.0 million for satellite signal reception and retransmission service from 24 KU-band transponders on satellite IS-21, which became operational in October 2012. The service term for IS-21 will end at the earlier of: (a) the end of 15 years or; (b) the date IS-21 is taken out of service (see Note 12).

(8) Includes lease liabilities recognized beginning on January 1, 2019 under IFRS 16 for an aggregate amount of Ps.4,745.3 million. Includes minimum lease payments of property and equipment under leases that qualify as lease liabilities. Includes Ps.728.5 million in 2020, in connection with a lease agreement entered into by a subsidiary of the Company and GTAC, for the right to use certain capacity of a telecommunications network through 2029 (see Note 20). This lease agreement provides for annual payments through 2029.

(9) Notes payable issued by the Group in 2016, in connection with the acquisition of a non-controlling interest in TVI. Cash payments were made between 2018 and 2020 related to these notes payable amounted to an aggregate of Ps.1,330.0 million and Ps.2,624.4 million, respectively, including interest of Ps.142.5 million and Ps.249.4 million, respectively. Accumulated accrued interest for this transaction amounted to Ps.136.6 million and Ps.201.9 million, as of December 31, 2019 and 2018, respectively. This was regarded as a Level 2 debt, which was fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market price of other quoted debt instruments. In March 2017, the Group prepaid a portion of the other outstanding notes payable with original maturities in August 2017 and 2018, for an aggregate amount of Ps.1,292.4 million, which included accrued interest at the payment date. In February 2020, the Group repaid all of its outstanding other notes payable as of December 31, 2019.

***Interest Expense.*** Interest expense for the years ended December 31, 2020, 2019 and 2018 was Ps.10,482.2, Ps.10,402.0 million and Ps.9,707.3 million, respectively.

The following table sets forth our interest expense for the years indicated (in millions of U.S. Dollars and millions of Pesos):

| | Year Ended December 31,[1] | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | | 2019 | | 2018 | |
| Interest payable in U.S. Dollars | U.S.$ | 275.7 | U.S.$ | 265.2 | U.S.$ | 252.7 |
| Amounts currently payable under Mexican withholding taxes[2] | | 13.4 | | 12.8 | | 12.0 |
| Total interest payable in U.S. Dollars | U.S.$ | 289.1 | U.S.$ | 278.0 | U.S.$ | 264.7 |
| Peso equivalent of interest payable in U.S. Dollars | Ps. | 6,220.4 | Ps. | 5,396.5 | Ps. | 5,095.9 |
| Interest payable in Pesos | | 4,261.8 | | 5,005.5 | | 4,611.4 |
| Total interest expense | Ps. | 10,482.2 | Ps. | 10,402.0 | Ps. | 9,707.3 |

(1) U.S. Dollars are translated into Pesos at the rate prevailing when interest was recognized as an expense for each period.

(2) See "Additional Information — Taxation — Federal Mexican Taxation".

**Contractual Obligations and Commercial Commitments**

Our contractual obligations and commercial commitments consist primarily of the indebtedness, as described above, and transmission rights obligations.

***Contractual Obligations on the Balance Sheet***

The following table summarizes our contractual obligations on the balance sheet as of December 31, 2020 (these amounts do not include future interest payments):

| | Payments Due by Period | | | | |
|---|---|---|---|---|---|
| | Total | Less Than 12 Months January 1, 2021 to December 31, 2021 | 12-36 Months January 1, 2022 to December 31, 2023 | 36-60 Months January 1, 2024 to December 31, 2025 | Maturities Subsequent to December 31, 2025 |
| | (Thousands of U.S. Dollars) | | | | |
| 6.625% Senior Notes due 2025 | U.S.$600,000 | U.S.$— | U.S.$— | U.S.$600,000 | U.S.$— |
| 8.5% Senior Notes due 2032 | 300,000 | — | — | — | 300,000 |
| 8.49% Senior Notes due 2037 | 225,572 | — | — | — | 225,572 |
| 6.625% Senior Notes due 2040 | 600,000 | — | — | — | 600,000 |
| 8.79% Notes due 2027 | 225,572 | — | — | — | 225,572 |
| 7.25% Senior Notes due 2043 | 325,826 | — | — | — | 325,826 |
| 5.0% Senior Notes due 2045 | 1,000,000 | — | — | — | 1,000,000 |
| 4.625% Senior Notes due 2026 | 300,000 | — | — | — | 300,000 |
| 6.125% Senior Notes due 2046 | 900,000 | — | — | — | 900,000 |
| 5.250% Senior Notes due 2049 | 750,000 | — | — | — | 750,000 |
| Syndicate loan due 2024 | 501,271 | — | — | 501,271 | — |
| Scotiabank loan due 2023 | 125,318 | — | 125,318 | — | — |
| HSBC loan due 2022 | 100,254 | — | 100,254 | — | — |
| Santander loan due 2022 | 75,191 | — | 75,191 | — | — |
| Banorte loan due 2022 | 42,753 | 12,155 | 30,598 | — | — |
| HSBC loan due 2023 | 43,861 | — | 43,861 | — | — |
| Scotiabank loan due 2023 | 93,988 | 18,798 | 75,190 | — | — |
| Long-term debt | 6,209,606 | 30,953 | 450,412 | 1,101,271 | 4,626,970 |
| Accrued interest payable | 96,979 | 96,979 | — | — | — |
| Satellite transponder lease liabilities | 191,413 | 22,779 | 50,847 | 58,814 | 58,973 |
| Other lease liabilities | 36,518 | 14,982 | 8,045 | 6,215 | 7,276 |
| Lease liabilities recognized as of January 1, 2019 | 237,869 | 26,290 | 50,592 | 47,295 | 113,692 |
| Transmission rights[(1)] | 245,917 | 120,737 | 92,857 | 32,323 | — |
| Total contractual obligations | U.S.$7,018,302 | U.S.$312,720 | U.S.$652,753 | U.S.$1,245,918 | U.S.$4,806,911 |

(1) This liability reflects our transmission rights obligations related to programming acquired or licensed from third party producers and suppliers, and special events, which are reflected in our consolidated balance sheet within trade accounts payable (current liabilities) and other long-term liabilities.

***Contractual Obligations off the Balance Sheet***

The following table summarizes our contractual obligations off the balance sheet as of December 31, 2020:

| | Payments Due by Period | | | | |
|---|---|---|---|---|---|
| | Total | Less Than 12 Months January 1, 2021 to December 31, 2021 | 12-36 Months January 1, 2022 to December 31, 2023 | 36-60 Months January 1, 2024 to December 31, 2025 | Maturities Subsequent to December 31, 2025 |
| | (Thousands of U.S. Dollars) | | | | |
| Interest on debt[1] | U.S.$ 6,243,782 | U.S.$ 300,621 | U.S.$ 760,779 | U.S.$ 664,520 | U.S.$ 4,517,862 |
| Interest on lease liabilities | 181,314 | 33,508 | 58,614 | 42,796 | 46,396 |
| Programming[2] | 82,173 | 38,415 | 37,720 | 4,149 | 1,889 |
| Transmission rights[2] | 818,937 | 107,389 | 241,168 | 138,330 | 332,050 |
| Capital expenditures commitments | 86,839 | 86,839 | — | — | — |
| Satellite transponder commitments[3] | 16,475 | 6,410 | 7,151 | 2,914 | — |
| Committed financing to GTAC[4] | 6,456 | 6,456 | — | — | — |
| Total contractual obligations | U.S.$ 7,435,976 | U.S.$ 579,638 | U.S.$ 1,105,432 | U.S.$ 852,709 | U.S.$ 4,898,197 |

(1) Interest to be paid in future years on outstanding debt as of December 31, 2020, was estimated based on contractual interest rates and exchange rates as of that date.

(2) These line items reflect our obligations related to programming to be acquired or licensed from third party producers and suppliers, and transmission rights for special events to be acquired from a third party.

(3) Reflects our minimum commitments for the use of satellite transponders under operating lease contracts.

(4) In connection with a long-term credit facility, we agreed to provide financing to GTAC in 2021 in the aggregate principal amount of Ps.128.8 million (U.S.$6.5 million).

**Item 6. Directors, Senior Management and Employees**

**Board of Directors**

The following table sets forth the names of our current directors 850and their alternates, their dates of birth, their principal occupation, their business experience, including other directorships, and their years of service as directors or alternate directors. The general annual stockholders' meeting takes place annually in order to, among other matters, elect and/or ratify the Company's directors. Our current Board of Directors is composed as follows:

| Name and Date of Birth | Principal Occupation | Business Experience | First Elected |
|---|---|---|---|
| Emilio Fernando Azcárraga Jean (02/21/68) | Executive Chairman of the Board and Chairman of the Executive Committee of Grupo Televisa. Member and Chairman of the Board of Empresas Cablevisión (subsidiary of Grupo Televisa). | Former President and Chief Executive Officer of Grupo Televisa. Member of the Boards of Grupo Financiero Banamex and Univision. Member and Chairman of the Board of Managers of Innova (subsidiary of Grupo Televisa). Member of Consejo Mexicano de Hombres de Negocios and Fundacion Teletón. | December 1990 |

| Name and Date of Birth | Principal Occupation | Business Experience | First Elected |
|---|---|---|---|
| *In alphabetical order:* | | | |
| Alfonso de Angoitia Noriega (01/17/62) | Co-Chief Executive Officer, Member of the Executive Committee of Grupo Televisa. Member of the Board of Empresas Cablevisión (subsidiary of Grupo Televisa). | Chairman of the Board of Univision. Member of the Boards of Liberty Latin America, Grupo Financiero Banorte and Innova (subsidiary of Grupo Televisa). Chairman of the Board of Trustees of Fundación Kardias. Member of the Boards of Trustees of Fundación Mexicana para la Salud, Fundación UNAM and The Paley Center for Media. Former Executive Vice President and Chief Financial Officer of Grupo Televisa. | April 1997 |
| Alberto Baillères González (08/22/31) | Chairman of Grupo Bal and Chairman of the Board of Directors of Industrias Peñoles, Fresnillo plc, Grupo Palacio de Hierro, Grupo Nacional Provincial, Grupo Profuturo, Profuturo Afore, PetroBal, Energía Eléctrica BAL, EnerAB and Tane. | Member of the Boards of Directors of Dine, Grupo Kuo, Fomento Económico Mexicano and member of Consejo Mexicano de Negocios, A.C. Chairman of the Board of Trustees of Instituto Tecnológico Autónomo de México (ITAM) and Founder and President of Fundación Alberto Bailléres. | April 2004 |
| José Antonio Chedraui Eguía (10/06/66) | Member of the Board of Directors and Chief Executive Officer of Grupo Comercial Chedraui, S.A.B. de C.V. | Former Chief Executive Officer of the Galos division of Grupo Comercial Chedraui, S.A.B. de C.V. | April 2019 |
| Francisco José Chevez Robelo (07/03/29) | In-house advisor, co-founder and retired partner of Chevez, Ruiz, Zamarripa y Cía, S.C., Member of the Audit Committee of Grupo Televisa. Member of the Board of Directors and Member and Chairman of the Audit and Corporate Practices Committee of Empresas Cablevisión (subsidiary of Grupo Televisa). | Member of the Board of Directors of Apuestas Internacionales and Quality Tube, S.A. de C.V. Former Managing Partner of Arthur Andersen & Co. (Mexico City). Member of the Board of Directors and Chairman of the Audit Committees of Regiomontana de Perfiles y Tubos, S.A. de C.V. and Pytco, S.A. de C.V. | April 2003 |
| Jon Feltheimer (09/02/51) | Chief Executive Officer of Lionsgate. | Former President of Columbia TriStar Television Group, former Executive Vice President of Sony Pictures Entertainment. Member of the Boards of Lionsgate, Celestial Tiger Entertainment and Pilgrim Media Group. | April 2015 |

| Name and Date of Birth | Principal Occupation | Business Experience | First Elected |
|---|---|---|---|
| José Luis Fernández Fernández (05/18/59) | Managing Partner of Chévez, Ruíz, Zamarripa y Cía., S.C., Member of the Audit Committee and Chairman of the Corporate Practices Committee of Grupo Televisa. | Member of the Boards of Directors of Unifin Financiera, Controladora Vuela Compañía de Aviación, Grupo Financiero Banamex, Banco Nacional de México and Apuestas Internacionales. Alternate member of the Board of Directors of Arca Continental Corporativo. Alternate Member of the Board of Directors and Alternate Member of the Audit and Corporate Practices Committee of Empresas Cablevisión (subsidiary of Grupo Televisa). | April 2002 |
| Salvi Rafael Folch Viadero (08/16/67) | Chief Executive Officer of Grupo Televisa's Cable Division (until April 30, 2021). | Former Chief Financial Officer of Grupo Televisa. Former Vice President of Financial Planning of Grupo Televisa and former Vice Chairman of Banking Supervision of the National Banking and Securities Commission. Member of the Board of Directors and Alternate Member of the Executive Committee of Empresas Cablevisión (subsidiary of Grupo Televisa). | April 2002 |
| Michael Thomas Fries (02/06/63) | President and Chief Executive Officer of Liberty Global, plc. | Vice Chairman of the Board of Liberty Global, Executive Chairman of the Board of Liberty Latin America, Member of the Boards of Directors of Lionsgate and Cable Television Labs, Trustee of the Board of The Paley Center for Media, Chairman of the Boards of Directors of Museum of Contemporary Art Denver and Biennial of the Americas, Digital Communications Governor and Steering Committee Member of the World Economic Forum. Member of Young Presidents' Organization. | April 2015 |

| Name and Date of Birth | Principal Occupation | Business Experience | First Elected |
|---|---|---|---|
| Guillermo García Naranjo Álvarez (07/02/56) | Chairman of the Audit Committee and member of the Corporate Practices Committee of Grupo Televisa. | Former Chairman of the Board of Trustees of Consejo Mexicano de Normas de Información Financiera. Former Chief Executive Officer and Former Audit Partner of KPMG Cárdenas Dosal, S.C. Member of the Audit Committee of Banco de Mexico, Member of the Board and the Audit Committee of Nacional Monte de Piedad I.A.P., Banco Nacional de México, S.A. and Citibanamex, Casa de Bolsa, S.A., Member of the Board of Directors, Member of the Corporate Practices Committee and Chairman of the Audit Committee of Grupo Posadas. Statutory Auditor of Total Systems de México. Member of the Board and the Audit Commission of Fundación Pro-Empleo D.F., A.C. (a non-profit organization). | April 2018 |
| Bernardo Gómez Martínez (07/24/67) | Co-Chief Executive Officer and Member of the Executive Committee of Grupo Televisa. Member of the Board of Empresas Cablevisión (subsidiary of Grupo Televisa). | Member of the Boards of Univision and Innova (subsidiary of Grupo Televisa). Former Executive Vice President and Deputy Director of the President of Grupo Televisa and Former President of Cámara Nacional de la Industria de Radio y Televisión. | April 1999 |
| Carlos Hank González (09/01/71) | Chairman of the Board of Directors of Grupo Financiero Banorte and Banco Mercantil del Norte. Vice-President of the Board of Directors of Gruma. Chief Executive Officer of Grupo Hermes. | Former Chief Executive Officer of Grupo Financiero Interacciones, Banco Interacciones and Interacciones Casa de Bolsa. Former Deputy General Manager of Grupo Financiero Banorte. Member of the Boards of Directors of Bolsa Mexicana de Valores and Grupo Hermes. | April 2017 |

| Name and Date of Birth | Principal Occupation | Business Experience | First Elected |
|---|---|---|---|
| Enrique Krauze Kleinbort (09/16/47) | Chief Executive Officer, Chairman of the Board of Directors and Founder of Editorial Clío, Libros y Videos, S.A. de C.V. and Letras Libres, S.A. de C.V. | Member of Academia Mexicana de la Historia and Colegio Nacional. | April 1996 |
| Sebastian Mejía (08/24/84) | President and Co-Founder of Rappi. | Co-Founder of Grability. | April 2021 |
| Lorenzo Alejandro Mendoza Giménez (10/05/65) | Chief Executive Officer, Member of the Board of Directors and Chairman of the Executive Committee of Empresas Polar. | Former Member of the Boards of AES La Electricidad de Caracas, CANTV-Verizon and BBVA Banco Provincial. Member of the Board of Grupo GEPP. Member of the MIT Sloan Board, the Latin American Board of Georgetown University, Group of Fifty (G-50), the Latin America Conservation Council (LACC), the Latin American Business Council, the Board of Trustees of Universidad Metropolitana, the Board of Trustees of Instituto de Estudios Superiores de Administración (IESA), Ashoka Fellow and Member of the World Economic Forum (named a Global Young leader in 2005). | April 2009 |
| Guadalupe Phillips Margain (02/07/71) | Chief Executive Officer of Empresas ICA, S.A.B. de C.V. | Former Chief Restructuring Officer of Empresas ICA, S.A.B. de C.V. Former Vice-President of Finance and Risk of Grupo Televisa (left more than five years ago). Member of the Board of Directors of Ica Tenedora, Innova (subsidiary of Grupo Televisa) and Grupo Aeroportuario del Centro Norte. | April 2012 |
| Fernando Senderos Mestre (03/03/50) | Executive President and Chairman of the Boards of Directors of Grupo Kuo, S.A.B. de C.V. and Dine, S.A.B de C.V. Chairman of the Board of Directors of Grupo Desc, S.A. de C.V. | Member of the Boards of Kimberly-Clark de México, Industrias Peñoles and Grupo Nacional Provincial. Member of Consejo Mexicano de Hombres de Negocios and Member of Fundación para las Letras Mexicanas. | April 1992 |

| Name and Date of Birth | Principal Occupation | Business Experience | First Elected |
|---|---|---|---|
| Enrique Francisco José Senior Hernández (08/03/43) | Managing Director of Allen & Company LLC. | Member of the Boards of Directors of Coca-Cola FEMSA, Cinemark and FEMSA. | April 2001 |
| Eduardo Tricio Haro (08/05/63) | Chairman of the Board of Directors of Grupo Lala. Chairman of the Executive Committee of Aeromexico and Member of the Corporate Practices Committee of Grupo Televisa. | Chairman of Grupo Industrial Nuplen, Fundación Lala and SER, A.C. Member of the Boards of Directors of Grupo Aeroméxico, Grupo Financiero Banamex, Orbia, Aura Solar, Hospital Infantil de México "Federico Gómez", el Instituto Tecnológico y de Estudios Superiores de Monterrey, el Consejo Mexicano de Negocios, el Instituto Nacional de Ciencias Médicas y Nutrición "Salvador Zubirán", the Latin America Conservation Council of the Nature Conservancy (LACC). | April 2012 |
| David M. Zaslav (01/15/60) | President, Chief Executive Officer and Director of Discovery, Inc. | Member of the Boards of Sirius XM Radio, Inc., Lionsgate Entertainment Corp., the National Cable & Telecommunications Association, The Cable Center, Mt. Sinai Medical Center, the USC Shoah Foundation, the Partnership for New York City and the Paley Center for Media. | April 2015 |
| **Alternate Directors:** | | | |
| *In alphabetical order:* | | | |
| Herbert A. Allen III[1] (06/08/67) | President of Allen & Company LLC. | Former Executive Vice-President and Managing Director of Allen & Company Incorporated and Alternate Director of Coca Cola FEMSA. | April 2002 |
| Félix José Araujo Ramírez (03/20/51) | Vice President of Digital and Broadcast Television and Televisa Regional. | Former Chief Executive Officer of Telesistema Mexicano. Chairman of the Board of Directors of Televisión Independiente de México and Televimex. | April 2002 |

| Name and Date of Birth | Principal Occupation | Business Experience | First Elected |
|---|---|---|---|
| Joaquín Balcárcel Santa Cruz (01/04/69) | Chief of Staff of the Executive Chairman of the Board of Directors of Grupo Televisa. | Former Vice-President - Legal and General Counsel of Grupo Televisa. Former Vice-President and General Counsel of Television Division. Former Legal Director of Grupo Televisa. | April 2000 |
| Julio Barba Hurtado (05/20/33) | Legal Advisor of Grupo Televisa and Secretary of the Audit and Corporate Practices Committee of Empresas Cablevisión (subsidiary of Grupo Televisa). | Former Legal Advisor to the Board of Grupo Televisa. Alternate member of the Board of Directors of Editorial Televisa Colombia. | December 1990 |
| Luis Alejandro Bustos Olivares (01/01/64) | Legal Vice-President and General Counsel of Grupo Televisa. | Former Legal and Regulatory on Telecommunications Vice-President, former Legal General Director of Special Affairs, former Corporate Legal General Director, former Legal Director of Litigation of Grupo Televisa. Former General Counsel of The Pepsi Bottling Group Mexico. Former litigation lawyer at Mr. Ramón Sánchez Medal's lawfirm. | April 2021 |
| Jorge Agustín Lutteroth Echegoyen (01/24/53) | Vice-President and Corporate Controller of Grupo Televisa. | Former Senior Partner of Coopers & Lybrand, Despacho Roberto Casas Alatriste, S.C. and former Controller of Televisa Corporación. Alternate Member of the Board of Empresas Cablevisión (subdisiary of Grupo Televisa). Alternate Member of the Board of Managers and the Executive Committee of Innova (subsidiary of Grupo Televisa). | April 2000 |
| Raúl Morales Medrano (05/12/70) | Partner of Chévez, Ruiz, Zamarripa y Cia., S.C. | Member of the Audit and Corporate Practices Committee and Alternate Member of the Board of Directors of Empresas Cablevisión (subsidiary of Grupo Televisa). | April 2002 |

(1) Alternate of Mr. Enrique Francisco José Senior Hernández

**Our Board of Directors**

***General.*** The management of our business is entrusted to our Board of Directors. Our bylaws currently provide for a Board of Directors of 20 members, at least 25% of which must be "independent directors" under Mexican law (as described below). The Mexican Securities Market Law provides that the following persons, among others, do not qualify as independent:

- our key executives or employees, as well as the statutory auditors, or *comisarios*, of our subsidiaries, including those individuals who have occupied any of the described positions within a period of 12 months preceding the appointment;
- individuals who have significant influence over our decision making processes;
- controlling stockholders, in our case, the beneficiary of the Azcárraga Trust;
- partners or employees of any company which provides advisory services to us or any company that is part of our same economic group and that receives 10% or more of its income from us;
- significant clients, suppliers, debtors or creditors, or members of the Board or executive officers of any such entities; or
- spouses, family relatives up to the fourth degree, or cohabitants of any of the aforementioned individuals.

Our bylaws prohibit the appointment of individuals to our Board of Directors who: (i) are members of the board of directors or other management boards of a company (other than the Company or its subsidiaries) that has one or more concessions to operate telecommunications networks in Mexico; or (ii) directly or indirectly, are shareholders or partners of companies (other than the Company or its subsidiaries), that have one or more concessions to operate telecommunications networks in Mexico, with the exception of ownership stakes that do not allow such individuals to appoint one or more members of the management board or any other operation or decision making board.

***Election of Directors.*** A majority of the members of our Board of Directors must be Mexican nationals and must be elected by Mexican stockholders. All of our current directors and alternate directors were appointed and/or ratified in their positions by our 2021 annual stockholders' special and general meetings, which were held on April 28, 2021. A majority of the holders of the Series "A" Shares voting together elected eleven of our directors and corresponding alternates and a majority of the holders of the Series "B" Shares voting together elected five of our directors and corresponding alternates. At our special stockholders' meetings, a majority of the holders of the Series "L" and Series "D" Shares each elected two of our directors and alternate directors, each of which must be an independent director. Each alternate director may vote in the absence of a corresponding director. Our stockholders' meetings held on April 28, 2021 resolved that our directors and alternate directors be elected annually for a term that will expire when new appointments are approved by our stockholders as provided by our bylaws and applicable law. In addition, if any director is elected for a specific term and such term expires or any director resigns from his or her position, any such director will continue to serve in his or her position for up to a 30-day term; in this case, the Board of Directors is entitled to appoint provisional directors without the approval of the stockholders' meeting.

***Quorum; Voting.*** In order to have a quorum for a meeting of the Board of Directors, generally at least 50% of the directors or their corresponding alternates must be present. However, in the case of a meeting of the Board of Directors to consider certain proposed acquisitions of our capital stock, at least 75% of the directors or their corresponding alternates must be present. In the event of a deadlock of our Board, our Chairman will have the deciding vote.

***Meetings; Actions Requiring Board Approval.*** Our bylaws provide that our Board must meet at least quarterly, and that our Chairman, 25% of the Board members, our Secretary, alternate Secretary, the Chairman of the Audit Committee or the Chairman of the Corporate Practices Committee may call for a Board meeting.

Pursuant to the Mexican Securities Market Law and our bylaws, our Board of Directors must approve, among other matters:

- our general strategy;

- with input from the Audit Committee, on an individual basis: (i) our financial statements; (ii) unusual or non-recurrent transactions and any transactions or series of related transactions during any calendar year that involve (a) the acquisition or sale of assets with a value equal to or exceeding 5% of our consolidated assets, or (b) the giving of collateral or guarantees or the assumption of liabilities, equal to or exceeding 5% of our consolidated assets; (iii) agreements with our external auditors; and (iv) accounting policies within IFRS;

- with input from the Corporate Practices Committee, on an individual basis: (i) any material transactions with related parties, in accordance with the criteria set forth in the Mexican Securities Market Law, subject to certain limited exceptions and (ii) the appointment of our Co-Chief Executive Officers and their compensation;

- creation of special committees and granting them the power and authority, provided that the committees will not have the authority, which by law or under our bylaws is expressly reserved for the stockholders or the Board;

- matters related to antitakeover provisions provided for in our bylaws; and

- the exercise of our general powers in order to comply with our corporate purpose.

***Duty of Care and Duty of Loyalty.*** The Mexican Securities Market Law imposes a duty of care and a duty of loyalty on directors. The duty of care requires our directors to act in good faith and in the best interests of the Company. In carrying out this duty, our directors are required to obtain the necessary information from the Co-Chief Executive Officers, the executive officers, the external auditors or any other person to act in the best interests of the Company. Our directors are liable for damages and losses caused to us and our subsidiaries as a result of violating their duty of care.

The duty of loyalty requires our directors to preserve the confidentiality of information received in connection with the performance of their duties and to abstain from discussing or voting on matters in which they have a conflict of interest. In addition, the duty of loyalty is breached if a stockholder or group of stockholders is knowingly favored or if, without the express approval of the Board of Directors, a director takes advantage of a corporate opportunity. The duty of loyalty is also breached, among other things, by (i) failing to disclose to the Audit Committee or the external auditors any irregularities that the director encounters in the performance of his or her duties; or (ii) disclosing information that is false or misleading or omitting to record any transaction in our records that could affect our financial statements. Directors are liable for damages and losses caused to us and our subsidiaries for violations of this duty of loyalty. This liability also extends to damages and losses caused as a result of benefits obtained by the director or directors or third parties, as a result of actions of such directors.

Our directors may be subject to criminal penalties of up to 12 years imprisonment for certain illegal acts involving willful misconduct that result in losses to us. Such acts include the alteration of financial statements and records.

Liability actions for damages and losses resulting from the violation of the duty of care or the duty of loyalty may be exercised solely for our benefit and may be brought by us, or by stockholders representing 5% or more of our capital stock, and criminal actions only may be brought by the Mexican Ministry of Finance, after consulting with the Mexican National Banking and Securities Commission. As a safe harbor for directors, the liabilities specified above (including criminal liability) will not be applicable if the director acting in good faith: (i) complied with applicable law, (ii) made the decision based upon information provided by our executive officers or third-party experts, the capacity and credibility of which could not be subject to reasonable doubt, (iii) selected the most adequate alternative in good faith or if the negative effects of such decision could not have been foreseeable, and (iv) complied with stockholders' resolutions provided the resolutions do not violate applicable law.

The members of the board are liable to our stockholders only for the loss of net worth suffered as a consequence of disloyal acts carried out in excess of their authority or in violation of our bylaws.

In accordance with the Mexican Securities Market Law, supervision of our management is entrusted to our Board of Directors, which shall act through the Audit and the Corporate Practices Committees for such purposes, and to our external auditor.

***Audit Committee.*** The Audit Committee is currently composed of three independent members: Guillermo García Naranjo Álvarez, the Chairman, José Luis Fernández Fernández and Francisco José Chevez Robelo. The Chairman of the Audit Committee was elected at our annual stockholders' meeting held on April 28, 2021, and our Board of Directors appointed the remaining members.

The Audit Committee is responsible for, among other things: (i) submit to the Board of Director's approval, the annual designation and/or ratification of the firm engaged to perform the external audit, as well as the engagement of services other than those related to the external audit to be performed by the external auditors; (ii) evaluating the performance of our external auditors and analyzing their reports, (iii) discussing our financial statements with the persons in charge of their preparation, and based on such discussions, recommending their approval to the Board of Directors, (iv) informing the Board of Directors of the status of our internal controls and their adequacy, (v) requesting reports of executive officers whenever it deems appropriate, (vi) informing the Board of any irregularities that it may encounter as part of the performance of its duties, (vii) receiving and analyzing recommendations and observations made by the stockholders, directors, executive officers, our external auditors or any third party and taking the necessary actions, (viii) review and approve, if applicable, certain related party transactions that are not considered material in accordance with the Mexican Securities Market Law; (ix) calling stockholders' meetings when requested, (x) providing opinions to our Board of Directors with respect to specific matters required under the Mexican Securities Market Law, (xi) requesting and obtaining opinions from independent third parties, as it deems convenient, in connection with the performance of its duties and (xii) assisting the Board in the preparation of annual reports rendered by the Board to the shareholders and other reporting obligations.

The Chairman of the Audit Committee shall prepare an annual report to our Board of Directors with respect to the activities of the Audit Committee, which shall include, among other things: (i) the status of the internal controls and internal audits and any deviations and deficiencies thereof, taking into consideration the reports of external auditors and independent experts, (ii) the results of any preventive and corrective measures taken based on results of investigations in respect of non-compliance of operating and accounting policies, (iii) the evaluation of external auditors, (iv) the main results from the review of our financial statements and those of our subsidiaries, (v) the description and effects of changes to accounting policies, (vi) the measures adopted as result of observations of stockholders, directors, executive officers and third parties relating to accounting, internal controls, and internal or external audits, and (vii) compliance with stockholders' and directors' resolutions.

***Corporate Practices Committee***. The Corporate Practices Committee is currently composed of the following independent members: José Luis Fernández Fernández, the Chairman, Guillermo García Naranjo Álvarez and Eduardo Tricio Haro. The Chairman of the Corporate Practices Committee was ratified at our annual stockholders' meeting held on April 28, 2021, and our Board of Directors appointed the remaining members.

The Corporate Practices Committee is responsible for, among other things: (i) reviewing and approving corporate goals and objectives relevant to the compensation of the Co-Chief Executive Officers, and reviewing the evaluations of the Co-Chief Executive Officers' performance in light of those goals and objectives, (ii) reviewing and approving the annual base salaries and annual incentive opportunities of the relevant executive, reviewing the parameters evaluating the executive officers' performance and recommending executive officer compensation policies and guidelines to our Board of Directors, (iii) reviewing all other incentive awards and opportunities (cash-based and equity-based), any employment agreements, any change in control agreements and change in control provisions affecting compensation and benefits and any special or supplemental compensation and benefits for the relevant executive and individuals who formerly served as executive officers, and (iv) reviewing and recommending certain material transactions entered into with related parties, in accordance with the Mexican Securities Market Law.

The Chairman of the Corporate Practices Committee shall prepare an annual report to the Board of Directors with respect to the activities of the Corporate Practices Committee, which shall include, among other things: (i) observations with respect to the performance of the relevant executive, (ii) material related party transactions entered into during the course of the fiscal year, and (iii) the compensation packages of the relevant executive.

***Executive Committee of Our Board of Directors.*** Our Board of Directors has an Executive Committee. Each member is appointed for a one-year term at each annual general stockholders' meeting. Our bylaws provide that the Executive Committee may generally exercise the powers of the Board of Directors, except those expressly reserved for the Board in our bylaws or by applicable law. The Executive Committee currently consists of Emilio Azcárraga Jean, Alfonso de Angoitia Noriega and Bernardo Gómez Martínez.

**Executive Officers**

The following table sets forth the names of our executive officers, their dates of birth, their current position, their prior business experience and the years in which they were appointed to their current positions:

| Name and Date of Birth | Principal Occupation | Business Experience | First Elected |
|---|---|---|---|
| Emilio Fernando Azcárraga Jean (02/21/68) | Executive Chairman of the Board and Chairman of the Executive Committee of Grupo Televisa. Member and Chairman of the Board of Empresas Cablevisión (subsidiary of Grupo Televisa). | Former President and Chief Executive Officer of Grupo Televisa. Member of the Boards of Grupo Financiero Banamex and Univision. Member and Chairman of the Board of Managers of Innova (subsidiary of Grupo Televisa). Member of Consejo Mexicano de Hombres de Negocios and Fundacion Teletón. | December 1990 |
| *In alphabetical order:* | | | |
| Alfonso de Angoitia Noriega (01/17/62) | Co-Chief Executive Officer, Member of the Executive Committee of Grupo Televisa. Member of the Board of Empresas Cablevisión (subsidiary of Grupo Televisa). | Chairman of the Board of Univision. Member of the Boards of Liberty Latin America, Grupo Financiero Banorte and Innova (subsidiary of Grupo Televisa). Chairman of the Board of Trustees of Fundación Kardias. Member of the Boards of Trustees of Fundación Mexicana para la Salud, Fundación UNAM and The Paley Center for Media. Former Executive Vice President and Chief Financial Officer of Grupo Televisa. | April 1997 |
| Bernardo Gómez Martínez (07/24/67) | Co-Chief Executive Officer and Member of the Executive Committee of Grupo Televisa. Member of the Board of Empresas Cablevisión (subsidiary of Grupo Televisa). | Member of the Boards of Univision and Innova (subsidiary of Grupo Televisa). Former Executive Vice President and Deputy Director of the President of Grupo Televisa and Former President of Cámara Nacional de la Industria de Radio y Televisión. | April 1999 |
| Carlos Ferreiro Rivas (11/19/68) | Corporate Vice President of Finance of Grupo Televisa. | Former Chief Financial Officer of Grupo Televisa's Cable Division, Former Chief Financial Officer of Sky, Former Chief Financial Officer of GSF Telecom and Alternate Member of the Board and Alternate Member of the Executive Committee of Empresas Cablevisión (subsidiary of Grupo Televisa) and Member of the Board of Managers of Innova (subsidiary of Grupo Televisa). | October 2017 |
| José Antonio Lara del Olmo (09/02/70) | Corporate Vice President of Administration of Grupo Televisa. | Former Chief Accounting and Tax Officer of Grupo Televisa, Former Vice President of Taxes of Grupo Televisa and Alternate Member of the Board of Managers of Innova (subsidiary of Grupo Televisa). | October 2017 |

**Compensation of Directors and Officers**

For the year ended December 31, 2020, we paid our directors, alternate directors and officers for services in all capacities aggregate compensation of approximately Ps.936.8 million (U.S.$47.0 million using the Interbank Rate, as reported by CitiBanamex, as of December 31, 2020). This compensation included certain amounts related to the use of assets and services of the Company, as well as travel expenses reimbursed to directors and officers. See "— Use of Certain Assets and Services" below.

On April 28, 2021, at our general stockholders' meeting, our stockholders approved a new compensation plan to our Board of Directors and the Secretary of the Board of Directors under which our Directors and the Secretary of the Board may elect to receive (i) U.S.$15,000 for each meeting of the Board to which they attend (or U.S.$25,000 in the case of Board members traveling from outside of Mexico to attend Board meetings), or (ii) an annual award in the form of CPOs (or in its case, other instrument issued based on shares of the Company), in an amount equivalent to U.S.$150,000, which would be released on the first anniversary of such award, in exchange for the payment of Ps$1.60 for each such CPO or equivalent instrument. In our April 28, 2021 general stockholders' meeting, our stockholders also ratified the remuneration of U.S.$15,000 to be paid to alternate members of the Board and members of the Audit and Corporate Practices Committees, for each meeting of the Board and/or the Audit and Corporate Practices Committees to which they attend.

As of December 31, 2020, we have made Ps.71.7 million in contributions to our pension and seniority premium plans on behalf of our directors, alternate directors and officers. Projected benefit obligations as of December 31, 2020 were approximately Ps.196.6 million.

Certain of our officers are entitled to receive performance bonuses. The amount and rules applicable vary among the different divisions and/or officers. The amounts payable under the performance bonus depend on the results achieved, and include certain qualitative and/or quantitative objectives that can be related to revenues and/or EBITDA, budgets, market share and others.

We have entered into certain Compensation and Retention Agreements with several executive officers. Such agreements were originally signed in late 2014 and substituted before their original termination with new agreements that will expire in December 2022. The conditions applicable to such contracts were approved by the Board of Directors and include, among other conditions, salary, an annual retention bonus and a performance bonus. In order to be entitled to the performance bonus, certain qualitative and quantitative targets must be met, including parameters related to the growth of revenues and EBITDA. If targets are not met, the amounts to be paid decline, and if targets are exceeded, the bonus can reach up to 120% of the target bonus. The target bonus is set at approximately two times the fixed component established in the relevant agreements.

We have a deferred compensation plan for certain officers of our Cable Division, payable in the event that certain revenue and EBITDA targets of a five-year plan are met. Twenty percent of such deferred compensation was paid in 2020, and since the targets for such plan were below the maximum amount established, only a portion of the remainder was paid in March 2021.

A new deferred compensation plan for certain officers of our Cable division, payable in the event that certain annual revenue and EBITDA targets of a five-year plan are met, was approved by the Board of Directors in February, 2021. In the event that the established targets in the plan are fully met, the annual cost during the five years of the deferred compensation plan will amount to approximately U.S.$20 million.

In addition, we have granted our executive officers and directors rights to purchase CPOs under the Stock Purchase Plan and the Long-Term Retention Plan. See "— Stock Purchase Plan and Long-Term Retention Plan" below.

**Use of Certain Assets and Services**

We maintain an overall security program for Mr. Azcárraga and for certain executive officers, as well as, in some cases, for their families, and for other specific employees and service providers, as permitted under our "*Política de Seguridad*", or Security Policy, due to business-related security concerns. We refer to the individuals described above as Key Personnel. Our security program includes the use of our personnel, assets and services to accomplish security objectives.

In accordance with this program, we require, under certain circumstances, that certain authorized Key Personnel use aircrafts, either owned or leased by us, for non-business, as well as business travel for our benefit rather than as a personal benefit. The use of such aircrafts is carried out in accordance with, among others, our "*Política de Seguridad*" policy, which establishes guidelines under which authorized Key Personnel may use such aircrafts for personal purposes. If the use of such aircrafts for personal purposes exceeds the specified number of hours, the relevant Key Personnel must reimburse us for the cost of operating the aircrafts during the excess time of use. The aggregate amount of compensation set forth in "— Compensation of Directors and Officers" does include the cost to us of providing this service.

In addition, certain Key Personnel are provided with security systems and equipment for their residences and/or automobiles and with security advice and personal protection services at their residences. The use of these security services is provided in accordance with our "*Política de Seguridad*" policy. The cost of these systems and services are incurred as a result of business-related concerns and are not considered for their personal benefit. As a result, the Company has not included such cost in "— Compensation of Directors and Officers".

Further, certain Key Personnel are provided with advisory services, including legal, tax and accounting services, through approved company providers.

**Stock Purchase Plan and Long-Term Retention Plan**

The stock purchase plan has been implemented in several stages since 1999, through a series of conditional sales to plan participants of CPOs. At our general extraordinary and ordinary stockholders' meeting held on April 30, 2002, our stockholders authorized the creation and implementation of a Long-Term Retention Plan, as well as the creation of one or more special purpose trusts to implement the Long-Term Retention Plan. Pursuant to our Long-Term Retention Plan, we have granted eligible participants, who consist of unionized and non-unionized employees, including key personnel ("Plan Participants"), awards as conditional sales. As of October 2010, our stock purchase plan and our Long-Term Retention Plan were consolidated under a single special purpose trust. Pursuant to the resolutions adopted by our stockholders, we have not, and do not intend to, register shares under the Securities Act that are allocated to the Long-Term Retention Plan.

The CPOs, CPO equivalents and underlying shares that are part of the stock purchase plan will be held by the special purpose trust and will be voted with the majority of the CPOs, CPO equivalents and underlying shares are represented at the relevant meeting until these securities are transferred to Plan Participants or otherwise sold in the open market. In accordance with the stock purchase plan, our President and the technical committee of the special purpose trust have broad discretion to make decisions related to, and amendments to, the stock purchase plan, including the ability to accelerate vesting terms, to modify the purchase price, to grant, release or transfer CPOs and/or CPO equivalents, subject to conditional sale agreements, to Plan Participants in connection with sales for purposes of making the payment of the related purchase price.

Historically, the price at which the conditional sales of the CPOs were made to beneficiaries was based on the lowest of (i) the closing price on March 31 of the year in which the CPOs were awarded, and (ii) the average price of the CPOs during the first three months of the year in which the CPOs were awarded. The resulting price would be reduced by dividends, a liquidity discount and by the growth of the consolidated or relevant segment Operating Income Before Depreciation and Amortization, or OIBDA, (including OIBDA affected by acquisitions) between the date of award and the vesting date, among others.

On October 22, 2020, the Board of Directors of the Company determined that, beginning with the grants to be awarded in respect of fiscal year 2020, a portion of the awards under the Long-Term Retention Plan will be granted at a sale price provided in the preceding paragraph, and the rest at a sale price equal to the nominal value of the CPOs to be sold under such awards. Accordingly, our Board of Directors approved that a portion of the awards for the 2020 grant, which had not yet become effective, will be granted at a sale price equal to the nominal value of the CPOs to be sold under such awards, or Ps.1.60 per CPO, subject to the fulfillment of certain conditions on or before April 30, 2021, which have been met. This is intended to further align the incentives of Plan Participants with our shareholders and the Company, and the Company believes this reflects current market practices. Unless modified in accordance with the Long-Term Retention Plan and the stockholder resolutions granted in connection therewith, we intend to continue providing awards at both the prices described in this paragraph and the preceding paragraph, as approved by our Board of Directors.

In April 2007, the Board of Directors, with input from the then Audit and Corporate Practices Committee, reviewed the compensation of our former Chief Executive Officer and decided to include our former Chief Executive Officer in our Long-Term Retention Plan as well as in any other plan granted to our employees in the future. See "— Compensation of Directors and Officers".

At our annual general ordinary stockholders' meeting held on April 2, 2013, our stockholders approved that the number of CPOs that may be granted annually under the Long-Term Retention Plan shall be up to 1.5% of the capital of the Company. As of December 31, 2020, approximately 9.9 million CPOs or CPO equivalents that were transferred to Plan Participants were sold in the open market from 2018 to 2020. Additional sales will continue to take place during or after 2021.

Also, as of March 31, 2021, the special purpose trust created to implement the Long-Term Retention Plan owned approximately 227.5 million CPOs or CPO equivalents. This figure is net of approximately 34.3 million, 32.3 million and 4.4 million CPOs or CPO equivalents vested in 2018, 2019 and 2020, respectively and the return of CPOs or CPO equivalents as a result of awards terminated in previous years. Of such 227.5 million CPOs or CPO equivalents, approximately 76.9% are in the form of CPOs and the remaining 23.1% are in the form of A, B, D and/or Series "L" Shares. As of March 31, 2021, approximately 137.0 million CPOs or CPO equivalents have been reserved and will become vested between 2021 and 2023 at prices ranging from Ps.1.6 to Ps.52.05 per CPO or CPO equivalent which may be reduced, when applicable, by dividends, a liquidity discount and the growth of the consolidated or relevant segment OIBDA (including OIBDA affected by acquisitions) between the date of award and the vesting date, among others.

As we have done in the past, we may consider further capital increases, among other alternatives, to continue replenishing the Long-Term Retention Plan. Any such capital increases would be subject to the appropriate corporate approvals, including stockholders' preemptive rights as well as the authorization by our stockholders at the stockholders' meeting.

**Share Ownership of Directors and Officers**

Share ownership of our directors, alternate directors and executive officers is set forth in the table under "Major Stockholders and Related Party Transactions". Except as set forth in such table, none of our directors, alternate directors or executive officers is currently the beneficial owner of more than 1% of any class of our capital stock or conditional sale agreements or options representing the right to purchase more than 1% of any class of our capital stock.

**Employees and Labor Relations**

The following table sets forth the number of employees and a breakdown of employees by main category of activity and geographic location as of the end of each year in the three-year period ended December 31, 2020:

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| Employees excluding held-for-sale operations | 43,287 | 42,702 | 38,918 |
| **Total number of employees** | 43,287 | 42,948 | 39,165 |
| **Category of activity:** | | | |
| Employees | 43,215 | 42,875 | 39,098 |
| Executives | 72 | 73 | 67 |
| **Geographic location:** | | | |
| Mexico | 43,223 | 42,884 | 38,956 |
| Latin America (other than Mexico) | 2 | 3 | 131 |
| U.S. | 53 | 52 | 69 |
| Europe | 9 | 9 | 9 |

As of December 31, 2020, 2019 and 2018, approximately 39%, 41% and 40% of our employees, respectively, were represented by unions. We believe that our relations with our employees are good. Under Mexican law, the agreements between us and most of our television and cable television union employees are subject to renegotiation on an annual basis in January of each year. We also have union contracts with artists, musicians and other employees, which are also renegotiated on an annual basis.

**Item 7. Major Stockholders and Related Party Transactions**

The following table sets forth information about the beneficial ownership of our capital stock by our directors, alternate directors, executive officers and each person who is known by us to own more than 5% of the currently outstanding Series "A" Shares, Series "B" Shares, Series "L" Shares or Series "D" Shares as of April 15, 2021. Except as set forth below, we are not aware of any holder of more than 5% of any class of our Shares.

| | Shares Beneficially Owned(1)(2) | | | | | | | | Aggregate Percentage of Outstanding Shares |
|---|---|---|---|---|---|---|---|---|---|
| | Series "A" Shares | | Series "B" Shares | | Series "D" Shares | | Series "L" Shares | | |
| Identity of Owner | Number | Percentage of Class | Number | Percentage of Class | Number | Percentage of Class | Number | Percentage of Class | Beneficially Owned |
| Azcárraga Trust(3) | 52,991,825,705 | 43.8% | 67,814,604 | 0.1% | 107,886,870 | 0.1% | 107,886,870 | 0.1% | 15.1% |
| Dodge & Cox (5) | 8,118,427,500 | 6.7% | 7,144,216,200 | 12.5% | 11,365,798,500 | 13.1% | 11,365,798,500 | 13.1% | 10.8% |
| Harris Associates, L.P.(4) | 8,023,157,500 | 6.6% | 7,060,378,600 | 12.4% | 11,232,420,500 | 12.9% | 11,232,420,500 | 12.9% | 10.7% |
| William H. Gates III(6) | 5,994,363,375 | 5.0% | 5,275,039,770 | 9.2% | 8,392,108,725 | 9.6% | 8,392,108,725 | 9.6% | 8.0% |
| BlackRock, Inc.(7) | 5,115,838,300 | 4.2% | 4,501,937,704 | 7.9% | 7,162,173,620 | 8.2% | 7,162,173,620 | 8.2% | 6.8% |
| FPR Partners, LLC(8) | 4,245,188,875 | 3.5% | 3,735,766,210 | 6.5% | 5,943,264,425 | 6.8% | 5,943,264,425 | 6.8% | 5.6% |

(1) Unless otherwise indicated, the information presented in this section is based on the number of shares authorized, issued and outstanding as of March 31, 2021. The number of shares issued and outstanding for legal purposes as of March 31, 2021 was 62,147,379,825 Series A Shares, 54,689,694,246 Series B Shares, 87,006,331,755 Series D Shares and 87,006,331,755 Series L Shares, in the form of CPOs, and an additional 58,926,613,375 Series A Shares, 2,357,207,692 Series B Shares, 238,595 Series D Shares and 238,595 Series L Shares not in the form of CPOs. For financial reporting purposes under IFRS only, the number of shares authorized, issued and outstanding as of March 31, 2021 was 57,771,734,175 Series A Shares, 50,839,126,074 Series B Shares, 80,880,427,845 Series D Shares and 80,880,427,845 Series L Shares in the form of CPOs, and an additional 55,146,232,367 Series A Shares, 186,537 Series B Shares, 238,541 Series D Shares and 238,541 Series L Shares not in the form of CPOs. The number of shares authorized, issued and outstanding for financial reporting purposes under IFRS as of March 31, 2021 does not include 175,025,826 CPOs and an additional 3,780,381,008 Series A Shares, 2,357,021,155 Series B Shares, 54 Series D Shares and 54 Series L Shares not in the form of CPOs acquired by the special purpose trust we created to implement our long-term retention plan. See Note 17 to our consolidated year-end financial statements.

(2) Except through the Azcárraga Trust, none of our directors and executive officers currently beneficially owns more than 1% of our outstanding Series "A" Shares, Series "B" Shares, Series "D" Shares or Series "L" Shares. See "Directors, Senior Management and Employees — Share Ownership of Directors and Officers". This information is based on information provided by directors and executive officers.

(3) For a description of the Azcárraga Trust, see "— The Major Stockholders" below.

(4) Based solely on information included in the report on Schedule 13G by Harris Associates L.P. as of February 16, 2021.

(5) Based solely on information included in the report on Schedule 13G by Dodge & Cox, as of February 11, 2021.

(6) Based solely on information included in (i) the Schedule V "Report of participation in the capital stock of issuers" of the Comisión Nacional Bancaria y de Valores, commonly known as the CNBV regulations for issuers as of April 20, 2020 by Cascade Investment, L.L.C. with respect to holdings by Cascade Investment, L.L.C., and (ii) the report on Form 13F filed on February 12, 2021 by the Bill and Melinda Gates Foundation Trust.

(7) Based solely on information included in the report on Schedule 13G by Blackrock, Inc. as of January 29, 2021.

(8) Based solely on information included in the report on Schedule 13G by FPR Partners LLC as of February 16, 2021.

## The Major Stockholders

The Azcárraga Trust, a trust for the benefit of Emilio Azcárraga Jean, currently holds 43.8% of the outstanding Series "A" Shares, 0.1% of the outstanding Series "B" shares, 0.1% of the outstanding Series "D" Shares and 0.1% of the outstanding Series "L" Shares of the Company. As a result, Emilio Azcárraga Jean currently controls the vote of such shares through the Azcárraga Trust. The Series "A" Shares held through the Azcárraga Trust constitute a majority of the Series "A" Shares whose holders are entitled to vote because non-Mexican holders of CPOs and GDSs are not permitted to vote the underlying Series "A" Shares in accordance with the trust agreement governing the CPOs and the Company's bylaws. Accordingly, and so long as non-Mexicans own more than a minimal number of Series "A" Shares, Emilio Azcárraga Jean will have the ability to direct the election of 11 out of 20 members of our Board of Directors, as well as prevent certain actions by the stockholders, including dividend payments, mergers, spin-offs, changes in corporate purpose, changes of nationality and amendments to the anti-takeover provisions of our bylaws.

Pursuant to our bylaws, holders of Series "B" Shares are entitled to elect five out of 20 members of our Board of Directors.

Because the Azcárraga Trust only holds a limited number of Series "B" Shares, there can be no assurance that individuals nominated by the Azcárraga Trust appointees will be elected to our Board.

We believe that as of March 31, 2021, approximately 320.4 million of GDSs were held of record by 68 persons with U.S. addresses. Those GDSs represent 33.1% of the outstanding Series "A" Shares, 61.8% of the outstanding Series "B" Shares, 64.4% of the outstanding Series "D" Shares and 64.4% of the outstanding Series "L" Shares of the Company. Before giving effect to the 2004 recapitalization, substantially all of the outstanding Series "A" Shares not held through CPOs were owned by Televicentro and a special purpose trust created for our Long-Term Retention Plan, as described under "Major Stockholders and Related Party Transactions" and "Directors, Senior Management and Employees — Stock Purchase Plan and Long-Term Retention Plan". For more information regarding our 2004 recapitalization, please refer to our Form 6-K filed with the SEC on March 25, 2004.

## Related Party Transactions

***Transactions and Arrangements with Univision.*** We have in the past and on an ongoing basis entered into transactions with Univision in the ordinary course of business. In December 2010, the Company and Univision announced the completion of certain agreements among related parties by which, among other transactions, the Company made an investment in BMP (now known as Univision Holdings, Inc., or UHI) the parent company of Univision, and the PLA between the Company and Univision was amended and extended through the later of 2025 or 90 months after the Company voluntarily sells two-thirds of its equity interests in UHI. Univision became a related party to the Company as of December 2010 as a result of these transactions. For a description of our arrangements with Univision, see "Information on the Company — Business Overview — Univision".

***Transactions and Agreements With Our Directors and Officers.*** During 2020, we entered into contracts leasing office space directly or indirectly from certain of our directors and officers. These leases have aggregate annual lease payments for 2021 equal to approximately Ps.34.6 million. We believe that the terms of these leases are comparable to terms that we would have entered into with third parties for similar leases.

Certain of our executive officers have in the past, and from time to time in the future may, purchase debt securities issued by us and/or our subsidiaries from third parties in negotiated transactions. Certain of our executive officers and directors participate in our stock purchase plan and Long-Term Retention Plan. See "Directors, Senior Management and Employees — Stock Purchase Plan and Long-Term Retention Plan".

***Transactions and Arrangements With Affiliates and Related Parties of Our Directors, Officers and Major Stockholders***

***Consulting Services.*** Instituto de Investigaciones Sociales, S.C., a consulting firm which is controlled by Ariana Azcárraga De Surmont, the sister of Emilio Azcárraga Jean, has from time to time during 2020 provided consulting services and research in connection with the effects of our programming, especially dramas, on our viewing audience. Instituto de Investigaciones Sociales, S.C. provided us with such services in 2020, and we expect to continue these arrangements through 2021.

***Citibanamex participation in Syndicated Loan.*** In June 2019, the Company entered into a long-term credit agreement with a syndicate of banks, including Citibanamex with maturity in 2024. An affiliate of Citibanamex also acted as joint lead arranger and joint book runner with other banks. This loan was made on terms substantially similar to those offered by Citibanamex to third parties. Emilio Azcárraga Jean, our Executive Chairman of the Board, is a member of the Board of Citibanamex. One of our former directors, Roberto Hernández Ramírez, is the Honorary Chairman of the Board of Citibanamex. Mr. Hernández was also a member of the Board of, and the beneficial owner of less than 1% of the outstanding capital stock of, Citigroup, Inc., the entity that indirectly controls Citibanamex. For a description of amounts outstanding under, and the terms of, our existing credit facilities with Citibanamex, see "Operating and Financial Review and Prospects — Results of Operations — Liquidity, Foreign Exchange and Capital Resources — Indebtedness".

***Loans from Banorte.*** In 2015, Banorte and TVI entered into a loan agreement with a maturity date of 2022. This loan was made on terms substantially similar to those offered by Banorte to third parties. Alfonso de Angoitia Noriega, our Executive Vice President, Guadalupe Phillips Margain and Carlos Hank González, Members of the Board of the Company, are members and Carlos Hank González is President of the Board of Banorte. As of December 31, 2020, U.S.$42.8 million was outstanding under the loan.

***Advertising Services.*** Several members of our current Board serve as members of the Boards and/or are stockholders of other companies. See "Directors, Senior Management and Employees". Some of these companies, including Grupo Comercial Chedraui, Grupo Nacional Provincial, Grupo Palacio de Hierro, Rappi, Grupo Financiero Banorte, Grupo Lala, Kimberly-Clark de México, CitiBanamex and Grupo Axo, among others, purchased advertising services from us in connection with the promotion of their respective products and services from time to time in 2020, and we expect that this will continue to be the case in the future.

***Legal and Advisory Services.*** During 2020, Mijares, Angoitia, Cortés y Fuentes, S.C., a Mexican law firm, provided us with legal and advisory services, and we expect that this will continue to be the case in the future. Ricardo Maldonado Yáñez, a partner from the law firm of Mijares, Angoitia, Cortés y Fuentes, S.C., serves also as Secretary of our Board of Directors and Secretary to the Executive Committee of our Board of Directors. We believe that the fees we paid for these services were comparable to those that we would have paid another law firm for similar services.

Since 2011, we have had agreements with Allen & Company to provide the Company with advisory services related to an investment in the television segment outside of Mexico, and have continued to engage Allen & Company with other advisory services over the past years related to strategic investments of the Company. Two of our directors are directors of Allen & Company as well. These agreements were entered into on an arm's length basis. We believe that the amounts paid and to be paid under these agreements to Allen & Company are comparable to those paid to third parties for these types of services.

For further information about our related party transactions, see Note 20 to our consolidated year-end financial statements.

## Item 8. Financial Information

See "Financial Statements" and pages F-1 through F-85, which are incorporated in this Item 8 by reference.

## Item 9. The Offer and Listing

### Trading Information

Since December 1993, the GDSs have been traded on the New York Stock Exchange, or NYSE, under the symbol "TV" and the CPOs have been traded on the Mexican Stock Exchange under the symbol "TLEVISACPO". In September 2007, we removed JPMorgan Chase Bank, N.A. as the depository for the GDSs and appointed The Bank of New York Mellon pursuant to a new deposit agreement.

Trading prices of the CPOs and the GDSs are influenced by our results of operations, financial condition, cash requirements, future prospects and by economic, financial and other factors and market conditions. See "Key Information — Risk Factors — Risk Factors Related to Mexico — Economic and Political Developments in Mexico May Adversely Affect Our Business". We believe that as of March 31, 2021, approximately 320.4 million GDSs were held of record by 68 persons with U.S. addresses.

## Trading on the Mexican Stock Exchange

### Overview

The Mexican Stock Exchange, located in Mexico City, operating continuously since 1907, is one of the two stock exchanges in Mexico. The other stock exchange in Mexico is the Bolsa Institucional de Valores S.A. de C.V., which began operations in July 2018 (the "Institutional Stock Exchange" and together with the Mexican Stock Exchange, the "Stock Exchanges in Mexico"). The Mexican Stock Exchange is organized as a *sociedad anónima bursátil de capital variable*, or publicly-traded corporation with variable capital. Securities trading on the Mexican Stock Exchange occurs from 8:30 a.m. to 3:00 p.m., Mexico City time, each business day. All trading on the Mexican Stock Exchange is effected electronically. The Mexican Stock Exchange may impose a number of measures to promote an orderly and transparent trading price of securities, including the operation of a system of automatic suspension of trading in shares of a particular issuer when price fluctuation exceeds certain limits. The Mexican Stock Exchange may also suspend trading in shares of a particular issuer as a result of the disclosure of a material event, or when the changes in the volume traded or share price are not consistent with either the historic performance or information publicly available. The Mexican Stock Exchange may resume trading in the shares when it deems that the material events have been adequately disclosed to public investors or when it deems that the issuer has adequately explained the reasons for the changes in the volume traded or prevailing share price. Under current regulations, in certain cases when the relevant securities are simultaneously traded on a stock exchange outside of Mexico, the Mexican Stock Exchange or the Institutional Stock Exchange, as the case may be, may consider the measures adopted by the other stock exchange in order to suspend and/or resume trading in the issuer's shares. Furthermore, now that the Institutional Stock Exchange has also begun operations, the suspension of trading of a series of a company's securities on one exchange will automatically trigger the suspension of its trading on the other exchange.

Settlement is effected in two business days after a share transaction on both Stock Exchanges in Mexico. Deferred settlement, even by mutual agreement, is not permitted without the approval of the CNBV. Most securities traded on the Mexican Stock Exchange or the Institutional Stock Exchange, including the CPOs, are on deposit with S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V., or Indeval, a privately owned securities depositary that acts as a clearinghouse, depositary and custodian, as well as a settlement, transfer and registration agent for transactions of the Stock Exchanges in Mexico, eliminating the need for physical transfer of securities.

Although the Mexican Securities Market Law provides for the existence of an over-the-counter market, no such market for securities in Mexico has been developed.

### Market Regulation and Registration Standards

To offer securities to the public in Mexico, an issuer must meet specific qualitative and quantitative requirements, and generally only securities for which an application for registration in the National Registry of Securities, or NRS, maintained by the CNBV has been approved by the CNBV may be listed on the Mexican Stock Exchange or on the Institutional Stock Exchange. As of the date of this report, we are only listed on the Mexican Stock Exchange, and therefore we must only comply with the CNBV´s and the Mexican Stock Exchange´s rules and regulations for approval. This approval does not imply any kind of certification or assurance related to the merits or the quality of the securities or the solvency of the issuer.

The CNBV has also issued general rules, or General CNBV Rules, applicable to issuers and other securities market participants that govern issuers and issuer activity, among other things.

The General CNBV Rules have mandated that the Stock Exchanges in Mexico adopt minimum requirements for issuers to be registered with the CNBV and have their securities listed on the Mexican Stock Exchange or on the Institutional Stock Exchange. Pursuant to the internal rules of the Stock Exchanges in Mexico, in order to be registered, issuers will be required to have, among other things:

- a minimum number of years of operating history;
- a minimum financial condition;
- a minimum number of shares or CPOs to be publicly offered to public investors;
- a minimum price for the securities to be offered;
- a minimum of 15% of the capital stock placed among public investors (which percentage may be lowered under certain circumstances);
- a minimum of 100 holders of shares or of shares represented by CPOs, who are deemed to be public investors under the General CNBV Rules, upon the completion of the offering; and
- complied with certain corporate governance requirements.

To maintain its registration, an issuer will be required to have, among other things:

- a minimum of 12% of the capital stock held by public investors;
- a minimum of 100 holders of shares or of shares represented by CPOs who are deemed to be public investors under the General CNBV Rules; and
- complied with certain corporate governance requirements.

The CNBV has the authority to waive some of these requirements in some circumstances. Also, some of these requirements are applicable for each series of shares of the relevant issuer.

The Stock Exchanges in Mexico must review annually compliance with the foregoing and other requirements, some of which may be further reviewed on a quarterly or semi-annual basis. The Stock Exchanges in Mexico must inform the CNBV of the results of its review and this information must, in turn, be disclosed to investors. If an issuer fails to comply with any of the foregoing requirements, the Stock Exchange in Mexico on which it is listed will request that the issuer propose a plan to cure the violation. If the issuer fails to propose such plan, if the plan is not satisfactory to the relevant Stock Exchange in Mexico or if the issuer does not make substantial progress with respect to the corrective measures, trading of the relevant series of shares on the relevant Stock Exchange in Mexico will be temporarily suspended until the situation is corrected. In addition, if the issuer fails to propose the plan or ceases to follow such plan once proposed, the CNBV may suspend or cancel the registration of the shares. In such event, the issuer must evidence the mechanisms to protect the rights of public investors and market in general.

Issuers of listed securities are required to file unaudited quarterly financial statements and audited annual financial statements as well as various periodic reports with the CNBV and the Stock Exchange in Mexico on which it is listed. Issuers of listed securities must prepare and disclose their financial information by an approved system for each Stock Exchange in Mexico known as *Sistema Electrónico de Envío y Difusión de Información* or SEDI and to the CNBV through the *Sistema de Transferencia de Información sobre Valores*, or STIV-2. Immediately upon its receipt, the relevant Stock Exchange in Mexico makes that information available to the public.

The General CNBV Rules and the internal regulations of the Stock Exchanges in Mexico require issuers of listed securities to file through EMISNET for the BMV, through DIV for the Institutional Stock Exchange and through and STIV-2 the information on the occurrence of material events affecting the relevant issuer. Material events include, but are not limited to, as long as they have, or could potentially have, an effect on the price of the issuer's securities:

- the entering into or termination of joint venture agreements or agreements with key suppliers;
- the creation of new lines of businesses or services;
- significant deviations in expected or projected operating performance;
- the restructuring or payment of significant indebtedness;
- material litigation or labor conflicts;
- changes in dividend policy;
- the commencement of any insolvency, suspension or bankruptcy proceedings;
- changes in the directors; and
- any other event that may have a material adverse effect on the results, financial condition or operations of the relevant issuer.

If there is unusual price volatility of the securities listed, the issuer would be obliged to immediately inform the CNBV and the corresponding Stock Exchange in Mexico of the causes of such volatility or, if the issuer is unaware of such causes, make a statement to that effect, in order for the corresponding Stock Exchange in Mexico to immediately convey that information to the public. In addition, the corresponding Stock Exchange in Mexico must immediately request that issuers disclose any information relating to relevant material events, when it deems the information currently disclosed to be insufficient, as well as instruct issuers to clarify such information when it deems the information to be confusing. The corresponding Stock Exchange in Mexico may request issuers to confirm or deny any material events that

have been disclosed to the public by third parties when it deems that the material event may affect or influence the securities being traded. The corresponding Stock Exchange in Mexico must immediately inform the CNBV of any requests made to issuers. The CNBV may also make any of these requests directly to issuers. An issuer may delay the disclosure of material events under some circumstances, including where the information being offered is not related to transactions that have been completed.

The CNBV and any of the Stock Exchanges in Mexico may suspend the dealing in securities of an issuer:

- if the issuer does not adequately disclose a material event; or

- upon price or volume volatility or changes in the offer or demand in respect of the relevant securities, which are not consistent with the historic performance of the securities and could not be explained solely by the information made publicly available under the General CNBV Rules.

The Stock Exchanges in Mexico must immediately inform the CNBV and the general public of any such suspension. An issuer may request that the CNBV or the relevant Stock Exchange in Mexico resume trading, provided it demonstrates that the causes triggering the suspension have been resolved and that it is in full compliance with the periodic reporting requirements under the applicable law. If its request has been granted, the corresponding Stock Exchange in Mexico will determine the appropriate mechanism to resume trading in its securities. If trading of an issuer is suspended for more than 20 business days and the issuer is authorized to resume trading without conducting a public offering, the issuer must disclose through EMISNET or DIV, as the case may be, and STIV-2, before trading resumes, a description of the causes that resulted in the suspension and reasons why it is now authorized to resume trading.

Likewise, if the securities of an issuer are traded on any of the Stock Exchanges in Mexico and additionally on a foreign securities market, then that issuer must generally file with the CNBV and the corresponding Stock Exchange in Mexico on a simultaneous basis the information that it is required to file pursuant to the laws and regulations of the relevant other jurisdiction.

Pursuant to the Mexican Securities Market Law, stockholders of issuers listed on any of the Stock Exchanges in Mexico must disclose any transactions, through or outside of any of the Stock Exchanges in Mexico that result in a 10% or more ownership stake of an issuer's capital stock. These stockholders must also inform the CNBV of the results of these transactions the day after their completion. See "Additional Information — Mexican Securities Market Law".

Additionally, related parties of an issuer who increase or decrease their ownership stake, in one or more transactions, by 5% or more, shall disclose such transactions. The Mexican Securities Market Law also requires stockholders holding 10% or more of the capital stock of companies listed in the registry to notify the CNBV of certain ownership changes in shares of the company. Moreover, the CNBV regulations for issuers, require issuers to disclose to the CNBV on an annual basis on or before June 30 of each year: (i) the name and ownership percentage of any Board members and relevant officers that maintain 1% or more of the capital stock of an issuer, (ii) the names and ownership percentage of any other individual or entity that maintains 5% or more of the capital stock of an issuer (regardless of whether such stockholder is an officer or director) and (iii) the names and ownership percentage of the 10 (ten) stockholders with the largest direct ownership stake in an issuer (regardless of the ownership percentage or whether such stockholder is an officer, director, related party or private investor with no relationship to the issuer). Based on the foregoing, Mexican Securities Regulations require that (i) Board members and relevant officers that own 1% or more of the capital stock of an issuer, (ii) any other individual or entity that owns 5% or more of the capital stock of an entity, and (iii) individuals that own 1% of the capital stock of an entity, provide this information to the relevant issuer on or before May 15 of each year.

In addition, in April 2018, the CNBV issued general rules applicable to entities and issuers supervised by the CNBV that use external auditors in connection with the preparation of their basic financial statements (*Disposiciones de carácter general aplicables a las entidades y emisoras supervisadas por la Comisión Nacional Bancaria y de Valores que contraten servicios de auditoría externa de estados financieros básicos*) (as amended from time to time, the "Mexican Auditors Regulations"). The Mexican Auditors Regulations establish certain rules for external auditors and set forth obligations owed among issuers, their Board of Directors and Audit Committees and the external auditors for their services.

## Item 10. Additional Information

### Mexican Securities Market Law

Under the Mexican Securities Market Law insiders must abstain from purchasing or selling securities of the issuer within 90 days from the last sale or purchase, respectively.

In addition, under the Mexican Securities Market Law, tender offers may be voluntary or mandatory. All tender offers must be open for at least 20 business days and purchases thereunder are required to be made pro-rata to all tendering stockholders. Any intended purchase resulting in a 30% or greater holding requires the tender to be made for the greater of 10% of the company's capital stock or the share capital intended to be acquired; if the purchase is aimed at obtaining control, the tender must be made for 100% of the outstanding shares. In calculating the intended purchase amount, convertible securities, warrants and derivatives the underlying security of which are such shares must be considered. The law also permits the payment of certain amounts to controlling stockholders over and above the offering price if these amounts are fully disclosed, approved by the board of directors and paid in connection with non-compete or similar obligations. The law also contemplates exceptions to the mandatory tender offer requirements and specifically provides for the consequences, to a purchaser, of not complying with these tender offer rules (lack of voting rights, possible annulment of purchases, etc.) and other rights available to prior stockholders of the issuer.

The Mexican Securities Market Law permits public companies to insert provisions in their bylaws pursuant to which the acquisition of control of the company, by the company's stockholders or third parties, may be prevented, if such provisions (i) are approved by stockholders without the negative vote of stockholders representing 5% or more of the outstanding shares, (ii) do not exclude any stockholder or group of stockholders, and (iii) do not restrict, in an absolute manner, the change of control.

### Bylaws

Set forth below is a brief summary of some relevant provisions of our bylaws and Mexican law. This description does not purport to be complete, and is qualified by reference in its entirety to our bylaws, which have been filed as an exhibit to this annual report, and Mexican law. For a description of the provisions of our bylaws relating to our Board of Directors, Executive Committee, Audit Committee and Corporate Practices Committee, see "Directors, Senior Management and Employees".

**Organization and Register**

Grupo Televisa , S.A.B. was originally incorporated as a *sociedad anónima*, or limited liability corporation under the laws of Mexico in accordance with the Mexican Companies Law and later adopted the form of *sociedad anónima bursátil*, or limited liability stock corporation in accordance with the *Ley del Mercado de Valores*, or the Mexican Securities Market Law. It was incorporated under Public Deed Number 30,200, dated December 19, 1990, granted before Notary Public Number 73 of Mexico City, and registered with the Public Registry of Commerce of Mexico City, under Commercial Page (*folio mercantil*) Number 142,164. We have a general corporate purpose, the specifics of which can be found in Article Four of our bylaws.

Our stock registry is maintained by Indeval, and in accordance with Mexican law, we only recognize those holders listed in our stock registry as our stockholders. Our stockholders may hold their share in the form of physical certificates or through book-entries with institutions that have accounts with Indeval. The CPO Trustee is the holder of record for Shares represented by CPOs. Accounts may be maintained at Indeval by brokers, banks and other entities approved by the CNBV.

**Voting Rights and Stockholders' Meetings**

*Holders of Series "A" Shares.* Holders of Series "A" Shares have the right to vote on all matters subject to stockholder approval at any general stockholders' meeting and have the right, voting as a class, to appoint eleven members of our Board of Directors and the corresponding alternate directors. In addition to requiring approval by a majority of all Shares entitled to vote together on a particular corporate matter, certain corporate matters must be approved by a majority of the holders of Series "A" Shares voting separately. These matters include mergers, dividend payments, spin-offs, changes in corporate purpose, changes of nationality and amendments to the anti-takeover provisions of our bylaws.

*Holders of Series "B" Shares.* Holders of Series "B" Shares have the right to vote on all matters subject to stockholder approval at any general stockholders' meeting and have the right, voting as a class, to appoint five members of our Board of Directors and the corresponding alternate directors. The five directors and corresponding alternate directors elected by the holders of the Series "B" Shares are elected at a stockholders' meeting that must be held within the first four months after the end of each year.

*Holders of Series "D" Shares and Series "L" Shares.* Holders of Series "D" Shares, voting as a class, are entitled to vote at special meetings to elect two of the members of our Board of Directors and the corresponding alternate directors, each of which must be an independent director. In addition, holders of Series "D" Shares are entitled to vote on the following matters at extraordinary general meetings:

- our transformation from one type of company to another;
- any merger (even if we are the surviving entity);
- extension of our existence beyond our prescribed duration;
- our dissolution before our prescribed duration (which is currently 99 years from January 30, 2007);
- a change in our corporate purpose;
- a change in our nationality; and
- the cancellation from registration of the Series "D" Shares or the securities which represent the Series "D" Shares with the securities or special section of the NRS and with any other Mexican or foreign stock exchange in which such shares or securities are registered.

Holders of Series "L" Shares, voting as a class, are entitled to vote at special meetings to elect two of the members of our Board of Directors and the corresponding alternate directors, each of which must be an independent director. Holders of Series "L" Shares are also entitled to vote at extraordinary general meetings on the following matters:

- our transformation from one type of company to another;
- any merger in which we are not the surviving entity; and
- the cancellation from registration of the Series "L" Shares or the securities that represent the Series "L" Shares with the special section of the NRS.

The two directors and corresponding alternate directors elected by each of the holders of the Series "D" Shares and the Series "L" Shares are elected at a special meeting of those holders which takes place annually. Special meetings of holders of Series "D" Shares and Series "L" Shares must also be held to approve the cancellation from registration of the Series "D" Shares or Series "L" Shares or the securities representing any of such shares with the NRS, as the case may be, and in the case of Series "D" Shares, with any other Mexican or foreign stock exchange in which such shares or securities are registered. Except as otherwise required by law, all other matters on which holders of Series "L" Shares or Series "D" Shares are entitled to vote must be considered at an extraordinary general meeting. Holders of Series "L" Shares and Series "D" Shares are not entitled to attend or to address meetings of stockholders at which they are not entitled to vote. Under Mexican law, holders of Series "L" Shares and Series "D" Shares are entitled to exercise certain minority protections. See "— Other Provisions — Appraisal Rights and Other Minority Protections".

Minority shareholders holding at least ten percent of the capital stock represented by Series "A" Shares, will be entitled to appoint one director and its corresponding alternate for each such ten percent. Minority shareholders holding at least ten percent of the capital stock represented by Series "B" Shares, will be entitled to appoint one director and its corresponding alternate for each such ten percent. Minority shareholders holding at least ten percent of the capital stock represented by Series "D" Shares or Series "L" Shares, will be entitled to appoint one director and its corresponding alternate for each such ten percent. Any such appointments by minority shareholders will be counted towards the number of directors that the holders of each such Series is entitled to appoint.

*Other Rights of Stockholders.* Under Mexican law, holders of shares of any series are also entitled to vote as a class in a special meeting governed by the same rules that apply to extraordinary general meetings, as described below, on any action that would prejudice the rights of holders of shares of such series, but not rights of holders of shares of other series, and a holder of shares of such series would be entitled to judicial relief against any such action taken without such a vote. Generally, the determination of whether a particular stockholder action requires a class vote on these grounds could initially be made by the Board of Directors or other party calling for stockholder action. In some cases, under the Mexican Securities Market Law and the Mexican Companies Law, the Board of Directors, the Audit Committee, the Corporate Practices Committee, or a Mexican court on behalf of those stockholders representing 10% of our capital stock can call a special meeting. A negative determination would be subject to judicial challenge by an affected stockholder, and the necessity for a class vote would ultimately be determined by a court. There are no other procedures for determining whether a particular proposed stockholder action requires a class vote, and Mexican law does not provide extensive guidance on the criteria to be applied in making such a determination.

General stockholders' meetings may be ordinary general meetings or extraordinary general meetings. Extraordinary general meetings are those called to consider specific matters specified in Article 182 of the Mexican Companies Law and our bylaws, including, among others, amendments to our bylaws, our dissolution, liquidation or split-up, our merger and transformation from one form of company to another, increases and reductions in our capital stock, the approval of certain acquisitions of shares, including a change of control, as set forth in the antitakeover provisions in our bylaws and any action for civil liabilities against the members of our Board of Directors, its Secretary, or members of our Audit Committee or Corporate Practices Committee. In addition, our bylaws require an extraordinary general meeting to consider the cancellation of registration of the Series "D" Shares or Series "L" Shares or the securities representing these Shares with the NRS, as the case may be, and in the case of Series "D" Shares, with any other Mexican or foreign stock exchange in which such Shares or securities are registered. General meetings called to consider all other matters are ordinary meetings which are held at least once each year within four months following the end of each fiscal year. Stockholders may be represented at any stockholders' meeting by completing a form of proxy provided by us, which proxy is available within fifteen days prior to such meeting, and designating a representative to vote on their behalf. The form of proxy must comply with certain content requirements as set forth in the Mexican Securities Market Law and in our bylaws.

*Holders of CPOs.* Holders of CPOs who are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their shares are entitled to exercise voting rights with respect to the Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares underlying their CPOs. The CPO Trustee will vote such shares as directed by Mexican holders of CPOs, which must provide evidence of Mexican nationality. Non-Mexican holders of CPOs may only vote the Series "L" Shares held in the CPO Trust and are not entitled to exercise any voting rights with respect to the Series "A" Shares, Series "B" Shares and Series "D" Shares held in the CPO Trust. Voting rights in respect of these Series "A" Shares, Series "B" Shares and Series "D" Shares may only be exercised by the CPO Trustee. Series "A" Shares, Series "B" Shares and Series "D" Shares underlying the CPOs of non-Mexican holders or holders that do not give timely instructions as to voting of such Shares, will be voted by the individuals designated by the CPO Trust's Technical Committee (which consists of members of the Board of Directors and/or Executive Committee, who must be Mexican nationals), and at any general shareholders meeting where such series has the right to vote in the same manner as the majority of the outstanding Series "A" Shares held by Mexican nationals or Mexican corporations (directly, or through the CPO Trust, as the case may be) are voted at the relevant meeting. Series "L" Shares underlying the CPOs of any holders that do not give timely instructions as to the voting of such Shares will be voted by the individuals designated by the CPO Trust's Technical Committee (which consists of members of the Board of Directors and/or Executive Committee, who must be Mexican nationals), as instructed by such Technical Committee of the CPO Trust. The CPO Trustee must receive voting instructions five business days prior to the stockholders' meeting. Holders of CPOs that are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their Shares also must provide evidence of nationality, such as a copy of a valid Mexican passport or birth certificate, for individuals, or a copy of the bylaws, for corporations.

As described in "Major Stockholders and Related Party Transactions," Series "A" Shares held through the Azcárraga Trust constitute a majority of the Series "A" Shares whose holders are entitled to vote, because non-Mexican holders of CPOs and GDSs are not permitted to vote the underlying Series "A" Shares. Accordingly, the vote of Series "A" Shares held through the Azcárraga Trust generally will determine how the Series "A" Shares underlying our CPOs are voted.

*Holders of GDRs.* Global Depositary Receipts, or GDRs, evidencing GDSs are issued by The Bank of New York Mellon, the Depositary, pursuant to the Deposit Agreement we entered into with the Depositary and all holders from time to time of GDSs. A GDR may represent any number of GDSs. Only persons in whose names GDRs are registered on the books of the Depositary will be treated by us and the Depositary as owners and holders of GDRs. Each GDS represents the right to receive five CPOs which will be credited to the account of BBVA Bancomer, S.A., Institución de Banca Múltiple Grupo Financiero BBVA Bancomer, the Custodian, maintained with Indeval for such purpose. Each CPO represents financial interests in, and limited voting rights with respect to, 25 Series "A" Shares, 22 Series "B" Shares, 35 Series "L" Shares and 35 Series "D" Shares held pursuant to the CPO Trust.

The Depositary will mail information on stockholders' meetings to all holders of GDRs. At least six business days prior to the relevant stockholders' meeting, GDR holders may instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the CPOs represented by their GDSs, and the underlying Shares. Since the CPO Trustee must also receive voting instructions five business days prior to the stockholders' meeting, the Depositary may be unable to vote the CPOs and underlying Shares in accordance with any written instructions. Holders of GDSs that are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their Shares are entitled to exercise voting rights with respect to the Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares underlying the CPOs represented by their GDSs. Such Mexican holders also must provide evidence of nationality, such as a copy of a valid Mexican passport or birth certificate, for individuals, or a copy of the bylaws, for corporations.

Non-Mexican holders may exercise voting rights only with respect to Series "L" Shares underlying the CPOs represented by their GDSs. They may not direct the CPO Trustee as to how to vote the Series "A" Shares, Series "B" Shares or Series "D" Shares represented by CPOs or attend stockholders' meetings. Under the terms of the CPO Trust Agreement, the CPO Trustee will vote the Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares represented by CPOs held by non-Mexican holders (including holders of GDRs) as described under "— Holders of CPOs". If the Depositary does not timely receive instructions from a Mexican or non-Mexican holder of GDRs as to the exercise of voting rights relating to the Series "A" Shares, Series "B" Shares, Series "D" Shares or Series "L" Shares underlying the CPOs, as the case may be, in the relevant stockholders' meeting then, if requested in writing by us, the Depositary will give a discretionary proxy to a person designated by us to vote the Shares. If no such written request is made by us, the Depositary will not represent or vote, attempt to represent or vote any right that attaches to, or instruct the CPO Trustee to represent or vote, the Shares underlying the CPOs in the relevant stockholders' meeting and, as a result, the underlying shares will be voted in the same manner described under "— Holders of CPOs" with respect to shares for which timely instructions as to voting are not given.

If the Depositary does not timely receive instructions from a Mexican or non-Mexican holder of GDRs as to the exercise of voting rights relating to the underlying CPOs in the relevant CPO holders' meeting, the Depositary and the Custodian will take such actions as are necessary to cause such CPOs to be counted for purposes of satisfying applicable quorum requirements and, unless we in our sole discretion have given prior written notice to the Depositary and the Custodian to the contrary, vote them in the same manner as the majority of the CPOs are voted at the relevant CPOs holders' meeting.

Under the terms of the CPO Trust, beginning in December 2008, a non-Mexican holder of CPOs or GDSs may instruct the CPO Trustee to request that we issue and deliver certificates representing each of the Shares underlying its CPOs so that the CPO Trustee may sell, to a third party entitled to hold the Shares, all of those Shares and deliver to the holder any proceeds derived from the sale.

*Limitation on Appointment of Directors.* Our bylaws prohibit the appointment of individuals to our Board of Directors: who (i) are members of the board of directors or other management boards of a company (other than the Company or its subsidiaries) that has one or more concessions to operate telecommunication networks in Mexico; or (ii) directly or indirectly, are shareholders or partners of companies (other than the Company or its subsidiaries), that have one or more concessions to operate telecommunication networks in Mexico, with the exception of ownership stakes that do not allow such individuals to appoint one or more members of the management board or any other operation or decision making board.

**Dividend Rights**

At our annual ordinary general stockholders' meeting, our Board of Directors is required to submit our financial statements from the previous fiscal year to the holders of our Series "A" Shares and Series "B" Shares. Once our stockholders approve these financial statements, they must then allocate our net profits for the previous fiscal year. Under Mexican law, at least 5% of our net profits must be allocated to a legal reserve, until the amount of this reserve equals 20% of our paid-in capital stock. Thereafter, our stockholders may allocate our net profits to any special reserve, including a reserve for share repurchases. After this allocation, the remainder of our net profits will be available for distribution as dividends. The vote of the majority of the Series "A" Shares and Series "B" Shares is necessary to approve dividend payments. As described below, in the event that dividends are declared, holders of Series "D" Shares will have preferential rights to dividends as compared to holders of Series "A" Shares, Series "B" Shares and Series "L" Shares. Holders of Series "A" Shares, Series "B" Shares and Series "L" Shares have the same financial or economic rights, including the participation in any of our profits.

**Preferential Rights of Series "D" Shares**

Holders of Series "D" Shares are entitled to receive a preferred annual dividend in the amount of Ps.0.00034412306528 per Series "D" Share before any dividends are payable in respect of Series "A" Shares, Series "B" Shares and Series "L" Shares. If we pay any dividends in addition to the Series "D" Share fixed preferred dividend, then such dividends shall be allocated as follows:

- first, to the payment of dividends with respect to the Series "A" Shares, the Series "B" Shares and the Series "L" Shares, in an equal amount per share, up to the amount of the Series "D" Share fixed preferred dividend; and

- second, to the payment of dividends with respect to the Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares, such that the dividend per share is equal.

Upon any dissolution or liquidation of our company, holders of Series "D" Shares are entitled to a liquidation preference equal to:

- accrued but unpaid dividends in respect of their Series "D" Shares; plus

- the theoretical value of their Series "D" Shares as set forth in our bylaws. See "— Other Provisions — Dissolution or Liquidation".

**Limitation on Capital Increases**

Our bylaws provide that, in the event shares of a given series are issued as a result of a capital increase (in respect of a cash capital contribution), each holder of shares of that series will have a preferential right to subscribe to new shares of that series, in proportion to the number of such holder's existing Shares of that series. In addition, primary issuances of Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares in the form of CPOs may be limited under the Mexican Securities Market Law. However, in the case of primary issuances of additional Series "A" Shares, Series "B" Shares, Series "L" Shares and Series "D" Shares in the form of CPOs, any new Series "L" Shares and Series "D" Shares may be required to be converted into Series "A" Shares or other voting stock within a term specified by the CNBV, which in no event shall exceed five years. Moreover, under the Mexican Securities Market Law, the aggregate amount of shares of an issuer with limited or non-voting rights may not exceed 25% of the total shares held by public investors. The vote of the holders of a majority of the Series "A" Shares is necessary to approve capital increases. As a result of grandfathering provisions, our existing CPO structure will not be affected by such limitations.

**Preemptive Rights**

In the event of a capital increase, a holder of existing shares of a given series has a preferential right to subscribe to a sufficient number of shares of the same series in order to maintain the holder's existing proportionate holdings of shares of that series. Stockholders must exercise their preemptive rights within the time period fixed by our stockholders at the meeting approving the issuance of additional shares. This period must continue for at least fifteen days following the publication of notice of the issuance in the Official Gazette of the Federation and in a newspaper of general circulation in Mexico City. Under Mexican law, stockholders cannot waive their preemptive rights in advance or be represented by an instrument that is negotiable separately from the corresponding share.

U.S. holders of GDSs may exercise preemptive rights only if we register any newly issued shares under the Securities Act, as amended, or qualify for an exemption from registration. We intend to evaluate at the time of any offering of preemptive rights the costs and potential liabilities associated with registering additional shares. In addition, if our stockholders' meeting approves the issuance of shares of a particular series, holders of shares of other series may be offered shares of that particular series.

**Limitations on Share Ownership**

Through our bylaws and the trust governing the CPOs, we have limited the ownership of our Series "A" Shares and Series "B" Shares to Mexican individuals, Mexican companies whose charters contain a foreign exclusion clause, credit institutions acting as trustees (such as the CPO Trustee) in accordance with the Foreign Investment Law and the Foreign Investment Law Regulations, and trusts or stock purchase, investment and retirement plans for Mexican employees. A holder that acquires Series "A" Shares or Series "B" Shares in violation of the restrictions in our bylaws regarding non-Mexican ownership will have none of the rights of a stockholder with respect to those Series "A" Shares or Series "B" Shares. The Series "D" Shares are subject to the same restrictions on ownership as the Series "A" Shares and Series "B" Shares. However, the foregoing limitations do not affect the ability of non-Mexican investors to hold Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares through CPOs, or Series "L" Shares directly. The sum of the total outstanding number of Series "A" Shares and Series "B" Shares is required to exceed at all times the sum of the total outstanding Series "L" Shares and Series "D" Shares.

Non-Mexican states and governments are prohibited under our bylaws and the LFTR from owning Shares of the Company and are, therefore, prohibited from being the beneficial or record owners of Series "A" Shares, Series "B" Shares, Series "D" Shares, Series "L" Shares, CPOs and GDSs. We have been advised by our Mexican counsel, Mijares, Angoitia, Cortés y Fuentes, S.C., that ownership of Series "A" Shares, Series "B" Shares, Series "D" Shares, Series "L" Shares, CPOs and GDSs by pension or retirement funds organized for the benefit of employees of non-Mexican state, municipal or other governmental agencies will not be considered as ownership by non-Mexican states or governments for the purpose of our bylaws or the LFTR.

The LFTR eliminated the restrictions on foreign investment in telecommunications services and satellite communication and increased the maximum permitted foreign-ownership in broadcasting (television and radio) to 49% subject to reciprocity.

We may restrict transfers or, to the extent permitted under applicable law, cause the mandatory sale or disposition of CPOs and GDRs where such transfer or ownership, as the case may be, might result in ownership of CPOs or GDRs exceeding the limits under applicable law or our bylaws, the CPO Trust Agreement or the CPO indenture. Non-Mexican states and governments are prohibited under our bylaws and the LFTR from owning our Shares and are, therefore, prohibited from being beneficial or record owners of GDRs.

**Other Provisions**

*Forfeiture of Shares.* As required by Mexican law, our bylaws provide that for Series "L" Shares and CPOs, our non-Mexican stockholders formally agree with the Foreign Affairs Ministry:

- to be considered as Mexicans with respect to the Series "L" Shares and CPOs that they acquire or hold, as well as to the property, rights, concessions, participations or interests owned by us or to the rights and obligations derived from any agreements we have with the Mexican government; and

- not to invoke the protection of their own governments with respect to their ownership of Series "L" Shares and CPOs.

Failure to comply is subject to a penalty of forfeiture of such a stockholder's capital interests in favor of Mexico. In the opinion of Mijares, Angoitia, Cortés y Fuentes, S.C., our Mexican counsel, under this provision a non-Mexican stockholder is deemed to have agreed not to invoke the protection of its own government by asking such government to interpose a diplomatic claim against the Mexican government with respect to the stockholder's rights as a stockholder, but is not deemed to have waived any other rights it may have, including any rights under the U.S. securities laws, with respect to its investment in the Company. If the stockholder should invoke governmental protection in violation of this agreement, its shares could be forfeited to the Mexican government.

*Exclusive Jurisdiction.* Our bylaws provide that legal action relating to the execution, interpretation or performance of the bylaws shall be brought only in federal courts located in Mexico City.

*Duration.* Our corporate existence under our bylaws continues until 2106.

*Dissolution or Liquidation.* Upon any dissolution or liquidation of our company, our stockholders will appoint one or more liquidators at an extraordinary general stockholders' meeting to wind up our affairs. The approval of holders of the majority of the Series "A" Shares is necessary to appoint or remove any liquidator. Upon a dissolution or liquidation, holders of Series "D" Shares will be entitled to both accrued but unpaid dividends in respect of their Series "D" Shares, plus the theoretical value of their Series "D" Shares (as set forth in our bylaws). The theoretical value of our Series "D" Shares is Ps.0.00688246130560 per share. Thereafter, a payment per share will be made to each of the holders of Series "A" Shares, Series "B" Shares and Series "L" Shares equivalent to the payment received by each of the holders of Series "D" Shares. The remainder will be distributed equally among all stockholders in proportion to their number of Shares and amount paid.

*Redemption.* Our bylaws provide that we may redeem our Shares with distributable profits without reducing our capital stock by way of a stockholder resolution at an extraordinary stockholders' meeting. In accordance with Mexican law and our bylaws:

- any redemption shall be made on a pro-rata basis among all of our stockholders;

- to the extent that a redemption is effected through a public tender offer on the Mexican Stock Exchange, the stockholders' resolution approving the redemption may empower our Board to specify the number of shares to be redeemed and appoint the related intermediary or purchase agent; and

- any redeemed shares must be cancelled.

*Share Repurchases.* As provided by Mexican law, our bylaws allow us to repurchase our Shares on the Mexican Stock Exchange at then prevailing market prices. The amount of capital stock allocated to share repurchases and the amount of the corresponding reserve created for this purpose is determined annually by our stockholders at an ordinary general stockholders' meeting. The aggregate amount of resources allocated to share repurchases in any given year cannot exceed the total amount of our net profits in any given year, including retained earnings. Share repurchases must be charged to either our net worth if the repurchased Shares remain in our possession or our capital stock if the repurchased Shares are converted into treasury shares, in which case our capital stock is reduced automatically in an amount equal to the theoretical value of any repurchased Shares, if any. Any surplus is charged to the reserve for share repurchases. If the purchase price of the Shares is less than the theoretical value of the repurchased Shares, our capital stock account will be affected by an amount equal to the theoretical value of the repurchased Shares. Under Mexican law, we are not required to create a special reserve for the repurchase of shares, nor do we need the approval of our Board to effect share repurchases. In addition, any repurchased Shares cannot be represented at any stockholders' meeting.

*Conflicts of Interest.* Under Mexican Law, any stockholder that votes on a transaction in which his, her or its interests conflict with our interests may be liable for damages, but only if the transaction would not have been approved without his, her or its vote. In addition, any member of the Board of Directors that votes on a transaction in which his, her or its interests conflict with our interests may be liable for damages. The Securities Market Law also imposes a duty of care and a duty of loyalty on directors as described in "Directors, Senior Management and Employees — Our Board of Directors — Duty of Care and Duty of Loyalty". In addition, pursuant to the Mexican Securities Market Law, the Board of Directors, with input from the Corporate Practices Committee, must review and approve certain transactions and arrangements with related parties that meet certain thresholds. See "Directors, Senior Management and Employees — Our Board of Directors — Meetings; Actions Requiring Board Approval".

*Appraisal Rights and Other Minority Protections.* Whenever our stockholders approve a change in our corporate purpose or jurisdiction of organization or our transformation from one type of company to another, any stockholder entitled to vote that did not vote in favor of these matters has the right to receive payment for its Series "A" Shares, Series "B" Shares, Series "D" Shares or Series "L" Shares in an amount calculated in accordance with Mexican law. However, stockholders must exercise their appraisal rights within fifteen days after the stockholders' meeting at which the matter was approved. Because the holders of Series "L" Shares and Series "D" Shares may only vote in limited circumstances, appraisal rights are generally not available to them. See "— Voting Rights and Stockholders' Meetings".

Because the CPO Trustee must vote at a general stockholders' meeting, the Series "A" Shares, Series "B" Shares and Series "D" Shares held by non-Mexicans through the CPO Trust will be voted by the individuals appointed by the Technical Committee of the CPO Trust, in the same manner as the majority of the Series "A" Shares held by Mexican nationals (directly, or through the CPO Trust, as the case may be). As a result, the Series "A" Shares, Series "B" Shares and Series "D" Shares underlying CPOs held by non-Mexicans will not be voted against any change that triggers the appraisal rights of the holders of these Shares. Therefore, these appraisal rights will not be available to holders of CPOs (or GDRs) with respect to Series "A" Shares, Series "B" Shares or Series "D" Shares.

The Mexican Securities Market Law and our bylaws include provisions that permit:

- holders of at least 10% of our outstanding capital stock to request our Chairman of the Board or of the Audit Committee or Corporate Practices Committee to call a stockholders' meeting in which they are entitled to vote;

- subject to the satisfaction of certain requirements under Mexican law, holders of at least 5% of our outstanding capital stock to bring an action for civil liabilities against our directors;

- holders of at least 10% of our Shares that are entitled to vote and are represented at a stockholders' meeting to request postponement of resolutions with respect to any matter on which they were not sufficiently informed; and

- subject to the satisfaction of certain requirements under Mexican law, holders of at least 20% of our outstanding capital stock to contest and suspend any stockholder resolution.

See "Key Information — Risk Factors — Risk Factors Related to Our Securities — The Protections Afforded to Minority Stockholders in Mexico Are Different From Those in the U.S.". In addition, in accordance with the Mexican Securities Market Law, we are also subject to certain corporate governance requirements, including the requirement to maintain an audit committee and a corporate practices committee, and to elect independent directors. The protections afforded to minority stockholders under Mexican law are generally different from those in the U.S. and many other jurisdictions. Substantive Mexican law concerning fiduciary duties of directors has not been the subject of extensive judicial interpretation in Mexico, unlike many states in the U.S. where duties of care and loyalty elaborated by judicial decisions help to shape the rights of minority stockholders. Furthermore, despite the fact that recent amendments to the Mexican Federal Code of Civil Procedures have provided for certain types of class actions, these actions are limited to subject matters related to the use of goods or the provision of public or private services, as well as environmental matters. Therefore, Mexican civil procedure does not contemplate class actions or stockholder derivative actions, which permit stockholders in U.S. courts to bring actions on behalf of other stockholders or to enforce rights of the corporation itself. Stockholders in Mexico also cannot challenge corporate actions taken at stockholders' meetings unless they meet stringent procedural requirements. See "— Voting Rights and Stockholders' Meetings". As a result of these factors, it is generally more difficult for our minority stockholders to enforce rights against us or our directors or Major Stockholders than it is for stockholders of a corporation established under the laws of a state of the U.S. In addition, under U.S. securities laws, as a foreign private issuer we are exempt from certain rules that apply to domestic U.S. issuers with equity securities registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, including the proxy solicitation rules. We are also exempt from many of the corporate governance requirements of the New York Stock Exchange.

**Antitakeover Protections**

*General.* Our bylaws provide that, subject to certain exceptions: (i) any person, entity or group of persons and/or entities that intends to acquire beneficial ownership of ordinary Shares (as defined below) which, when coupled with ordinary Shares previously beneficially owned by such persons or their affiliates, represent 10% or more of our outstanding ordinary Shares; (ii) any competitor, or group including one or more competitors, that intends to acquire beneficial ownership of ordinary Shares which, when coupled with Shares previously beneficially owned by such competitor, group or their affiliates, represent 5% or more of our outstanding capital stock; (iii) any person, entity or group of persons and/or entities that wishes to acquire beneficial ownership of ordinary Shares representing 10% or more of our outstanding ordinary Shares; and (iv) any competitor, or group including one or more competitors, that intends to acquire beneficial ownership of ordinary Shares representing 5% or more of our capital stock, must obtain the prior approval of our Board of Directors and/or of our stockholders, as the case may be, subject to certain exceptions summarized below. Holders that acquire Shares in violation of these requirements will not be registered in our stock registry. Accordingly, these holders will not be able to vote such Shares or receive any dividends, distributions or other rights in respect of these Shares. In addition, pursuant to our bylaws, these holders will be obligated to pay us a penalty in an amount equal to the market value of the Shares so acquired. Pursuant to our bylaws, "Shares" are defined as the shares (of any class or series) representing our capital stock, and any instruments or securities that represent such shares or that grant any right with respect to or are convertible into those shares, expressly including CPOs; our Series "A" Shares and Series "B" Shares are our ordinary Shares.

Pursuant to our bylaws, a "competitor" is generally defined as any person or entity dedicated, directly or indirectly, to any of the following businesses or activities: television production and broadcasting, pay-TV production, program licensing, direct-to-home satellite services, publishing (newspaper and/or magazine), publishing distribution, music recording, cable television, the transmission of programming and/or other content by any other means known or to be known, radio broadcasting and production, the promotion of professional sports and other entertainment events, paging services, production, feature film/motion picture production and distribution, dubbing and/or the operation of an Internet portal. A "competitor" is also defined to include any person, entity and/or group that is engaged in any type of business or activity in which we may be engaged from time to time and from which we derive 5% or more of our consolidated income.

*Board Notices, Meetings, Quorum Requirements and Approvals.* To obtain the prior approval of our Board, a potential acquiror must properly deliver a written notice that states, among other things: (i) the number and class/type of our Shares it beneficially owns; (ii) the percentage of Shares it beneficially owns with respect to both our outstanding capital stock and the respective class/type of our Shares; (iii) the number and class/type of Shares it intends to acquire; (iv) the number and class/type of Shares it intends to grant or share a common interest or right; (v) its identity, or in the case of an acquiror which is a corporation, trust or legal entity, its stockholders or beneficiaries as well as the identity and nationality of each person effectively controlling such corporation, trust or legal entity; (vi) its ability to acquire our Shares in accordance with our bylaws and Mexican law, (vii) its source of financing the intended acquisition; (viii) if it has obtained any financing from one of its related parties for the payment of the Shares; (ix) the purpose of the intended acquisition; (x) if it intends to acquire additional common Shares in the future; which coupled with the current intended acquisition of common Shares and the common Shares previously beneficially owned by the potential acquiror, would result in ownership of 20% or more of our common Shares; (xi) if it intends to acquire control of us in the future; (xii) if the acquiror is our competitor or if it has any direct or indirect economic interest in or family relationship with one of our competitors; and (xiii) the identity of the financial institution, if any, that will act as the underwriter or broker in connection with any tender offer.

Either the Chairman, the Secretary or the Alternate Secretary of our Board of Directors must call a Board meeting within 10 calendar days following the receipt of the written notice and the Board meeting must be held within 45 calendar days following the call. Action by written consent is not permitted. With the exception of acquisitions that must be approved by the general extraordinary stockholders' meeting as described below in "— Stockholder Notices, Meetings, Quorum Requirements and Approvals" in order to proceed with any acquisition of Shares that require Board authorization as set forth in our bylaws, such acquisition must be approved by at least the majority of the members of our Board present at a meeting at which at least 75% of the members of our Board are present. Such acquisitions must be acted upon by our Board within 60 calendar days following the receipt of the written notice described above, unless the Board determines that it does not have sufficient information upon which to base its decision. In such case, the Board shall deliver a written request to the potential acquiror for any additional information that it deems necessary to make its determination. The 60 calendar days referred to above will commence following the receipt of the additional information from the potential acquiror to render its decision.

*Stockholder Notices, Meetings, Quorum Requirements and Approvals.* In the event: (i) of a proposed acquisition of Shares that would result in a "change of control"; (ii) that our Board cannot hold a Board meeting for any reason; (iii) of a proposed acquisition by a competitor and having certain characteristics; or (iv) that the Board determines that the proposed acquisition must be approved by our stockholders at a general extraordinary stockholders' meeting, among others, then the proposed acquisition must be approved by the holders of at least 75% of our outstanding common Shares at a general extraordinary stockholders' meeting (both in the case of first and subsequent calls) at which the holders of at least 85% of our outstanding common Shares are present. In addition, any proposed merger, spin-off, or capital increase or decrease which results in a change of control must also be approved by the holders of at least 75% of our outstanding common Shares at a general extraordinary stockholders' meeting (both in the case of first and subsequent calls) at which the holders of at least 85% of our outstanding common Shares are present. Pursuant to our bylaws, a "change of control" is defined as the occurrence of any of the following: (i) the acquisition or transfer of ownership of a majority of our outstanding common Shares; (ii) the ability of a person, entity or group, other than the person who currently has the ability to, directly or indirectly, elect a majority of the members of our Board of Directors, to elect a majority of the members of our Board of Directors; or (iii) the ability of a person, entity or group, other than the person who currently has the ability to, directly or indirectly, determine our administrative decisions or policies, to determine our administrative decisions or policies. In the event that the general extraordinary stockholders' meeting must approve the proposed acquisition, either the Chairman, the Secretary or the Alternate Secretary of our Board of Directors must publish a call for a general extraordinary stockholders' meeting in the Official Gazette of the Federation and two other newspapers of general circulation in Mexico City at least 30 calendar days prior to such meeting (both in the case of first and subsequent calls). Once the call for the general extraordinary stockholders' meeting has been published, all information related to the agenda for the meeting must be available for review by the holders of common Shares at the offices of our Secretary.

*Mandatory Tender Offers in the Case of Certain Acquisitions.* If either our Board of Directors or our stockholders at a general extraordinary stockholders' meeting, as the case may be, authorize an acquisition of common Shares which increases the acquiror's ownership to 20% or more, but not more than 50%, of our outstanding common Shares, without such acquisition resulting in a change of control, then the acquiror must effect its acquisition by way of a cash tender offer for a specified number of Shares equal to the greater of (x) the percentage of common Shares intended to be acquired or (y) 10% of our outstanding capital stock. In the event that our stockholders approve an acquisition that would result in a change of control, the acquiror must effect its acquisition by way of a cash tender offer for 100% of our total outstanding capital stock at a price which cannot be lower than the highest of the following: (i) the book value of the common Shares and CPOs as reported on the last quarterly income statement approved by the Board of Directors, (ii) the highest closing price of the common Shares, on any stock exchange during any of the three hundred-sixty-five (365) days preceding the date of the stockholders' resolution approving the acquisition; or (iii) the highest price paid for any Shares, at any time by the acquiror. All tender offers must be made in Mexico and the U.S. within 60 days following the date on which the acquisition was approved by our Board of Directors or stockholders' meeting, as the case may be. All holders must be paid the same price for their common Shares. The provisions of our bylaws summarized above regarding mandatory tender offers in the case of certain acquisitions are generally more stringent than those provided for under the Mexican Securities Market Law. In accordance with the Mexican Securities Market Law, bylaw provisions regarding mandatory tender offers in the case of certain acquisitions may differ from the requirements set forth in such law, provided that those provisions are more protective to minority stockholders than those afforded by law. In these cases, the relevant bylaw provisions, and not the relevant provisions of the Mexican Securities Market Law, will apply to certain acquisitions specified therein.

*Exceptions.* The provisions of our bylaws summarized above will not apply to (i) transfers of common Shares and/or CPOs by operation of the laws of inheritance, (ii) acquisitions of common Shares and/or CPOs by any person who, directly or indirectly, is entitled to appoint the greatest number of members to our Board of Directors, as well as by (A) entities controlled by such person, (B) affiliates of such person, (C) the estate of such person, (D) certain family members of such person, and (E) such person, when such person acquires any common Shares and/or CPOs from any entity, affiliate, person or family member referred to in (A), (B) and (D) above, and (iii) acquisitions or transfers of common Shares and/or CPOs by us, our subsidiaries or affiliates, or any trust created by us or any of our subsidiaries.

*Amendments to the Antitakeover Provisions.* Any amendments to these antitakeover provisions must be authorized by the CNBV and registered before the Public Registry of Commerce at our corporate domicile.

**Enforceability of Civil Liabilities**

We are a publicly traded corporation (*sociedad anónima bursátil*) organized under the laws of Mexico. Substantially all of our directors, executive officers and controlling persons reside outside of the United States, all or a significant portion of the assets of our directors, executive officers and controlling persons, and substantially all of our assets, are located outside of the U.S. and some of the experts named in this annual report also reside outside of the U.S. As a result, it may not be possible for investors to effect service of process within the U.S. upon these persons or to enforce against them or us in U.S. courts judgments predicated upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our Mexican counsel, Mijares, Angoitia, Cortés y Fuentes, S.C., that there is doubt as to the enforceability, in original actions in Mexican courts, of liabilities predicated solely on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of U.S. federal securities laws. In the past, Mexican courts have enforced judgments rendered in the U.S. by virtue of the legal principles of reciprocity and comity, consisting of the review in Mexico of the U.S. judgment in order to ascertain whether Mexican legal principles of due process and public policy (*orden público*) have been complied with, without reviewing the merits of the subject matter of the case. See "Key Information — Risk Factors — Risks Factors Related to Our Securities — It May Be Difficult to Enforce Civil Liabilities Against Us or Our Directors, Executive Officers and Controlling Persons".

**Material Contracts**

We have been granted a number of concessions by the Mexican government that authorizes us to broadcast our programming over our television stations and our cable and DTH systems. These concessions are described under "Information on the Company — Business Overview — Regulation". If we are unable to renew, or if the Mexican government revokes, any of the concessions for our significant television stations, our business would be materially adversely affected. See "Key Information — Risk Factors — Risk Factors Related to Our Business — The Operation of Our Business May Be Adversely Affected if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions".

We operate our DTH satellite service in Mexico, Central America and the Dominican Republic through a partnership with DIRECTV. See "Information on the Company — Business Overview — Our Operations — Sky".

In October 2017, we issued Ps.4,500 million aggregate principal amount of 8.79% local bonds (*Certificados Bursátiles*) due 2027. In November and December 2017, we entered into long-term debt bilateral agreements, with Scotiabank, HSBC and Santander in the aggregate principal amount of Ps.$2,500, Ps.$2,000 and Ps.$1,500 million, respectively, with maturities between 2022 and 2023 bearing interest at an annual rate of TIIE plus a range between 125 and 130 basis points. In March 2018, the Company entered into a RCF with a syndicate of banks for up to an amount equivalent to U.S.$583 million payable in Mexican pesos, for a three-year term. The RCF was subsequently upsized to U.S.$618 million payable in Mexican pesos, and extended by a year. This facility bears interest at a floating rate based on a spread of 87.5 or 112.5 basis points over the 28-day TIIE rate depending on our net leverage ratio. In March 2020, the Company drew down the RCF as a prudent and precautionary measure in order to increase our cash position and preserve financial flexibility in light of current uncertainty in the global and local markets resulting from the COVID-19 outbreak. The aggregate principal amount was Ps.14,770.7 million, with maturity in the first quarter of 2022. In October 2020, the Company prepaid the RCF in full. We retained the right to reborrow the total amount under the facility, which remains available through March 2022. In May 2019, we issued U.S.$750 million aggregate principal amount of 5.25% Senior Notes due 2049. In June 2019, we entered into a credit agreement for a five-year term loan with a syndicate of banks in an amount of Ps.$10,000 million. For a description of the material terms of the amended indentures related to our 6.625% Senior Notes due 2025, our 4.625% Senior Notes due 2026, our 8.5% Senior Notes due 2032, our 8.49% Senior Notes due 2037, our 6.625% Senior Notes due 2040, our 7.38% local bonds (*Certificados Bursátiles*) due 2020, our 7.25% Senior Notes due 2043, our 28-day TIIE plus 0.35% local bonds (*Certificados Bursátiles*) due 2021 and 2022, our 5.0% Senior Notes due 2045, our 6.125% Senior Notes due 2046 and our 8.79% local bonds due 2027, as well as the description of the material terms for the Company's subsidiaries debt and lease liabilities see "Operating and Financial Review and Prospects — Results of Operations — Liquidity, Foreign Exchange and Capital Resources — Refinancings" and "Operating and Financial Review and Prospects — Results of Operations — Liquidity, Foreign Exchange and Capital Resources — Indebtedness".

Our transactions and arrangements with related parties are described under "Major Stockholders and Related Party Transactions — Related Party Transactions".

For a description of our material transactions and arrangements with Univision, see "Information on the Company — Business Overview — Univision".

**Legal Proceedings**

On March 5, 2018, a purported stockholder class action lawsuit was filed in the United States District Court for the Southern District of New York (the "District Court") alleging securities law violations in connection with allegedly misleading statements and/or omissions in the Company's public disclosures. The lawsuit alleges that the Company and two of its executives failed to disclose alleged involvement in bribery activities relating to certain executives of Fédération Internationale de Football Association ("FIFA"), and wrongfully failed to disclose weaknesses in the Company's internal control over its financial reporting as of December 31, 2016. On May 17, 2018, the District Court appointed a lead plaintiff for the putative stockholder class. On August 6, 2018, the lead plaintiff filed an amended complaint. The Company thereupon filed a motion to dismiss the amended complaint. On March 25, 2019, the District Court issued a decision denying the Company's motion to dismiss, holding that plaintiff's allegations, if true, were sufficient to support a claim. The parties have begun to exchange discovery materials, and the discovery process has continued into 2021. On June 8, 2020, the District Court issued a decision denying class certification, based on the inadequacy of the proposed class representative. On June 29, 2020, the District Court issued a decision granting class certification to a different class representative. The Company sought permission for leave to appeal the District Court's order. On October 6, 2020, the United States Court of Appeals for the Second Circuit denied the Company's request for leave to appeal the District Court's class certification order.

The Company continues to believe that the lawsuit, and the material allegations and claims therein, are without merit and intends to continue vigorously defending against the lawsuit. With regard to plaintiff's allegations regarding FIFA, outside counsel long previously investigated the circumstances surrounding the Company's acquisition of the Latin American media rights for the Canada, Mexico and USA 2026 FIFA World Cup and 2030 FIFA World Cup and uncovered no credible evidence that would form the basis for liability for the Company or for any executive, employee, agent or subsidiary thereof. In particular, the Company itself made no payment to any FIFA person and in no way knew of, or condoned, any payment by any third party to any FIFA person. The Company also notes that no proceedings have been initiated against it by any governmental agency.

There are several legal actions and claims pending against us which are filed in the ordinary course of business. In our opinion, none of these actions and claims are expected to have a material adverse effect on our financial statements as a whole; however, we are unable to predict the outcome of any of these legal actions and claims.

**Exchange Controls**

For a description of exchange controls and exchange rate information, see "Key Information — Exchange Rate Information".

## Taxation

**U.S. Taxes**

***General.*** The following is a summary of the anticipated material U.S. federal income tax consequences of the purchase, ownership and disposition of GDSs, CPOs and the Series "A" Shares, Series "B" Shares, Series "L" Shares and Series "D" Shares underlying the CPOs (referred to herein as the "Underlying Shares"), in each case, except as otherwise noted, by U.S. Holders (as defined below). This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular beneficial owner of GDSs, CPOs or Underlying Shares based on the beneficial owner's particular circumstances. For example, with respect to U.S. Holders, the following discussion does not address the U.S. federal income tax consequences to a U.S. Holder:

- that owns, directly, indirectly or through attribution, 2% or more of the total voting power or value of our outstanding Underlying Shares (including through ownership of GDSs and CPOs);

- that is a dealer in securities, insurance company, financial institution, tax-exempt organization, U.S. expatriate, broker-dealer or trader in securities; or

- whose functional currency is not the U.S. Dollar.

Also, this discussion does not consider:

- the tax consequences to the stockholders, partners or beneficiaries of a U.S. Holder; or

- special tax rules that may apply to a U.S. Holder that holds GDSs, CPOs or Underlying Shares as part of a "straddle," "hedge," "conversion transaction," "synthetic security" or other integrated investment.

U.S. Holders that use an accrual method of accounting for U.S. federal income tax purposes generally are required to include certain amounts in income no later than the time such amounts are reflected on certain applicable financial statements. The application of this rule may require the accrual of income earlier than would be the case under the general U.S. federal income tax rules described below. U.S. Holders that use an accrual method of accounting for U.S. federal income tax purposes should consult with their tax advisors regarding the potential applicability of this rule to their particular situation.

In addition, the following discussion does not address any aspect of state, local or non-U.S. tax laws other than Mexican tax laws. Further, this discussion generally applies only to U.S. Holders that hold the CPOs, GDSs or Underlying Shares as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (referred to herein as the "Code").

The discussion set forth below is based on the U.S. federal income tax laws as in force on the date of this annual report, including:

- the Code, applicable U.S. Treasury regulations and judicial and administrative interpretations; and

- the convention between the Government of the United States of America and the Government of the United Mexican States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, including the applicable protocols, collectively referred to herein as the "U.S.-Mexico Tax Treaty."

The discussion is subject to changes to those laws and the U.S.-Mexico Tax Treaty subsequent to the date of this annual report, which changes could be made on a retroactive basis, and is also based, in part, on the representations of the Depositary with respect to the GDSs and on the assumption that each obligation in the Deposit Agreement relating to the GDSs and any related agreements will be performed in accordance with their terms.

As used in this section, the term "U.S. Holder" means a beneficial owner of CPOs, GDSs or Underlying Shares that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;

- a corporation (or entity treated as a corporation for such purposes) created or organized in or under the laws of the United States, or any State thereof or the District of Columbia;

- an estate the income of which is included in gross income for U.S. federal income tax purposes regardless of source; or

- a trust, if either (x) it is subject to the primary supervision of a court within the United States and one or more "United States persons" has the authority to control all substantial decisions of the trust or (y) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a "United States person".

If a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes) holds CPOs, GDSs or Underlying Shares, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Partnerships holding CPOs, GDSs or Underlying Shares, and partners in such partnerships, should consult their own tax advisors regarding the U.S. federal income tax consequences of purchasing, owning and disposing of CPOs, GDSs or Underlying Shares.

An individual may be treated as a resident of the United States in any calendar year for U.S. federal income tax purposes by being present in the United States on at least 31 days in that calendar year and for an aggregate of at least 183 days during a three-year period ending at the close of that year. For purposes of this calculation, all of the days present in the current year, one-third of the days present in the immediately preceding year and one-sixth of the days present in the second preceding year would be counted. Residents are taxed for U.S. federal income purposes as if they were U.S. citizens.

The application of the U.S.-Mexico Tax Treaty to U.S. Holders is conditioned upon, among other things, the assumptions that the U.S. Holder:

- is not a resident of Mexico for purposes of the U.S.-Mexico Tax Treaty;
- is an individual who has a "substantial presence" (within the meaning of the U.S.-Mexico Tax Treaty) in the United States;
- is entitled to the benefits of the U.S.-Mexico Tax Treaty under the limitation on benefits provision contained in Article 17 of the U.S.-Mexico Tax Treaty; and
- does not have a fixed place of business or a permanent establishment in Mexico with which its ownership of CPOs, GDSs or Underlying Shares is effectively connected.

For U.S. federal income tax purposes, U.S. Holders of GDSs and CPOs will be treated as the beneficial owners of the Underlying Shares represented by the GDSs and CPOs.

***Dividends.*** The U.S. Dollar value of any distribution paid by us, including the amount of any Mexican taxes withheld from such distribution, will be included in the gross income of a U.S. Holder as a dividend, treated as ordinary income, to the extent that the distribution is paid out of our current and/or accumulated earnings and profits, as determined under U.S. federal income tax principles. U.S. Holders will not be entitled to claim a dividends received deduction for dividends received from us. Distributions that are treated as dividends received from us by a non-corporate U.S. Holder who meets certain eligibility requirements will qualify for U.S. federal income taxation at a preferential rate of 20% (or lower) if we are a "qualified foreign corporation". We generally will be a "qualified foreign corporation" if either (i) we are eligible for benefits under the U.S.-Mexico Tax Treaty or (ii) the Underlying Shares or GDSs are listed on an established securities market in the United States. As we are eligible for benefits under the U.S.-Mexico Tax Treaty and the GDSs are listed on the New York Stock Exchange, we presently are a "qualified foreign corporation," and we generally expect to be a "qualified foreign corporation" in future taxable years, but no assurance can be given that a change in circumstances will not affect our treatment as a "qualified foreign corporation" in any future taxable years. A non-corporate U.S. Holder will not be eligible for the reduced rate (a) if the U.S. Holder has not held the Underlying Shares, CPOs or GDSs for at least 61 days of the 121-day period beginning on the date which is 60 days before the ex-dividend date, (b) to the extent the U.S. Holder is under an obligation to make related payments on substantially similar or related property or (c) with respect to any portion of a dividend that is taken into account as investment income under Section 163(d)(4)(B) of the Code. Any days during which a U.S. Holder has diminished the U.S. Holder's risk of loss with respect to the Underlying Shares, CPOs or GDSs (for example, by holding an option to sell such Underlying Shares, CPOs or GDSs) are not counted towards meeting the 61-day holding period. Special rules apply in determining the foreign tax credit limitation with respect to dividends subject to U.S. federal income taxation at the reduced rate. U.S. Holders should consult their own tax advisors concerning whether dividends received by them qualify for the reduced rate. In addition, a 3.8% tax may apply to certain investment income recognized by a U.S. Holder. See "— Medicare Tax" below.

To the extent, if any, that the amount of a distribution exceeds our current and/or accumulated earnings and profits, the distribution will first reduce the U.S. Holder's adjusted tax basis in its Underlying Shares, CPOs or GDSs and, to the extent the distribution exceeds the U.S. Holder's adjusted tax basis, it will be treated as gain from the sale of the U.S. Holder's Underlying Shares, CPOs or GDSs. We do not maintain calculations of our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect that a distribution paid by us will be treated as a dividend, even if that distribution would otherwise be treated as reducing such U.S. Holder's adjusted tax basis in its Underlying Shares, CPOs or GDSs or as gain from the sale of the U.S. Holder's Underlying Shares, CPOs or GDSs under the rules described above.

The U.S. Dollar value of any distributions paid in Pesos, including the amount of any Mexican taxes withheld, will be calculated by reference to the interbank exchange rate in effect on the date of receipt by the U.S. Holder or, with respect to the GDSs, The Bank of New York Mellon, in its capacity as Depositary, regardless of whether the payment is in fact converted into U.S. Dollars. U.S. Holders should consult their own tax advisors regarding the treatment of any foreign currency gain or loss on any distributions paid in Pesos that are not converted into U.S. Dollars on the day the Pesos are received. For U.S. foreign tax credit purposes, dividends distributed by us on CPOs, GDSs or Underlying Shares generally will constitute foreign source "passive income" or, in the case of some U.S. Holders, foreign source "general category income".

In general, pro rata distributions of additional shares with respect to the Underlying Shares that are part of a pro rata distribution to all of our stockholders generally (including U.S. Holders of GDSs) will not be subject to U.S. federal income tax.

A beneficial owner of CPOs, GDSs or Underlying Shares that is not a U.S. Holder and is not a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes) will not be subject to U.S. federal income or withholding tax on a dividend paid with respect to the CPOs, GDSs or the Underlying Shares, unless the dividend is effectively connected with the conduct by the beneficial owner of a trade or business in the United States.

***Capital Gains.*** Gain or loss recognized by a U.S. Holder on a taxable sale or exchange of CPOs, GDSs or Underlying Shares will be subject to U.S. federal income taxation as capital gain or loss in an amount equal to the difference between the amount realized on the sale or exchange and the U.S. Holder's adjusted tax basis in the CPOs, GDSs or Underlying Shares. Such capital gain or loss generally will be long-term capital gain or loss if the CPOs, GDSs or Underlying Shares have been held for more than one year at the time of disposition. Long-term capital gain of non-corporate U.S. Holders, including individual U.S. Holders, is subject to U.S. federal income tax at a preferential rate of 20% (or lower). In addition, a 3.8% tax may apply to certain investment income recognized by a U.S. Holder on a sale or exchange of CPOs, GDSs or Underlying Shares. See "— Medicare Tax" below. The deductibility of capital losses is subject to significant limitations.

Such capital gains generally will be U.S. source income, unless the gains are subject to Mexican taxation, in which case such gains generally will be treated as arising in Mexico under the U.S.-Mexico Tax Treaty. If capital gains are subject to Mexican taxation under the U.S.-Mexico Tax Treaty, a U.S. Holder generally may elect to treat such gains as foreign source income for U.S. foreign tax credit limitation purposes. However, any such Mexican taxes may not be used to offset U.S. federal income tax on any other item of income, and foreign taxes on any other item of income cannot be used to offset U.S. federal income tax on such gains. U.S. Holders should consult their tax advisors regarding the potential applicability of this rule to their particular situation.

Capital losses recognized on the sale or exchange of CPOs, GDSs or Underlying Shares generally will offset U.S. source income. Deposits and withdrawals of CPOs for GDSs and of Underlying Shares for CPOs by U.S. Holders will not be subject to U.S. federal income tax.

A beneficial owner of CPOs, GDSs or Underlying Shares that is not a U.S. Holder and is not a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes) generally will not be subject to U.S. federal income tax on gain recognized on a sale or exchange of CPOs, GDSs or Underlying Shares unless:

- the gain is effectively connected with the beneficial owner's conduct of a trade or business in the United States; or
- the beneficial owner is an individual who holds CPOs, GDSs or Underlying Shares as a capital asset, is present in the United States for 183 days or more in the taxable year of the sale or exchange and meets other requirements.

***Medicare Tax.*** A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will generally be subject to a 3.8% tax on the lesser of (i) the U.S. Holder's "net investment income" for a taxable year and (ii) the excess of the U.S. Holder's modified adjusted gross income for such taxable year over U.S.$200,000 (U.S.$250,000 in the case of joint filers). For these purposes, "net investment income" will generally include dividends paid with respect to CPOs, GDSs or Underlying Shares and net gain attributable to the disposition of CPOs, GDSs or Underlying Shares (in each case, unless such CPOs, GDSs or Underlying Shares are held in connection with certain trades or businesses), but will be reduced by any deductions properly allocable to such income or net gain.

***U.S. Backup Withholding.*** A U.S. Holder may be subject to U.S. information reporting and U.S. backup withholding on dividends paid on Underlying Shares, and on proceeds from the sale or other disposition of CPOs, GDSs or Underlying Shares, unless the U.S. Holder:

- comes within an exempt category and, if required, certifies its exempt status; or

- provides the applicable withholding agent with the U.S. Holder's taxpayer identification number, certifies as to no loss of exemption from backup withholding tax and otherwise complies with the applicable requirements of the backup withholding rules.

The amount of any backup withholding will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle such holder to a refund, provided, however, that certain required information is timely furnished to the U.S. Internal Revenue Service ("IRS"). A beneficial owner of CPOs, GDSs or Underlying Shares that is not a U.S. Holder may be required to comply with certification and identification procedures in order to establish its exemption from backup withholding.

***Certain Reporting Requirements.*** U.S. Holders that are individuals (and to the extent specified in applicable U.S. Treasury regulations, certain U.S. Holders that are entities and certain individuals that are not U.S. Holders) and hold "specified foreign financial assets" (as defined in section 6038D of the Code) are required to file a report on IRS Form 8938 with information relating to such assets for each taxable year in which the aggregate value of all such assets exceeds U.S.$75,000 at any time during the taxable year or U.S.$50,000 on the last day of the taxable year (or such higher dollar amount as prescribed by applicable U.S. Treasury regulations). Specified foreign financial assets would include, among other assets, GDSs, CPOs and Underlying Shares that are not held through an account maintained with a U.S. "financial institution" (as defined). Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, in the event a U.S. Holder that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Holder for the related tax year may not close until three years after the date that the required information is filed. Beneficial owners of GDSs, CPOs or Underlying Shares should consult their own tax advisors regarding their reporting obligations with respect to "specified foreign financial assets".

**Federal Mexican Taxation**

***General.*** The following is a general summary of the main tax consequences under the Mexican Income Tax Law, Federal Tax Code and rules as currently in effect (the "Mexican Tax Legislation"), all of which are subject to change or interpretation, and under the U.S.-Mexico Tax Treaty, of the purchase, ownership and disposition of CPOs, GDSs or underlying Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares by a person that is not a resident of Mexico for tax purposes, as defined below.

U.S. Holders should consult with their own tax advisors as to their entitlement to benefits afforded by the U.S.-Mexico Tax Treaty. Mexico has also entered into and is negotiating with various countries regarding other tax treaties that may have an effect on the tax treatment of CPOs, GDSs or underlying Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares. Holders should consult with their tax advisors as to their entitlement to the benefits afforded by these treaties.

This discussion does not constitute, and shall not be considered as, legal or tax advice to holders.

According to the Mexican Tax Legislation:

- an individual is a Mexican tax resident if the individual has established his permanent home in Mexico. When an individual, in addition to his permanent home in Mexico, has a permanent home in another country, the individual will be a Mexican tax resident if his center of vital interests is located in Mexico. This will be deemed to occur if, among other circumstances, either (i) more than 50% of the total income obtained by the individual in the calendar year is Mexican source or (ii) when the individual's center of professional activities is located in Mexico. Mexican nationals who filed a change of tax residence to a country or jurisdiction that does not have a comprehensive exchange of information agreement with Mexico in which her/his income is subject to a preferred tax regime pursuant to the provisions of the Mexican Income Tax Law, will be considered Mexican residents for tax purposes during the year of filing of the notice of such residence change and during the following three years. Unless otherwise proven, a Mexican national is considered a Mexican tax resident;

- a legal entity is considered a Mexican tax resident if it maintains the main administration of its head office, business, or the effective location of its management in Mexico.

- a foreign person with a permanent establishment in Mexico will be required to pay taxes in Mexico in accordance with the Mexican Tax Legislation for income attributable to such permanent establishment; and

- a foreign person without a permanent establishment in Mexico will be required to pay taxes in Mexico in respect of revenues proceeding from sources of wealth located in national territory.

***Dividends.*** Beginning in 2014, dividends, either in cash or in any other form, coming from our "previously taxed net earnings account", or "*cuenta de utilidad fiscal neta*", generated up to 2013 and paid with respect to the shares underlying the CPOs, including those CPOs represented by GDSs, will not be subject to Mexican withholding tax. On the other hand, the dividends coming from our previously taxed net earnings account generated during or after 2014 will be subject to a 10% Mexican withholding tax. We must first utilize the previously taxed net earnings account generated up to 2013 and when this account no longer has a balance, we must utilize the previously taxed net earnings account generated during or after 2014. The latter dividends will be subject to the 10% Mexican withholding tax.

However, under the U.S.-Mexico Tax Treaty, any U.S. Holder that is eligible to claim the benefits of the U.S.-Mexico Tax Treaty may be exempt from or subject to a lower withholding tax rate on dividends paid with respect to the shares underlying the CPOs, including those CPOs represented by GDSs. The U.S. Holder may be subject to a lower withholding tax rate (5%) under the U.S.-Mexico Tax Treaty if the U.S. Holder is a company that owns directly at least 10% of our voting outstanding shares.

On the other hand, the U.S. Holder may be exempt from withholding tax under the U.S.-Mexico Tax Treaty if the U.S. Holder is either (a) a company that has owned shares representing 80 percent or more of our voting outstanding shares for a 12-month period ending on the date the dividend is declared and that (1) prior to October 1, 1998 owned, directly or indirectly, shares representing 80 percent or more of our voting outstanding shares; or (2) is entitled to the benefits of the U.S.-Mexico Tax Treaty under clauses (i) or (ii) of subparagraph d) of paragraph 1 of Article 17 (Limitation on Benefits); or (3) is entitled to the benefits of the U.S.-Mexico Tax Treaty with respect to the dividends under subparagraph g) of paragraph 1 of Article 17; or (4) has received a determination from the relevant competent authority pursuant to paragraph 2 of Article 17; or (b) a trust, company, or other organization constituted and operated exclusively to administer or provide benefits under one or more plans established to provide pension, retirement or other employee benefits and its income is generally exempt from tax in the United States, provided that such dividends are not derived from the carrying on of a business, directly or indirectly, by such trust, company or organization.

Dividends paid to other Holders that are eligible to receive benefits pursuant to other income tax treaties to which Mexico is a party may be exempt from or subject to a lower withholding tax rate in whole or in part. Non-U.S. Holders should consult their own tax advisors as to their possible eligibility under such other income tax treaties. Appropriate tax residence certifications must be obtained by Holders eligible for tax treaty benefits.

When dividends are paid from our previously taxed net earnings account we will not be required to pay any Mexican corporate income tax on the dividends. During 2021, if dividends are not paid from our previously taxed net earnings account we will be required to pay a 30% Mexican corporate income tax ("CIT") on the grossed-up dividends with the factor 1.4286.

***Sales or Other Dispositions.*** Deposits and withdrawals of CPOs for GDSs and of underlying Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares for CPOs will not give rise to Mexican tax or transfer duties.

Beginning on January 1, 2014, the gains on the sale or other disposition of CPOs, GDSs or underlying Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares will be subject to a 10% Mexican withholding tax if the sale is carried out through the Mexican Stock Exchange. This withholding tax will not apply if the Holder is a tax resident of a country that has in effect a Tax Treaty with Mexico, as is the case with the United States; in order to obtain this benefit the Holder must deliver to the withholding agent a letter stating, under oath, (i) that the Holder is resident for purposes of the specific Tax Treaty and (ii) the Holder's tax identification number.

Sales or other dispositions of CPOs, GDSs or underlying Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares made in other circumstances also would be subject to Mexican income tax. However, under the U.S.-Mexico Tax Treaty, any U.S. Holder that is eligible to claim the benefits of the U.S.-Mexico Tax Treaty may be exempt from Mexican tax on gains realized on a sale or other disposition of CPOs and shares underlying the CPOs in a transaction that is not carried out through the Mexican Stock Exchange. The U.S. Holder will be exempt under the U.S.-Mexico Tax Treaty if the U.S. Holder did not own directly or indirectly 25% or more of the our outstanding shares within the 12-month period preceding such sale or disposition. Gains realized by other Holders that are eligible to receive benefits pursuant to other income tax treaties to which Mexico is a party may be exempt from Mexican income tax in whole or in part. Non-U.S. Holders should consult their own tax advisors as to their possible eligibility under such other income tax treaties. Appropriate tax residence certifications must be obtained by Holders eligible for tax treaty benefits.

***Other Mexican Taxes.*** There are no estate, gift, or succession taxes applicable to the ownership, transfer or disposition of CPOs, GDSs or underlying Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares. However, a gratuitous transfer of CPOs, GDSs or underlying Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares may, in some circumstances, result in the imposition of a Mexican federal tax upon the recipient. There are no Mexican stamp, issuer, registration or similar taxes or duties payable by holders of GDSs, CPOs, or underlying Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares.

**Documents on Display**

For further information with respect to us and our CPOs and GDSs, we refer you to the filings we have made with the SEC. Statements contained in this annual report concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to any filing we have made with the SEC, we refer you to the copy of the contract or document that has been filed. Each statement in this annual report relating to a contract or document filed as an exhibit to any filing we have made with the SEC is qualified in its entirety by the filed exhibit.

The Company is subject to the informational requirements of the Exchange Act and in accordance therewith files reports and other information with the SEC. Reports and other information filed by the Company with the SEC are available at the SEC's website at www.sec.gov. We maintain a website at http://www.televisair.com/en and make all of our annual, quarterly and current reports and other publicly filed information available, free of charge, on or through our website.

We furnish The Bank of New York Mellon, the depositary for our GDSs, with annual reports in English. These reports contain audited consolidated financial statements that, starting with the annual report for year ended December 31, 2012, have been prepared in accordance with IFRS. The historical financial statements included in these reports have been examined and reported on, with an opinion expressed by, an independent registered public accounting firm. The depositary is required to mail our annual reports to all holders of record of our GDSs. The Deposit Agreement for the GDSs also requires us to furnish the depositary with English translations of all notices of stockholders' meetings and other reports and communications that we send to holders of our CPOs. The depositary is required to mail these notices, reports and communications to holders of record of our GDSs.

As a foreign private issuer, we are not required to furnish proxy statements to holders of our CPOs or GDSs in the United States.

**Item 11. Quantitative and Qualitative Disclosures About Market Risk**

**Market Risk Disclosures**

Market risk is the exposure to an adverse change in the value of financial instruments caused by market factors including changes in equity prices, interest rates, foreign currency exchange rates, commodity prices and inflation rates. The following information includes "forward-looking statements" that involve risks and uncertainties. Actual results could differ from those presented.

***Risk Management.*** We are exposed to market risks arising from changes in equity prices, interest rates, foreign currency exchange rates and inflation rates, in both the Mexican and U.S. markets. Our risk management activities are monitored by our Investments, Risk Management and Treasury Committee.

We monitor our exposure to interest rate risk by: (i) evaluating differences between interest rates on our outstanding debt and short-term investments and market interest rates on similar financial instruments; (ii) reviewing our cash flow needs and financial ratios (indebtedness and interest coverage); (iii) assessing current and forecasted trends in the relevant markets; and (iv) evaluating peer group and industry practices. This approach allows us to establish the interest rate "mix" between variable and fixed rate debt.

Foreign currency exchange risk is monitored by assessing our net monetary liability position in U.S. Dollars and our forecasted cash flow needs for anticipated U.S. Dollar investments and servicing our U.S. Dollar-denominated debt. Equity price risk is assessed by evaluating the long-term value of our investment in both domestic and foreign affiliates, versus comparable investments in the marketplace. We classify our equity investments in affiliates, both domestic and foreign, as long-term assets.

In compliance with the procedures and controls established by our Investments, Risk Management and Treasury Committee, in 2018, 2019 and 2020, we entered into certain derivative transactions with certain financial institutions in order to manage our exposure to market risks resulting from changes in interest rates, foreign currency exchange rates, and inflation rates. Our objective in managing foreign currency and inflation fluctuations is to reduce earnings and cash flow volatility. See Notes 2(w), 4 and 15 to our consolidated year-end financial statements.

***Foreign Currency Exchange Rate Risk and Interest Rate Risk***

During January and April 2012, in connection with TVI's variable rate bank loan with Banorte due 2016, TVI entered into interest rate swap agreements on a notional amount of Ps.500.0 million and Ps.800.0 million, respectively. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of four years at an interest rate of 6.9315%. In May 2015, the variable rate bank loan was prepaid but this agreement continued because a new variable rate bank loan with Banorte due 2022 was agreed and it covered the same exposure until February 2016. In October 2016, the Company entered as a guarantor on the bank loan due 2022 with Banorte, and as a consequence, the interest rate payable decreased 30 bps as of October 2016. In August 2015 and March 2017, TVI entered into interest rate swap agreements on a notional amount of Ps.250.0 million and Ps.750.0 million, respectively. These agreements also involved the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments at an interest rate of 7.8469%. On April 5, 2017, TVI entered into an interest rate swap agreement on a notional amount of Ps.742.0 million that allowed us to fix all coupon payments at an interest rate of 8.0250%.

The net fair value of the interest rate swap was a liability of Ps.17.5 million as of March 31, 2021, Ps.25.5 million as of December 31 2020 and a liability of Ps.6.0 million as of December 31, 2019. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps.3.6 million as of March 31, 2021 and Ps.4.5 million as of December 31, 2020. This sensitivity analysis assumes a downward parallel shift in the Mexican interest rate swaps yield curve.

During the second semester of 2013 and the second semester of 2014, in connection with TVI's variable rate bank loans with HSBC due 2019, TVI entered into interest rate swap agreements on notional amounts of Ps.500.0 million and Ps.300.0 million, respectively. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. In December 2016, the Company entered as a guarantor on the bank loans with HSBC, and as a consequence, the interest rate payable decreased by 30 bps as of December 2016. These agreements allowed us to fix the coupon payments for a period of five years at an interest rate of 6.3640%. In the second half of 2019, the bank loan and the interest rate swaps matured.

During April 2014 and March 2015, in connection with the local bonds (*Certificados Bursátiles*) issued by the Company due 2021, we entered into interest rate swap agreements on a notional amount of Ps.3,000.0 million and Ps.3,000.0 million, respectively. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of seven years at an interest rate of 6.2851%. In the second half of 2019, the bond was fully prepaid and the interest rate swap was unwound.

During June 2015, the first quarter of 2016 and the first quarter of 2017, in connection with the local bonds (*Certificados Bursátiles*) issued by the Company due 2022, we entered into interest rate swap agreements on a notional amount of Ps.1,000.0 million, Ps.1,500 million and Ps.2,500 million respectively. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments at an interest rate of 6.9216%. In the second half of 2019, the bond was fully prepaid and the interest rate swap was unwound.

During the second half of 2015, in connection with two of TVI's variable rate bank loans with Santander due 2019 and 2020, TVI entered into interest rate swap agreements on notional amounts of Ps.250.0 million each. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. In September 2016, the Company entered as a guarantor on the bank loans with Santander, and as a consequence, the interest rate payable decreased 10 bps as of September 2016. These agreements allowed us to fix the coupon payments at an interest rate of 6.3975% and 6.68%, respectively. In the third quarter of 2019, one of the loans with a notional amount of Ps.250.0 million and the related interest rate swaps matured. During the second quarter of 2020, the loan with a notional amount of Ps. 250.0 million and the related interest rate swap matured.

During 2018, in connection with all the Senior Notes issued by the Company in U.S. Dollars, we entered into forward exchange rate agreements on a notional amount of U.S.$224.0 million. These agreements allowed us to fix the exchange rate of coupon payments due in the 2019 on an average of Ps.19.68 per U.S.$1.00. During 2019 we entered into forward exchange rate agreements on a notional amount of U.S.$218.7 million. These agreements allowed us to fix the exchange rate of coupon payments due until October 2020 on an average of Ps.19.93 per U.S.$1.00. During 2020, we entered into forward exchange rate agreements on a notional amount of U.S.$330.5 million. These agreements allowed us to fix the exchange rate of coupon payments until March 2022 on an average of Ps. 22.59 per U.S.$1.00.

As of March 31, 2021, the notional amount outstanding for these agreements was U.S.$243.5 million that allowed us to fix the exchange rate on an average of Ps.22.43 per U.S.$1.00. The net fair value of the forward exchange rate agreements was a liability of Ps.376.3 million as of March 31, 2021 and a liability of Ps.714.8 million as of December 31, 2020. The potential loss in fair value for such instruments from a hypothetical 3.0% adverse change in market exchange rate would be approximately Ps.139.2 million as of March 31, 2021 and Ps.180.8 million as of December 31, 2020. This sensitivity analysis assumes a downward parallel shift in the Mexican Peso.

During 2020, the Company entered into forward exchange rate agreements primarily for capital expenditures expected to be made during 2021 and part of the first quarter of 2022. As of March 31, 2021 and December 31, 2020, the notional amount outstanding was U.S.$273.1 million and U.S.$344.9 million, respectively, the net fair value of these agreements was a liability of Ps.421.3 million and a liability of Ps.706.3 million, respectively. The potential loss in fair value for such instruments from a hypothetical 3.0% adverse change in market exchange rate would be approximately Ps.155.2 million as of March 31, 2021 and Ps.194.8 million as of December 31, 2020. This sensitivity analysis assumes a downward parallel shift in the Mexican Peso.

During the last quarter of 2017, in connection with the variable rate bank loan with HSBC due 2022, the Company entered into interest rate swap agreements on notional amounts of Ps.2,000.0 million. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of five years at an interest rate of 8.6275%

The net fair value of the interest rate swap was a liability of Ps.76.1 million as of March 31, 2021, Ps. 109.1 million as of December 31, 2020 and a liability of Ps.38.5 million as of December 31, 2019. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps.14.8 million as of March 31, 2021 and Ps.17.0 million as of December 31, 2020. This sensitivity analysis assumes a downward parallel shift in the Mexican interest rate swaps yield curve.

During the last quarter of 2017, in connection with the variable rate bank loan with Santander due 2022, the Company entered into interest rate swap agreements on notional amounts of Ps.1,500.0 million. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of five years at an interest rate of 8.6%.

The net fair value of the interest rate swap was a liability of Ps. 59.6 million as of March 31, 2021, Ps.86.2 million as of December 31, 2020 and a liability of Ps.30.7 million as of December 31, 2019. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps.12.2 million as of March 31, 2021 and Ps.13.5 million as of December 31, 2020. This sensitivity analysis assumes a downward parallel shift in the Mexican interest rate swaps yield curve.

During the last quarter of 2017 and the first quarter of 2018, in connection with the variable rate bank loan with Scotiabank due 2023, the Company entered into interest rate swap agreements on notional amounts of Ps.1,000.0 million and Ps.1,500.0 million respectively. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of five years at an interest rate of 9.0485%.

The net fair value of the interest rate swap was a liability of Ps.128.6 million as of March 31, 2021, Ps.180.9 million as of December 31, 2020 and a liability of Ps.83.1 million as of December 31, 2019. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps. 22.1 million as of March 31, 2021 and Ps.23.9 million as of December 31, 2020. This sensitivity analysis assumes a downward parallel shift in the Mexican interest rate swaps yield curve.

During the third quarter of 2019, in connection with the variable rate syndicate loan due 2024, the Company entered into three interest rate swap agreements on notional amounts of Ps.2,000.0 million each. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of five years at an interest rate of 7.3873%. During the fourth quarter of 2020, the Company entered into one interest rate swap agreement on the notional amount of Ps.4,000 million. This agreement involves the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. With this last agreement the syndicate loan is fully hedged until its maturity at an interest rate of 6.7620%.

The net fair value of the interest rate swap was a liability of Ps. 373.4 million as of March 31, 2021, and Ps.762.8 million as of December 31, 2020. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps.168.7 million as of March 31, 2021 and Ps.185.5 million as of December 31, 2020. This sensitivity analysis assumes a downward parallel shift in the Mexican interest rate swaps yield curve.

During the first quarter of 2020, the Company drew down from its RCF for an amount of Ps.14,771 million due 2022. In connection with the RCF, the company entered into interest rate swap agreements for the full amount. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a two year period at an interest rate of 6.0738%. The RCF was fully prepaid during the fourth quarter of 2020, during the same quarter we unwound two of the hedges for a notional amount of Ps. 5,385 million. We kept the remaining position until 2022 at an interest rate of 6.0246%.

The net fair value of the interest rate swap was a liability of Ps.135.9 million as of March 31, 2021 and Ps.204.2 million as of December 2020. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps.44.4 million as of March 31, 2021 and Ps.64.9 million as of December 31, 2020. This sensitivity analysis assumes a downward parallel shift in the Mexican interest rate swaps yield curve.

During 2020, Empresas Cablevisión entered into forward exchange rate agreements primarily for capital expenditures expected to be made during 2021 and part of the first quarter of 2022. As of March 31, 2021 and December 31, 2020, the notional amount outstanding was U.S.$76.0 million and U.S.$ 96.8 million, respectively, the net fair value of these agreements was a liability of Ps.110.1 million, and a liability of Ps190.7 million, respectively. The potential loss in fair value for such instruments from a hypothetical 3.0% adverse change in market exchange rate would be approximately Ps.44.4 million as of March 31, 2021 and Ps. 52.8 million as of December 31, 2020. This sensitivity analysis assumes a downward parallel shift in the Mexican Peso.

During 2020, TVI entered into forward exchange rate agreements primarily for capital expenditures expected to be made during 2021 and part of the first quarter of 2022. As of March 31, 2021 and December 31, 2020, the notional amount outstanding was U.S.$69.4 million and U.S.$ 88.4 million, respectively, the net fair value of these agreements was a liability of Ps.106.4 million and a liability of Ps. 176.9 million, respectively. The potential loss in fair value for such instruments from a hypothetical 3.0% adverse change in market exchange rate would be approximately Ps.40.2 million as of March 31, 2021 and Ps. 49.4 million as of December 31, 2020. This sensitivity analysis assumes a downward parallel shift in the Mexican Peso.

During 2020, Corporación Novavision entered into forward exchange rate agreements primarily for capital expenditures expected to be made during 2021 and a fraction of the first quarter of 2022. As of March 31, 2021 and December 31, 2020, the notional amount outstanding is U.S.$105.0 million and U.S.$ 135.0 million respectively, the net fair value of these agreements was a liability of Ps.190.9 million and a liability of Ps. 318.7 million, respectively. The potential loss in fair value for such instruments from a hypothetical 3.0% adverse change in market exchange rate would be approximately Ps.60.4 million as of March 31, 2021 and Ps. 74.7 million as of December 31, 2020. This sensitivity analysis assumes a downward parallel shift in the Mexican Peso.

***Sensitivity and Fair Value Analyses***

The sensitivity analyses that follow are intended to present the hypothetical change in fair value or loss in earnings due to changes in interest rates, inflation rates, foreign currency exchange rates and debt and equity market prices as they affect our financial instruments at December 31, 2020 and 2019. These analyses address market risk only and do not present other risks that we face in the ordinary course of business, including country risk and credit risk. The hypothetical changes reflect our view of changes that are reasonably possible over a one-year period. For purposes of the following sensitivity analyses, we have made conservative assumptions of expected near-term future changes in U.S. interest rates, Mexican interest rates, inflation rates and Peso to U.S. Dollar exchange rates of 10%. The results of the analyses do not purport to represent actual changes in fair value or losses in earnings that we will incur.

| December 31, 2020 | Carrying value[2] | Fair value[3] | Increase (decrease) of fair value over carrying value | Increase (decrease) of fair value over carrying value assuming a hypothetical 10% increase in fair value |
|---|---|---|---|---|
| **Assets:** | | | | |
| Long-term loan and interest receivable from GTAC | Ps. 821.3 | Ps. 824.1 | Ps. 2.8 | Ps. 85.2 |
| Open-Ended Fund | 1,135.8 | 1,135.8 | — | — |
| Other equity instruments | 5,397.5 | 5,397.5 | — | — |
| **Liabilities:** | | | | |
| U.S. dollar-denominated debt: | | | | |
| Senior Notes due 2025 | 11,969.6 | 14,609.8 | 2,640.2 | 4,101.2 |
| Senior Notes due 2026 | 5,984.8 | 6,840.9 | 856.1 | 1,540.1 |
| Senior Notes due 2032 | 5,984.8 | 9,193.4 | 3,208.6 | 4,128.0 |
| Senior Notes due 2040 | 11,969.6 | 16,781.0 | 4,811.4 | 6,489.5 |
| Senior Notes due 2045 | 19,949.3 | 24,282.9 | 4,333.6 | 6,761.9 |
| Senior Notes due 2046 | 17,954.4 | 24,970.9 | 7,016.6 | 9,513.7 |
| Senior Notes due 2049 | 14,962.0 | 18,978.7 | 4,016.7 | 5,914.6 |
| Peso-denominated debt: | | | | |
| Notes due 2027 | 4,500.0 | 5,035.9 | 535.9 | 1,039.4 |
| Senior Notes due 2037 | 4,500.0 | 4,087.6 | (412.4) | (3.7) |
| Senior Notes due 2043 | 6,500.0 | 5,150.9 | (1,349.1) | (834.1) |
| Long-term notes payable to Mexican Banks | 19,602.9 | 19,801.1 | 198.2 | 2,178.4 |
| Lease Liabilities | 9,292.4 | 9,343.1 | 50.7 | 985.1 |
| Derivative financial instruments [1] | 3,476.2 | 3,476.2 | — | — |

| December 31, 2019 | Carrying value[2] | Fair value[3] | Increase (decrease) of fair value over carrying value | Increase (decrease) of fair value over carrying value assuming a hypothetical 10% increase in fair value |
|---|---|---|---|---|
| **Assets:** | | | | |
| Warrants issued by UHI | Ps. 33,775.4 | Ps. 33,775.4 | Ps. — | Ps. — |
| Long-term loan and interest receivable from GTAC | 872.3 | 875.6 | 3.3 | 90.8 |
| Open-Ended Fund | 4,688.2 | 4,688.2 | — | — |
| Other equity instruments | 5,751.0 | 5,751.0 | — | — |
| Derivative financial instruments [1] | 4.6 | 4.6 | — | — |
| **Liabilities:** | | | | |
| U.S. dollar-denominated debt: | | | | |
| Senior Notes due 2025 | 11,330.3 | 13,243.6 | 1,913.3 | 3,237.7 |
| Senior Notes due 2026 | 5,665.1 | 6,079.9 | 414.8 | 1,022.7 |
| Senior Notes due 2032 | 5,665.1 | 7,571.3 | 1,906.2 | 2,663.3 |
| Senior Notes due 2040 | 11,330.3 | 14,139.3 | 2,809.0 | 4,222.9 |
| Senior Notes due 2045 | 18,883.8 | 19,739.0 | 855.2 | 2,829.1 |
| Senior Notes due 2046 | 16,995.4 | 20,565.3 | 3,569.9 | 5,626.4 |
| Senior Notes due 2049 | 14,162.9 | 15,364.4 | 1,201.5 | 2,738.0 |
| Peso-denominated debt: | | | | |
| Notes due 2027 | 4,500.0 | 4,656.4 | 156.4 | 622.0 |
| Senior Notes due 2037 | 4,500.0 | 4,133.4 | (366.6) | 46.7 |
| Senior Notes due 2043 | 6,500.0 | 4,853.5 | (1,646.5) | (1,161.2) |
| Long-term notes payable to Mexican Banks | 22,845.4 | 23,012.7 | 167.3 | 2,468.6 |
| Lease Liabilities | 9,363.5 | 9,120.9 | (242.6) | 669.5 |
| Other notes payable | 1,324.1 | 1,295.8 | (28.3) | 101.3 |
| Derivative financial instruments [1] | 915.3 | 915.3 | — | — |

(1) Given the nature and the tenor of these derivatives, an increase of 10% in the interest and/or exchange rates would not be an accurate sensitivity analysis.

(2) The carrying value of debt is stated in this table at its principal amount.

(3) The fair value of the Senior Notes and Notes due by the Group are within Level 1 of the fair value hierarchy as there is a quoted market price for them. The fair value of the lease liabilities are within Level 2 of the fair value hierarchy and has been estimated based on cash flows discounted using an estimated weighted average cost of capital. The fair value of held-to-maturity securities are within Level 1 of the fair value hierarchy, and were based on market interest rates to the listed securities.

We are also subject to the risk of foreign currency exchange rate fluctuations, resulting from the net monetary position in U.S. Dollars of our Mexican operations, as follows:

| | Year Ended December 31, | | | |
|---|---|---|---|---|
| | 2020 | | 2019 | |
| | (In millions of U.S. Dollars) | | | |
| U.S. Dollar-denominated and U.S. Dollar-equivalent monetary assets, primarily cash and cash equivalents, and non-current investments in financial instruments[1] | U.S.$ | 1,125.1 | U.S.$ | 1,253.3 |
| U.S. Dollar-denominated and U.S. Dollar-equivalent monetary liabilities, primarily trade accounts payable, Senior debt securities, lease liabilities, and other liabilities[2][3] | | (5,115.9) | | (5,231.8) |
| Net liability position | U.S.$ | (3,990.8) | U.S.$ | (3,978.5) |

(1) In 2020 and 2019, include U.S. Dollar equivalent amounts of U.S.$24.5 million and U.S.$57.6 million, respectively, related to other foreign currencies, primarily Euros.

(2) In 2020 and 2019, include U.S. Dollar equivalent amounts of U.S.$2.0 million and U.S.$5.0 million, respectively, related to other foreign currencies, primarily Euros.

(3) In 2020 and 2019, monetary liabilities included U.S.$1,130.9 million (Ps.22,559.9 million) and U.S.$2,470.6 million (Ps.46,653.3 million), respectively, related to long-term debt designed as a hedging instrument of the Group's investments in UHI and the initial investment in Open-Ended Fund (see Note 14 to our consolidated year-end financial statements).

At December 31, 2020, a hypothetical 10% appreciation/depreciation in the U.S. dollar to Mexican peso exchange rate would result in a foreign exchange gain/loss, net of hedge, of Ps.5,705.3 million. At December 31, 2019, a hypothetical 10% appreciation/depreciation in the U.S. dollar to Mexican peso exchange rate would result in a foreign exchange gain/loss, net of hedge, of Ps.2,847.5 million.

**Item 12. Description of Securities Other than Equity Securities**

**Global Depositary Shares**

The Bank of New York Mellon, the depositary for the securities underlying our GDSs, collects its fees for delivery and surrender of GDSs directly from investors depositing shares or surrendering GDSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deductions from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

The following table summarizes the fees and charges that a GDS holder may be required to pay, directly or indirectly, to the depositary pursuant to the terms of the Deposit Agreement, which was filed with the SEC as an exhibit to our Registration Statement on Form F-6 filed on September 17, 2007:

| Fee | Depositary Service |
|---|---|
| U.S.$5.00 (or less) per 100 GDSs (or portion of 100 GDSs) | • Issuance of GDSs, including issuances resulting from a distribution of shares or rights or other property<br>• Cancellation of GDSs for the purpose of withdrawal, including if the deposit agreement terminates |
| U.S.$0.02 (or less) per GDS | • Any cash distribution to GDS registered holders |
| A fee equivalent to the fee that would be payable if securities distributed to holders had been CPOs and the CPOs had been deposited for issuance of GDSs | • Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to GDS registered holders |
| U.S.$0.02 (or less) per GDS per calendar year | • Depositary services |
| Registration or transfer fees | • Transfer and registration of CPOs on our CPO register to or from the name of the depositary or its agent when holders deposit or withdraw CPOs |
| Expenses of the depositary | • Cable and facsimile transmissions (when expressly provided in the deposit agreement)<br>• Converting foreign currency to U.S. dollars |
| Taxes and other governmental charges the depositary or the custodian have to pay on any GDS or share underlying an GDS, for example, stock transfer taxes, stamp duty or withholding taxes | • As necessary |
| Any charges incurred by the depositary or its agents for servicing the deposited securities | • As necessary |

Note that the actual amounts charged by the depositary may differ from those set out in the table above, but may not exceed these levels.

The Bank of New York Mellon, as depositary, pays us an agreed amount as reimbursement for certain expenses we incur related to our being a publicly-listed entity in the United States, including, but not limited to, internal and out-of-pocket investor relations expenses, corporate finance and accounting expenses, legal expenses, annual NYSE listing fees, Sarbanes-Oxley compliance, travel expenses related to presentations to rating agencies and investors, road show presentations, or any other similar or related expenses. There are limits on the amount of expenses for which the depositary will reimburse us, but the amount of reimbursement available to us is not necessarily tied to the amount of fees the depositary collects from investors. In 2020, we did not receive any reimbursement.

## Part II

### Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

### Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

## Item 15. Controls and Procedures

### Evaluation of Disclosure Controls and Procedures

Based on the evaluation as of December 31, 2020, our Co-Chief Executive Officers and Principal Financial Officer of the Company have concluded that the Company's disclosure controls and procedures (as defined under Exchange Act Rules 13a-15(e) and 15d-15(e)) are effective to provide reasonable assurance that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Co-Chief Executive Officers and the Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

### Management's Annual Report on Internal Control Over Financial Reporting

The Company's management, including our Co-Chief Executive Officers and Principal Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting and is responsible for the assessment of the effectiveness of internal control over financial reporting as such terms are defined in Rule 13a-15(f) of the Exchange Act.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2020. In making this assessment, management used the criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Internal control over financial reporting has inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements will not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Management concluded that the Company maintained effective internal control over financial reporting as of December 31, 2020.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2020 has been audited by KPMG Cárdenas Dosal, S.C., an independent registered public accounting firm, as stated in their report which appears herein.

### Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) that occurred during the year ended December 31, 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

## Item 16.A. Audit Committee Financial Expert

Our board of directors has determined that Mr. Francisco José Chevez Robelo is our audit committee financial expert. Mr. Francisco José Chevez Robelo is "independent" and meets the requisite qualifications as defined in Item 16A of Form 20-F.

## Item 16.B. Code of Ethics

In 2020, we adopted a new version of our Code of Ethics as part of our practice of constant review. The Code of Ethics applies to our directors and all of our officers and employees, including our principal executive officers, principal financial officer, and principal accounting officer.

The 2020 amendments consist of (i) improvements to the Code of Ethics' structure, to provide for a better and simpler understanding thereof, and (ii) updates on key topics.

We did not grant any waivers to our Code of Ethics during the fiscal year ended December 31, 2020.

You may request a copy of our code of ethics, at no cost, by writing to or telephoning us as follows:

Grupo Televisa, S.A.B.
Avenida Vasco de Quiroga, No. 2000
Colonia Santa Fe, 01210 Mexico City, Mexico.
Telephone: (+52) 55 5261-2000.

In addition, the English version of the code of ethics can be found at http://www.televisair.com/en/governance/codes-and-bylaws and the Spanish version can be found at http://www.televisair.com/es-ES/governance/codes-and-bylaws.

**Item 16.C. Principal Accountant Fees and Services**

KPMG Cárdenas Dosal, S.C. acted as our independent registered public accounting firm for the fiscal years ended December 31, 2019 and 2020.

The chart below sets forth the total amount billed by our independent registered public accounting firms for services performed in the years 2020 and 2019, and breaks down these amounts by category of service:

| | 2020 | | 2019 | |
|---|---|---|---|---|
| | | (in millions of Pesos) | | |
| Audit Fees | Ps. | 97.4 | Ps. | 103.6 |
| Audit-Related Fees | | 2.4 | | 5.3 |
| Tax Fees | | 9.7 | | 5.8 |
| Other Fees | | — | | 6.0 |
| Total | Ps. | 109.5 | Ps. | 120.7 |

"Audit Fees" are the aggregate fees billed by our Independent Registered Public Accounting Firms for the audit of our consolidated annual financial statements, services related to regulatory financial filings with the SEC and attestation services that are provided in connection with statutory and regulatory filings or engagements.

"Audit-Related Fees" are fees charged by our Independent Registered Public Accounting Firm for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit Fees". This category comprises fees billed for independent accountant review of our interim financial statements in connection with the offering of our debt securities, advisory services associated with our financial reporting, and due diligence reviews in connection with potential acquisitions and business combinations.

"Tax Fees" are fees for professional services rendered by the Company's Independent Registered Public Accounting Firm for tax compliance in connection with our subsidiaries and interests in the United States, as well as tax advice on actual or contemplated transactions.

"Other Fees" are fees charged by our Independent Registered Public Accounting Firm in connection with services rendered other than audit, audit-related and tax services.

We have procedures for the review and pre-approval of any services performed by KPMG Cárdenas Dosal, S.C.. The procedures require that all proposed engagements of KPMG Cárdenas Dosal, S.C. for audit and non-audit services are submitted to the Board of Directors for approval, with the favorable opinion of the Audit Committee prior to the beginning of any such services.

**Audit Committee Pre-approval Policies and Procedures**

Our audit committee is responsible, among other things, for the oversight of our external auditors. On the other hand, our Board of Directors, with the support of our audit committee, is responsible, among other things, for the appointment and compensation of our external auditors. All services other than the audit related services must receive a specific approval from our Board of Directors, with the favorable opinion of the audit committee. Our external auditor, on a quarterly basis, provides a report to our audit committee in order for our audit committee to review the services that our external auditor is providing, as well as the status and cost of those services.

During 2020, KPMG, with the prior approval by our Board of Directors and the favorable opinion of our Audit Committee, rendered additional services in our favor and in favor of certain of our subsidiaries consisting of the analysis of transfer prices, tax consulting, and social security and local contributions related services, which were for concepts other than the audit of our Financial Statements. KPMG billed us for such services an amount of Ps.$9.7 million, which represents 8.9% of the total amounts that KPMG billed us for on services rendered in 2020.

**Item 16.D. Exemptions from the Listing Standards for Audit Committees**

Not applicable.

**Item 16.E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

The following table sets forth, for the periods indicated, information regarding purchases of any of our equity securities registered pursuant to Section 12 of the Exchange Act made by us or on our behalf or by or on behalf of any affiliated purchaser (as that term is defined in Rule 10b-18(a)(3) under the Exchange Act):

**Purchases of Equity Securities by the Company**

| Purchase Date | Total Number of CPOs Purchased | Average Price Paid per CPO[1] | Total Number of CPOs Purchased as part of Publicly Announced Plans or Programs[2] | Maximum Number (or Appropriate Peso Value) of CPOs that May Yet Be Purchased Under the Plans or Programs[2] |
|---|---|---|---|---|
| January 1 to January 31 | | Ps. | 334,707,992 | Ps. 20,000,000,000 |
| February 1 to February 28 | 2,000,000 | 38.4514 | 336,707,992 | 19,923,097,219 |
| March 1 to March 31 | 3,265,000 | 36.3534 | 339,972,992 | 19,804,403,383 |
| April 1 to April 30 | | | 339,972,992 | 20,000,000,000 |
| May 1 to May 31 | | | 339,972,992 | 20,000,000,000 |
| June 1 to June 30 | | | 339,972,992 | 20,000,000,000 |
| July 1 to July 31 | | | 339,972,992 | 20,000,000,000 |
| August 1 to August 31 | | | 339,972,992 | 20,000,000,000 |
| September 1 to September 30 | | | 339,972,992 | 20,000,000,000 |
| October 1 to October 31 | | | 339,972,992 | 20,000,000,000 |
| November 1 to November 30 | | | 339,972,992 | 20,000,000,000 |
| December 1 to December 31 | | | 339,972,992 | 20,000,000,000 |
| Total | 5,265,000 | Ps. 37.1504 | | |

(1) The values have not been restated in constant Pesos and therefore represent nominal historical figures.

(2) Our share repurchase program was announced in September 2002 and does not have an expiration date. On November 13, 2017, we announced our intention to reactivate our share repurchase program. Accordingly, we may, from time to time, at management's discretion, seek to acquire shares of the Company's common stock subject to legal, market and other business conditions at the time of purchase. The total amount of our share repurchase program was limited to Ps.20,000,000,000 during 2020, and to Ps.10,000,000,000 for 2021 in accordance with the resolutions that our stockholders approved in the annual shareholders meeting held on April 28, 2021.

**Purchases of Equity Securities by Special Purpose Trust Formed in Connection with Long-Term Retention Plan[1]**

| Purchase Date | Total Number of CPOs Purchased[2] | Average Price Paid per CPO[3] | Total Number of CPOs Purchased as part of Publicly Announced Plans or Programs | Maximum Number (or Appropriate Peso Value) of CPOs that May Yet Be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| January 1 to January 31 | | Ps. | 298,633,851 | |
| February 1 to February 28 | | | 298,633,851 | |
| March 1 to March 31 | | | 298,633,851 | |
| April 1 to April 30 | | | 298,633,851 | |
| May 1 to May 31 | | | 298,633,851 | |
| June 1 to June 30 | | | 298,633,851 | |
| July 1 to July 31 | | | 298,633,851 | |
| August 1 to August 31 | | | 298,633,851 | |
| September 1 to September 30 | | | 298,633,851 | |
| October 1 to October 31 | | | 298,633,851 | |
| November 1 to November 30 | | | 298,633,851 | |
| December 1 to December 31 | 3,437,991 | 32.5711 | 302,071,842 | |
| Total | 3,437,991 | Ps. 32.5711 | | |

(1) See "Directors, Senior Management and Employees — Stock Purchase Plan and Long-Term Retention Plan" for a description of the implementation, limits and other terms of our Long-Term Retention Plan.

(2) Represents open-market purchases by the special purpose trust formed in connection with our Long-Term Retention Plan.

(3) The values have not been restated in constant Pesos and therefore represent nominal historical figures.

**Item 16.F. Change in Registrant's Certifying Accountant**

Not applicable.

**Item 16.G. Corporate Governance**

As a foreign private issuer with shares listed on the NYSE, we are subject to different corporate governance requirements than a U.S. company under the NYSE listing standards. With certain exceptions, foreign private issuers are permitted to follow home country practice standards. Pursuant to Rule 303.A11 of the NYSE listed company manual, we are required to provide a summary of the significant ways in which our corporate governance practices differ from those required for U.S. companies under the NYSE listing standards.

We are a Mexican corporation with shares, in the form of CPOs listed on the *Bolsa Mexicana de Valores*, or Mexican Stock Exchange. Our corporate governance practices are governed by our bylaws, the Mexican Securities Market Law, and the regulations issued by the CNBV and the Mexican Stock Exchange. Although compliance is not mandatory, we also substantially comply with the Mexican Code of Principles and Best Corporate Governance Practices (*Código de Principios y Mejores Prácticas de Gobierno Corporativo*), which was created in January 1999 by a group of Mexican business leaders and was endorsed by the CNBV and last amended in 2018. See "Additional Information — Bylaws" for a more detailed description of our corporate governance practices.

The table below sets forth a description of the significant differences between corporate governance practices required for U.S. companies under the NYSE listing standards and the Mexican corporate governance standards that govern our practices.

| NYSE rules | Mexican rules |
|---|---|
| Listed companies must have a majority of independent directors. | The Mexican Securities Market Law requires that listed companies have at least 25% of independent directors. Our stockholder's meeting is required to assess the independence of the directors. The definition of "independent" under the Mexican Securities Market Law differs in some aspects from the one applicable to U.S. issuers under the NYSE standard and prohibits, among other relationships, an independent director from being an employee or officer of the company or a stockholder that may have influence over our officers, relevant clients and contractors, as well as certain relationships between the independent director and family members of the independent director. In addition, our bylaws broaden the definition of independent director. Our bylaws provide for an executive committee of our board of directors. The executive committee is currently composed of three members, and there are no applicable Mexican rules that require any of the members to be independent. The executive committee may generally exercise the powers of our board of directors, subject to certain exceptions. Our Co-Chief Executive Officers are members of our board of directors and the executive committee. |
| Listed companies must have a nominating/corporate governance committee composed entirely of independent directors. | The Mexican Securities Law requires that listed companies must have a corporate practices committee. The corporate practices committee of publicly traded corporations (*sociedades anónimas bursátiles*) which are controlled by a person or group of persons that own 50% (fifty percent) or more of the capital stock of a company, must be composed of a majority of independent members. Otherwise, the Chairman and all the members must be independent. |
| Listed companies must have a compensation committee composed entirely of independent directors. | The Mexican Code of Principles and Best Corporate Governance Practices recommends listed companies to have a compensation committee. While these rules are not legally binding, companies failing to comply with the Mexican Code of Principles and Best Corporate Governance Practices' recommendation must disclose publicly why their practices differ from those recommended by the Mexican Code of Principles and Best Corporate Governance Practices. |
| Listed companies must have an audit committee with a minimum of three members and must be independent. | The Mexican Securities Market Law requires that listed companies must have an audit committee. The Chairman and the members must be independent. |

| NYSE rules | Mexican rules |
|---|---|
| Non-management directors must meet at regularly scheduled executive sessions without management. | Our non-management directors are not required to meet at executive sessions. The Mexican Code of Principles and Best Corporate Governance Practices does not expressly recommend executive sessions. |
| Listed companies must require shareholder approval for equity compensation plans, subject to limited exemptions. | Companies listed on the Mexican Stock Exchange are required to obtain shareholder approval for equity compensation plans, provided that such plans are subject to certain conditions. |
| Listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers. | Companies listed on the Mexican Stock Exchange are not required to adopt a code of ethics. However, we have adopted a code of ethics which is available free of charge through our offices or in the website provided in Item 16.B above. See "— Code of Ethics" for directions on how to obtain a copy of our code of ethics. Waivers involving any of our executive officers or directors will be made only by our Board of Directors or a designated committee of the Board or as determined in our Code of Ethics. |

**Item 16.H. Mine Safety Disclosure**

Not applicable.

## Part III

### Item 17. Financial Statements

We have responded to Item 18 in lieu of Item 17.

### Item 18. Financial Statements

See pages F-1 through F-85, which are incorporated in this Item 18 by reference.

### Item 19. Exhibits

Documents filed as exhibits to this annual report appear on the following

(a) Exhibits.

EXHIBIT INDEX

| Exhibit Number | | Description of Exhibits |
|---|---|---|
| 1.1 | — | English translation of Amended and Restated Bylaws (Estatutos Sociales) of the Registrant, dated as of April 30, 2009 (previously filed with the Securities and Exchange Commission as Exhibit 1.1 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2008, and incorporated herein by reference). |
| 2.1 | — | Indenture relating to Senior Debt Securities, dated as of August 8, 2000, between the Registrant, as Issuer, and The Bank of New York, as Trustee (previously filed with the Securities and Exchange Commission as Exhibit 4.1 to the Registrant's Registration Statement on Form F-4 (File number 333-12738), as amended, and incorporated herein by reference). |
| 2.2 | — | Fourth Supplemental Indenture relating to the 8.5% Senior Exchange Notes due 2032 between the Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg (previously filed with the Securities Exchange Commission as Exhibit 4.5 to the Registrant's Registration Statement on Form F-4 (the "2002 Form F-4") and incorporated herein by reference). |

| Exhibit Number | Description of Exhibits |
|---|---|
| 2.3 | — Sixth Supplemental Indenture relating to the 8.5% Senior Notes due 2032 between Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg (previously filed with the Securities and Exchange Commission as Exhibit 4.7 to the 2002 Form F-4 and incorporated herein by reference). |
| 2.4 | — Seventh Supplemental Indenture relating to the 6 5/8% Senior Notes due 2025 between Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg, dated March 18, 2005 (previously filed with the Securities and Exchange Commission as Exhibit 2.8 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2004 (the "2004 Form 20-F") and incorporated herein by reference). |
| 2.5 | — Eighth Supplemental Indenture relating to the 6 5/8% Senior Notes due 2025 between Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg, dated May 26, 2005 (previously filed with the Securities and Exchange Commission as Exhibit 2.9 to the 2004 Form 20-F and incorporated herein by reference). |
| 2.6 | — Ninth Supplemental Indenture relating to the 6.625% Senior Exchange Notes due 2025 between Registrant, as Issuer, The Bank of New York and Dexia Banque Internationale à Luxembourg, dated September 6, 2005 (previously filed with the Securities and Exchange Commission as Exhibit 2.8 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2005 (the "2005 Form 20-F") and incorporated herein by reference). |
| 2.7 | — Tenth Supplemental Indenture related to the 8.49% Senior Notes due 2037 between Registrant, as Issuer, The Bank of New York and The Bank of New York (Luxembourg) S.A., dated as of May 9, 2007 (previously filed with the Securities and Exchange Commission as Exhibit 2.9 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2006, and incorporated herein by reference). |
| 2.8 | — Eleventh Supplemental Indenture relating to the 8.49% Senior Exchange Notes due 2037 between Registrant, as Issuer, The Bank of New York and The Bank of New York (Luxembourg) S.A., dated as August 24, 2007 (previously filed with the Securities and Exchange Commission as Exhibit 4.12 to the Registrant's Registration Statement on Form F-4 (File number 333-144460), as amended, and incorporated herein by reference). |
| 2.9 | — Form of Deposit Agreement between the Registrant, The Bank of New York, as depositary and all holders and beneficial owners of the Global Depositary Shares, evidenced by Global Depositary Receipts (previously filed with the Securities and Exchange Commission as an Exhibit to the Registrant's Registration Statement on Form F-6 (File number 333-146130) and incorporated herein by reference). |
| 2.10 | — Fourteenth Supplemental Indenture relating to the 6.625% Senior Notes due 2040 between Registrant, as Issuer, The Bank of New York Mellon and The Bank of New York Mellon (Luxembourg) S.A., dated as of November 30, 2009 (previously filed with the Securities and Exchange Commission as Exhibit 4.15 to the Registrant's Registration Statement on Form F-4 (File number 333-164595), as amended, and incorporated herein by reference). |
| 2.11 | — Fifteenth Supplemental Indenture relating to the 6.625% Senior Exchange Notes due 2040 between Registrant, as Issuer, The Bank of New York Mellon and The Bank of New York Mellon (Luxembourg) S.A., dated as of March 22, 2010 (previously filed with the Securities and Exchange Commission as Exhibit 2.15 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2009 and incorporated herein by reference). |
| 2.12 | — Sixteenth Supplemental Indenture relating to the 7.25% Peso Denominated Senior Notes due 2043 among the Registrant, as Issuer, The Bank of New York Mellon, as Trustee, Registrar, Paying Agent and Transfer Agent, the Bank of New York Mellon, London Branch, as London Paying Agent and the Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent and Transfer Agent, dated as of May 14, 2013 (previously filed with the Securities and Exchange Commission as Exhibit 4.1 to the Registrant's Form 6-K filed on May 14, 2013 and incorporated herein by reference). |
| 2.13 | — Seventeenth Supplemental Indenture relating to the 5.000% Senior Notes due 2045 among the Registrant, as Issuer, The Bank of New York Mellon, as Trustee, Registrar, Paying Agent and Transfer Agent and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent and Transfer Agent, dated as of May 13, 2014 (previously filed with the Securities and Exchange Commission as Exhibit 4.1 to the Registrant's Form 6-K filed on May 13, 2014 and incorporated herein by reference). |

| Exhibit Number | | Description of Exhibits |
|---|---|---|
| 2.14 | — | Eighteenth Supplemental Indenture relating to the 4.625% Senior Notes due 2026 among the Registrant, as Issuer, The Bank of New York Mellon, as Trustee, Registrar, Paying Agent and Transfer Agent and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent and Transfer Agent, dated as of November 24, 2015 (previously filed with the Securities and Exchange Commission as Exhibit 4.1 to the Registrant's Form 6-K filed on November 24, 2015 and incorporated herein by reference). |
| 2.15 | — | Nineteenth Supplemental Indenture relating to the 6.125% Senior Notes due 2046 among the Registrant, as Issuer, The Bank of New York Mellon, as Trustee, Registrar, Paying Agent and Transfer Agent and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent and Transfer Agent, dated as of November 24, 2015 (previously filed with the Securities and Exchange Commission as Exhibit 4.2 to the Registrant's Form 6-K filed on November 24, 2015 and incorporated herein by reference). |
| 2.16 | — | Twentieth Supplemental Indenture relating to the 5.250% Senior Notes due 2049 among the Registrant, as Issuer, The Bank of New York Mellon, as Trustee, Registrar, Paying Agent and Transfer Agent and The Bank of New York Mellon SA/NV, Luxembourg Branch, as Luxembourg Paying Agent and Transfer Agent , dated as of May 24, 2019 (previously filed with the Securities and Exchange Commission as Exhibit 4.1 to the Registrant's Form 6-K filed on May 24, 2019 and incorporated herein by reference). |
| 2.17 | — | Description of the rights of each class of securities registered under Section 12 of the Exchange Act. |
| 4.1 | — | Form of Indemnity Agreement between the Registrant and its directors and executive officers (previously filed with the Securities and Exchange Commission as Exhibit 10.1 to the Registrant's Registration Statement on Form F-4 (File number 33-69636), as amended, and incorporated herein by reference). |
| 4.2 | — | Amended and Restated Collateral Trust Agreement, dated as of June 13, 1997, as amended, among PanAmSat Corporation, Hughes Communications, Inc., Satellite Company, LLC, the Registrant and IBJ Schroder Bank and Trust Company (previously filed with the Securities and Exchange Commission as an Exhibit to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2001 and incorporated herein by reference). |
| 4.3 | — | Amended and Restated Bylaws (Estatutos Sociales) of Innova, S. de R.L. de C.V. ("Innova") dated as of December 22, 1998 (previously filed with the Securities and Exchange Commission as an Exhibit to Innova's Annual Report on Form 20-F for the year ended December 31, 2004 and incorporated herein by reference). |
| 4.4 | — | Administration Trust Agreement relating to Trust No. 80375, dated as of March 23, 2004, by and among Nacional Financiera, S.N.C., as trustee of Trust No. 80370, Banco Inbursa, S.A., as trustee of Trust No. F-0553, Banco Nacional de México, S.A., as trustee of Trust No. 14520-1, Nacional Financiera, S.N.C., as trustee of Trust No. 80375, Emilio Fernando Azcárraga Jean, Promotora Inbursa, S.A. de C.V., the Registrant and Grupo Televicentro, S.A. de C.V. (as previously filed with the Securities and Exchange Commission as an Exhibit to Schedules 13D or 13D/A in respect of various parties' to the Trust Agreement (File number 005-60431) and incorporated herein by reference). |
| 4.5 | — | Third Amended and Restated Program License Agreement, dated as of January 22, 2009, by and between Televisa, S.A. de C.V., as successor in interest to Televisa Internacional, S.A. de C.V. and Univision Communications Inc. (previously filed with the Securities and Exchange Commission on February 2, 2009 (File number 001-12610) and incorporated herein by reference). |
| 4.6 | — | Full-Time Transponder Service Agreement, dated as of November ___, 2007, by and among Intelsat Corporation, Intelsat LLC, Corporación de Radio y Televisión del Norte de México, S. de R. L. de C.V. and SKY Brasil Serviços Ltda (previously filed with the Securities and Exchange Commission as Exhibit 4.16 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2007 and incorporated herein by reference). |
| 4.7 | — | Amended and Restated Certificate of Incorporation of Broadcasting Media Partners, Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.22 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference). |
| 4.8 | — | Amended and Restated Bylaws of Broadcasting Media Partners, Inc. dated as of December 20, 2010 (previously filed with the Securities and Exchange Commission as Exhibit 4.23 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference). |

| Exhibit Number | Description of Exhibits |
|---|---|
| 4.9* | — Amended and Restated 2011 Program License Agreement, dated as of February 28, 2011, by and among Televisa, S.A. de C.V. and Univision Communications Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.27 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference). |
| 4.10* | — Second Amended and Restated 2011 Program License Agreement, dated as of July 1, 2015, by and among Televisa, S.A. de C.V., and subsequently assigned to the Registrant, and Univision Communications Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.18 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2015 and incorporated herein by reference). |
| 4.11 | — Amendment to Second Amended and Restated 2011 Program License Agreement, dated as of December 29, 2020, by and among the Registrant and Univision Communications Inc. |
| 4.12 | — Amendment to International Program Rights Agreement, dated as of December 20, 2010, by and among Univision Communications Inc. and the Registrant (previously filed with the Securities and Exchange Commission as Exhibit 4.28 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference). |
| 4.13* | — Amended and Restated 2011 Mexico License Agreement, dated as of February 28, 2011, by and among Univision Communications Inc. and Videoserpel, Ltd. (previously filed with the Securities and Exchange Commission as Exhibit 4.29 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference). |
| 4.14* | — Amendment to Amended and Restated 2011 Mexico License Agreement, dated as of July 1, 2015, by and among Univision Communications Inc. and Mountrigi Management Group Limited (f/k/a Videoserpel, Ltd.) (previously filed with the Securities and Exchange Commission as Exhibit 4.21 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2015 and incorporated herein by reference). |
| 4.15 | — Letter Agreement, dated as of February 28, 2011, by and among Televisa, S.A. de C.V., the Registrant and Univision Communications Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.30 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference). |
| 4.16* | — Purchase and Assignment and Assumption Agreement, dated as of December 20, 2010, by and among Pay-TV Venture, Inc., TuTv LLC and Univision Communications Inc., solely for purposes of Section 1.4, Televisa, S.A. de C.V., as successor to Visat, S.A. de C.V. and Televisa Internacional, S.A. de C.V., and, solely for purposes of Section 1.5, the Registrant (previously filed with the Securities and Exchange Commission as Exhibit 4.31 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference). |
| 4.17** | — Stockholders Agreement, dated as of December 29, 2020, by and among Univision Holdings, Inc., Broadcast Media Partners Holdings, Inc., Univision Communications Inc. and certain stockholders of Univision Holdings, Inc. |
| 4.18 | — Transaction Agreement, dated as of April 13, 2021, by and among Grupo Televisa, S.A.B., Univision Holdings, Inc., and, for the limited purposes set forth therein, Searchlight III UTD GP, LLC, ForgeLight Univision Holdings LLC and Liberty Global Ventures Limited. |
| 4.19 | — English summary of Irrevocable Guaranty Trust Agreement, dated as of December 16, 2010 (and amended on December 16, 2010 and April 7, 2011), by and among Grupo Salinas Telecom, S.A. de C.V., México Media Investments, S.L., GSF Telecom Holdings, S.A.P.I. de C.V. and Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero and Assignment Agreement with respect to the Irrevocable Guaranty Trust Agreement, dated as of April 7, 2011, by and among Mexico Media Investments S.L., Sociedad Unipersonal, as assignor and Corporativo Vasco de Quiroga, S.A. de C.V., as assignee, with the consent of Grupo Salinas Telecom, S.A. de C.V., GSF Telecom Holdings, S.A.P.I. de C.V. and Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero (previously filed with the Securities and Exchange Commission as Exhibit 4.33 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference). |

| Exhibit Number | | Description of Exhibits |
|---|---|---|
| 4.20 | — | English summary of Amendment and Restatement of the Indenture, dated April 7, 2011, relating to the issuance of the Series 1 and Series 2 Debentures by GSF Telecom Holdings, Sociedad Anónima Promotora de Inversión de Capital Variable with the consent of Deutsche Bank México, Sociedad Anónima, Institución de Banca Múltiple, División Fiduciaria and Assignment Agreement with respect to the Series 1 and Series 2 Debentures, dated April 7, 2011, by and among Mexico Media Investments S.L., Sociedad Unipersonal, as assignor and Corporativo Vasco de Quiroga, S.A. de C.V., as assignee, with the consent of GSF Telecom Holdings, S.A.P.I. de C.V. and Deutsche Bank México, S.A., Institución de Banca Múltiple, División Fiduciaria (previously filed with the Securities and Exchange Commission as Exhibit 4.34 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference). |
| 4.21 | — | English summary of indenture, dated July 31, 2013, related to the issuance of Ps.7,000 million convertible debentures, by Tenedora Ares, S.A.P.I de C.V., together with Banco Invex, Sociedad Anónima, Institución de Banca Múltiple, Invex Grupo Financiero, Fiduciario, in its capacity as common representative for the holders of the debentures (previously filed with the Securities and Exchange Commission as Exhibit 4.30 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2013 and incorporated herein by reference). |
| 4.22 | — | English summary of call and put option agreement, dated July 31, 2013, by and among Tenedora Ares, S.A.P.I. de C.V., Thomas Stanley Heather Rodríguez, Vamole Inversiones 2013, S.L. Sociedad Unipersonal and Arretis, S.A.P.I. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.32 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2013 and incorporated herein by reference). |
| 4.23 | — | English summary of conversion of debentures, dated August 13, 2014, by and between Arretis, S.A.P.I. de C.V and Tenedora Ares, S.A.P.I. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.33 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference). |
| 4.24 | — | English summary of share purchase agreement, dated August 13, 2014, by and among Vamole Inversiones 2013, S.L., Sociedad Unipersonal, Thomas Stanley Heather Rodriguez, Arretis, S.A.P.I. de C.V. and San Ángel Telecom, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.34 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference). |
| 4.25 | — | English summary of share purchase agreement, dated August 13, 2014, by and among Dafel Investments B.V., Mexico Media Investments, S.L., Sociedad Unipersonal, Cable TV Investments, S.L., Sociedad Unipersonal, Tenedora Ares, S.A.P.I. de C.V. and San Ángel Telecom, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.35 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference). |
| 4.26 | — | English summary of share purchase agreement, dated July 9, 2014, by and among Invex Grupo Financiero, as trustee of Trust F/1017 and Grupo Salinas Telecom, S.A. de C.V., with the acknowledgement of GSF Telecom Holdings, S.A.P.I. de C.V. and Corporativo Vasco de Quiroga, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.36 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference). |
| 4.27 | — | English summary of merger agreement, dated January 8, 2015, by and among Consorcio Nekeas, S.A. de C.V., Galavisión DTH, S. de R.L. de C.V. and Inmobiliaria Hevi, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.37 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference). |
| 4.28 | — | English summary of stock purchase agreement, dated January 8, 2015, by and among Mara del Carmen Ordóñez Valverde, Axel Eduardo Vielma Ordóñez, Héctor Vielma Ordóñez, José Francisco Vielma Ordóñez, Luis Edmundo Vielma Ordóñez and Corporativo Vasco de Quiroga, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.38 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference). |
| 4.29 | | English summary of merger agreement, dated March 4, 2016, by and among Corporativo Vasco de Quiroga, S.A. de C.V. and Grupo TVI Telecom, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.41 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2015 and incorporated herein by reference) |
| 8.1 | — | List of Subsidiaries of Registrant. |
| 12.1 | — | Co-CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated April 30, 2021. |

| Exhibit Number | Description of Exhibits |
|---|---|
| 12.2 | — Co-CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated April 30, 2021. |
| 12.3 | — Principal Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated April 30, 2021. |
| 13.1 | — Co-CEO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated April 30, 2021. |
| 13.2 | — Co-CEO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated April 30, 2021. |
| 13.3 | — Principal Financial Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated April 30, 2021. |
| 23.1 | — Consent of KPMG Cárdenas Dosal, S.C. |
| 101 | — The following materials from the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2020, formatted in eXtensible Business Reporting Language (XBRL): (i) Consolidated Statements of Financial Position as of December 31, 2020 and 2019; (ii) Consolidated Statements of Income for the Years Ended December 31, 2020, 2019 and 2018; (iii) Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2020, 2019 and 2018; (iv) Consolidated Statements of Changes in Equity for the Years ended December 31, 2020, 2019 and 2018; (v) Consolidated Statements of Cash Flows for the Years Ended December 31, 2020, 2019 and 2018; and (vi) Notes to Consolidated Financial Statements for the Years Ended December 31, 2020, 2019 and 2018. |

* Portions of this exhibit have been omitted and filed separately with the SEC pursuant to a request for confidential treatment.
** Portions of this exhibit have been omitted in accordance with Instruction 4 to Item 19 of Form 20-F.

Instruments defining the rights of holders of certain issues of long-term debt of the Registrant and its consolidated subsidiaries have not been filed as exhibits to this Form 20-F because the authorized principal amount of any one of such issues does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis. The Registrant agrees to furnish a copy of each such instrument to the SEC upon request.

(b) Financial Statement Schedules

All financial statement schedules relating to the Registrant are omitted because they are not required or because the required information, if material, is contained in the audited year-end financial statements or notes thereto.

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

**GRUPO TELEVISA, S.A.B.**

By: /s/ Carlos Ferreiro Rivas
Name: Carlos Ferreiro Rivas
Title: Corporate Vice President of Finance

By: /s/ José Antonio Lara Del Olmo
Name: José Antonio Lara Del Olmo
Title: Corporate Vice President of Administration

Date: April 30, 2021

GRUPO TELEVISA, S. A. B. AND SUBSIDIARIES

INDEX TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF

DECEMBER 31, 2020 AND 2019


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**Report of Independent Registered Public Accounting Firm**

To the Stockholders and Board of Directors
Grupo Televisa, S.A.B. :

*Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated statements of financial position of Grupo Televisa, S.A.B. and subsidiaries (the "Group") as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2020, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Group's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated April 30, 2021 expressed an unqualified opinion on the effectiveness of the Group's internal control over financial reporting.

*Basis for Opinion*

These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

*Critical Audit Matters*

(thousands of Mexican pesos)

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

***Goodwill impairment analysis***

*As described in Note 13, the goodwill balance as of December 31, 2020 was Ps. 14,113,626, of which Ps. 13,237,810 relate to three specific cash-generating units (CGU) of the Cable segment. The Group determine the recoverable amount of the CGUs at least once a year, or whenever events or changes in business circumstances indicate that these carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.*

*The recoverable amount of the CGUs has been determined based on the higher of the value in use (VIU) and fair value less costs of disposal (FVLCD) methods. The determination of VIU requires the use of estimates and assumptions including the Group's projection of future cash flows for each CGU, long-term growth rates and discount rates based on weighted average cost of capital. FVLCD estimates are based on a selection of comparable entity valuation multiples (sales and EBITDA) derived from quoted prices in exchange markets.*

*We identified the valuation of goodwill for three specific CGUs of the Cable segment as a critical audit matter because the determination of the estimated VIU for two of the CGUs and the FVLCD for one of the CGUs, used to determine whether impairment exists, involved a high degree of judgment. Specifically, the projection of revenue and growth of revenue from years 2021 through 2024 and the determination of the long-term growth rate and the discount rate used to estimate the VIU for two of the CGUs, as well as the selection of comparable entity valuation multiples derived from quoted prices in exchange markets to estimate the FVLCD for one of the CGUs were challenging to audit, as changes to these assumptions have a significant effect on the Group's assessment of the carrying value of goodwill.*

*The following are the primary procedures we performed to address this critical audit matter:*

— *We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's goodwill impairment testing process, including controls related to the determination of the VIU and the FVLCD of the CGUs, additionally to those controls related to the projection of future cash flows, and the determination of the long-term growth rates and the discount rates based on weighted average cost of capital and the selection of comparable entity valuation multiples.*

— *We performed sensitivity analyses over the long-term growth rate, the discount rate and the comparable entity valuation multiples to assess their impact on the Group's determination that the VIU or FVLCD of the CGUs of the Cable segment exceeded their carrying amount.*

— *We evaluated the reasonableness of the Company's assumptions used for its projections of future cash flows for the determination of the VIU for two of the CGUs, such as forecasted revenue growth rates and operating margins of these CGUs, by comparing these assumptions to historical and recent experience, taking into account changes in conditions affecting the Company and the CGUs of the Cable segment, as well as by comparing prior year projections of future cash flows to current year actual cash flows and obtaining an understanding of future year projections and the economic drivers underlying such projections.*

— *We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating relevant assumptions, such as the long-term growth rate, the discount rate and the comparable entity valuation multiples. This was accomplished by:*

- *evaluating the methodology utilized in the valuation models;*
- *comparing the assumptions used in the determination of the long-term growth rates and the discount rates to market information; and*
- *evaluating the comparable entity valuation multiples by comparing them with publicly available market data derived from quoted prices in exchange markets.*

***Fair value measurement of Warrants***

*As described in note 9, the Group held warrants convertible into shares of Univision Holdings, Inc. ("UHI") whose fair value was measured at Ps. 17,387,699 as of December 29, 2020, which is the date at which the Group exercised those warrants and converted them into shares. Before their exercise, the warrants were classified as investments in equity instruments measured at fair value through other comprehensive income. As observable data is not readily available, the fair value of these warrants was classified as a level 3 valuation in the fair value hierarchy. The Group has determined the fair value of the warrants using a discounted cash flow model, which involves significant judgments, especially in relation to the projection of future cash flows generated by UHI and the determination of the long-term growth rate and the discount rate.*

*We have identified the valuation of the fair value of the warrants as a critical audit matter, as their valuation involves significant judgement by the Group in relation to the assumptions mentioned above. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing audit procedures to evaluate management's estimates and assumptions, including the involvement of valuation professionals with specialized skills and knowledge. Specifically, the projection of future cash flows and the determination of the long-term growth rate and the discount rate used to determine the fair value of the warrants were challenging to audit, as changes to these assumptions have a significant effect on the fair value of the warrants.*

*The following are the primary procedures we performed to address this critical audit matter:*

— *We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's process to measure the fair value of the warrants. This included controls related to the projection of future cash flows and the determination of the key assumptions utilized by the Company.*

— *We obtained an understanding of UHI's business activities and evaluated the Group's ability and historical accuracy in preparing projections of future cash flows prepared in prior years.*

— *We evaluated the reasonableness of the Company's assumptions used for its projections of future cash flows, such as forecasted revenue growth rates and operating margins, by comparing these assumptions to historical and recent experience, taking into account changes in conditions and events affecting UHI, as well as by comparing prior year projections of future cash flows to current year actual cash flows and obtaining an understanding of future year projections and the economic drivers underlying such projections.*

— *We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the discounted cash flow model and relevant assumptions, such as the long-term growth rate and the discount rate. This was accomplished by:*

- *comparing the assumptions used in the development of the discount rate and the long-term rate to market information; and*
- *assessing the determination of the fair value with the discounted cash flow model used by the Group as compared to valuation standards.*

KPMG Cárdenas Dosal S.C.

We have served as the Group's auditor since 2018.

Mexico City, Mexico
April 30, 2021

**Report of Independent Registered Public Accounting Firm**

To the Stockholders and Board of Directors
Grupo Televisa, S.A.B.

*Opinion on Internal Control Over Financial Reporting*

We have audited Grupo Televisa S.A.B. and subsidiaries' (the Group) internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Group maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Group as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes (collectively, the consolidated financial statements), and our report dated April 30, 2021, expressed an unqualified opinion on those consolidated financial statements.

*Basis for Opinion*

The Group's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Group's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

*Definition and Limitations of Internal Control Over Financial Reporting*

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the group's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG Cárdenas Dosal, S.C.

KPMG Cárdenas Dosal, S.C.

Mexico City, Mexico
April 30, 2021

**Consolidated Statements of Financial Position**
As of December 31, 2020 and 2019
(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

| | Notes | 2020 | 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets:** | | | |
| Cash and cash equivalents | 6 | **Ps. 29,058,093** | Ps. 27,452,265 |
| Trade notes and accounts receivable, net | 7 | **12,343,797** | 14,486,184 |
| Other accounts, taxes and notes receivable, net | | **12,655,479** | 10,692,867 |
| Derivative financial instruments | 15 | **—** | 1,715 |
| Due from related parties | 20 | **786,952** | 814,427 |
| Transmission rights and programming | 8 | **6,396,214** | 6,479,258 |
| Inventories | | **1,641,300** | 1,151,421 |
| Contract costs | 28 | **1,598,447** | 1,379,400 |
| Assets held for sale | 3 | **—** | 1,675,426 |
| Other current assets | | **4,580,793** | 3,298,061 |
| Total current assets | | **69,061,075** | 67,431,024 |
| **Non-current assets:** | | | |
| Derivative financial instruments | 15 | **—** | 2,877 |
| Transmission rights and programming | 8 | **7,982,796** | 7,901,590 |
| Investments in financial instruments | 9 | **7,002,712** | 44,265,899 |
| Investments in associates and joint ventures | 10 | **22,813,531** | 9,762,432 |
| Property, plant and equipment, net | 11 | **83,281,627** | 83,329,232 |
| Right-of-use assets, net | 12 | **7,212,165** | 7,553,052 |
| Intangible assets and goodwill, net | 13 | **42,724,218** | 43,328,954 |
| Deferred income tax assets | 24 | **27,999,693** | 24,185,148 |
| Contract costs | 28 | **2,943,110** | 2,311,837 |
| Other assets | | **225,405** | 271,847 |
| Total non-current assets | | **202,185,257** | 222,912,868 |
| Total assets | | **Ps. 271,246,332** | Ps. 290,343,892 |
| **LIABILITIES** | | | |
| **Current liabilities:** | | | |
| Current portion of long-term debt | 14 | **Ps. 616,991** | Ps. 491,951 |
| Interest payable | 14 | **1,934,656** | 1,943,863 |
| Current portion of lease liabilities | 14 | **1,277,754** | 1,257,766 |
| Current portion of other notes payable | 14 | **—** | 1,324,063 |
| Derivative financial instruments | 15 | **2,016,952** | 568,775 |
| Trade accounts payable and accrued expenses | | **21,943,227** | 20,909,655 |
| Customer deposits and advances | | **5,935,858** | 5,779,758 |
| Income taxes payable | 24 | **2,013,648** | 2,470,249 |
| Other taxes payable | | **4,463,336** | 3,448,009 |
| Employee benefits | | **1,262,627** | 911,935 |
| Due to related parties | 20 | **83,007** | 644,251 |
| Liabilities related to assets held for sale | 3 | **—** | 432,812 |
| Other current liabilities | 18 | **2,161,610** | 1,981,855 |
| Total current liabilities | | **43,709,666** | 42,164,942 |
| **Non-current liabilities:** | | | |
| Long-term debt, net of current portion | 14 | **121,935,980** | 120,444,744 |
| Lease liabilities, net of current portion | 14 | **8,014,597** | 8,105,754 |
| Derivative financial instruments | 15 | **1,459,271** | 346,515 |
| Income taxes payable | 24 | **767,115** | 1,759,719 |
| Deferred income tax liabilities | 24 | **1,786,311** | 7,052,233 |
| Post-employment benefits | 16 | **2,080,651** | 1,468,112 |
| Other long-term liabilities | | **3,553,708** | 3,376,640 |
| Total non-current liabilities | | **139,597,633** | 142,553,717 |
| Total liabilities | | **183,307,299** | 184,718,659 |
| **EQUITY** | | | |
| Capital stock | 17 | **4,907,765** | 4,907,765 |
| Additional paid-in-capital | | **15,889,819** | 15,889,819 |
| Retained earnings | 18 | **84,280,397** | 82,652,278 |
| Accumulated other comprehensive (loss) income, net | 18 | **(15,556,848)** | 1,320,451 |
| Shares repurchased | 17 | **(16,079,124)** | (14,018,847) |
| Equity attributable to stockholders of the Company | | **73,442,009** | 90,751,466 |
| Non-controlling interests | 19 | **14,497,024** | 14,873,767 |

| | | | | |
|---|---|---|---|---|
| Total equity | | **87,939,033** | | 105,625,233 |
| Total liabilities and equity | **Ps.** | **271,246,332** | Ps. | 290,343,892 |

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

**Consolidated Statements of Income**
For the years ended December 31, 2020, 2019 and 2018
(In thousands of Mexican pesos, except per CPO amounts)
(Notes 1, 2 and 3)

| | Notes | 2020 | 2019 | 2018 |
|---|---|---|---|---|
| Net sales | 26 | **Ps. 97,361,634** | Ps. 101,757,181 | Ps. 101,282,333 |
| Cost of sales | 21 | **56,989,655** | 59,067,362 | 57,839,268 |
| Selling expenses | 21 | **10,366,582** | 11,099,011 | 11,023,466 |
| Administrative expenses | 21 | **12,713,657** | 13,269,191 | 13,729,325 |
| Income before other income or expense | 26 | **17,291,740** | 18,321,617 | 18,690,274 |
| Other income (expense), net | 22 | **233,628** | (1,316,587) | 1,562,284 |
| Operating income | | **17,525,368** | 17,005,030 | 20,252,558 |
| Finance expense | 23 | **(10,482,168)** | (11,275,198) | (10,566,966) |
| Finance income | 23 | **4,227,192** | 2,464,403 | 1,787,249 |
| Finance expense, net | | **(6,254,976)** | (8,810,795) | (8,779,717) |
| Share of (loss) income of associates and joint ventures, net | 10 | **(5,739,668)** | 581,023 | 532,933 |
| Income before income taxes | | **5,530,724** | 8,775,258 | 12,005,774 |
| Income taxes | 24 | **5,227,900** | 2,668,445 | 4,390,504 |
| Net income | | **Ps. 302,824** | Ps. 6,106,813 | Ps. 7,615,270 |
| | | | | |
| Net income attributable to: | | | | |
| Stockholders of the Company | | **Ps. (1,250,342)** | Ps. 4,626,139 | Ps. 6,009,414 |
| Non-controlling interests | 19 | **1,553,166** | 1,480,674 | 1,605,856 |
| Net income | | **Ps. 302,824** | Ps. 6,106,813 | Ps. 7,615,270 |
| Basic (loss) earnings per CPO attributable to stockholders of the Company | 25 | **Ps. (0.44)** | Ps. 1.60 | Ps. 2.07 |
| Diluted (loss) earnings per CPO attributable to stockholders of the Company | 25 | **Ps. (0.41)** | Ps. 1.53 | Ps. 1.96 |

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

## Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020, 2019 and 2018
(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

| | Notes | 2020 | 2019 | 2018 |
|---|---|---|---|---|
| Net income | | **Ps. 302,824** | Ps. 6,106,813 | Ps. 7,615,270 |
| Other comprehensive (loss) income: | | | | |
| Items that will not be reclassified to income: | | | | |
| Remeasurement of post-employment benefit obligations | 16 | **(344,313)** | (247,092) | (97,086) |
| Remeasurement of post-employment benefit obligations of assets held for sale | | **—** | (3,445) | — |
| Warrants issued by UHI, net of hedge | 9 | **(21,899,164)** | 257,306 | (1,347,698) |
| Open-Ended Fund, net of hedge | 9 | **(904,423)** | (351,202) | 215,957 |
| Other equity instruments | 9 | **(353,496)** | (794,624) | 603,766 |
| Items that may be subsequently reclassified to income: | | | | |
| Exchange differences on translating foreign operations | | **133,522** | (98,422) | (859,032) |
| Cash flow hedges | | **(1,370,145)** | (1,521,912) | 174,532 |
| Other financial assets | 9 | **—** | 111 | (111) |
| Share of other comprehensive loss of associates and joint ventures | 10 | **(61,033)** | (236,159) | (47,313) |
| Other comprehensive loss before income taxes | | **(24,799,052)** | (2,995,439) | (1,356,985) |
| Income tax benefit | 24 | **7,936,914** | 704,164 | 336,102 |
| Other comprehensive loss | | **(16,862,138)** | (2,291,275) | (1,020,883) |
| Total comprehensive (loss) income | | **Ps. (16,559,314)** | Ps. 3,815,538 | Ps. 6,594,387 |
| | | | | |
| Total comprehensive (loss) income attributable to: | | | | |
| Stockholders of the Company | | **Ps. (18,127,641)** | Ps. 2,356,623 | Ps. 5,009,822 |
| Non-controlling interests | 19 | **1,568,327** | 1,458,915 | 1,584,565 |
| Total comprehensive (loss) income | | **Ps. (16,559,314)** | Ps. 3,815,538 | Ps. 6,594,387 |

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

**Consolidated Statements of Changes in Equity**
For the years ended December 31, 2020, 2019 and 2018
(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

| | Capital Stock Issued (Note 17) | Additional Paid-in Capital | Retained Earnings (Note 18) | Accumulated Other Comprehensive Income (loss) (Note 18) | Shares Repurchased (Note 17) | Equity Attributable to Stockholders of the Company | Non-controlling Interests (Note 19) | Total Equity |
|---|---|---|---|---|---|---|---|---|
| **Balance at January 1, 2018** | Ps. 4,978,126 | Ps. 15,889,819 | Ps. 75,204,656 | Ps. 4,599,147 | Ps. (14,788,984) | Ps. 85,882,764 | Ps. 13,995,150 | Ps. 99,877,914 |
| Cumulative adjustment for adoption of IFRS 9-Expected credit losses (see Note 28) | — | — | (167,028) | — | — | (167,028) | (35,436) | (202,464) |
| Cumulative adjustment for adoption of IFRS 9-New classification of financial instruments (see Note 28) | — | — | (827,932) | 827,932 | — | — | — | — |
| Cumulative adjustment for adoption of IFRS 15 (see Note 28) | — | — | 1,599,452 | — | — | 1,599,452 | 785,203 | 2,384,655 |
| Funding for acquisition of shares under the Long-term Retention Plan | — | — | — | — | (1,100,000) | (1,100,000) | — | (1,100,000) |
| Acquisition of non-controlling interests | — | — | (183,041) | — | — | (183,041) | (39,149) | (222,190) |
| Dividends | — | — | (1,068,868) | — | — | (1,068,868) | (1,276,562) | (2,345,430) |
| Share cancellation | (70,361) | — | (2,694,201) | — | 2,764,562 | — | — | — |
| Repurchase of CPOs | — | — | — | — | (1,541,180) | (1,541,180) | — | (1,541,180) |
| Shares repurchased | — | — | — | — | (1,954,312) | (1,954,312) | — | (1,954,312) |
| Sale of shares | — | — | (446,542) | — | 2,400,854 | 1,954,312 | — | 1,954,312 |
| Stock-based compensation | — | — | 1,305,999 | — | — | 1,305,999 | — | 1,305,999 |
| Comprehensive income | — | — | 6,009,414 | (999,592) | — | 5,009,822 | 1,584,565 | 6,594,387 |
| **Balance at December 31, 2018** | 4,907,765 | 15,889,819 | 78,731,909 | 4,427,487 | (14,219,060) | 89,737,920 | 15,013,771 | 104,751,691 |
| Acquisition of non-controlling interests | — | — | 766 | — | — | 766 | (766) | — |
| Dividends | — | — | (1,066,187) | — | — | (1,066,187) | (1,598,153) | (2,664,340) |
| Reclassification due to partial disposition of Open-Ended Fund | — | — | 837,520 | (837,520) | — | — | — | — |
| Repurchase of CPOs | — | — | — | — | (1,385,750) | (1,385,750) | — | (1,385,750) |
| Shares repurchased | — | — | — | — | (100,246) | (100,246) | — | (100,246) |
| Sale of shares | — | — | (1,585,963) | — | 1,686,209 | 100,246 | — | 100,246 |
| Share-based compensation | — | — | 1,108,094 | — | — | 1,108,094 | — | 1,108,094 |
| Comprehensive income | — | — | 4,626,139 | (2,269,516) | — | 2,356,623 | 1,458,915 | 3,815,538 |
| **Balance at December 31, 2019** | 4,907,765 | 15,889,819 | 82,652,278 | 1,320,451 | (14,018,847) | 90,751,466 | 14,873,767 | 105,625,233 |
| Funding for acquisition of shares under the Long-term Retention Plan | — | — | — | — | (97,000) | (97,000) | — | (97,000) |
| Disposition of non-controlling interests in Sistema Radiópolis | — | — | — | — | — | — | (291,897) | (291,897) |
| Dividends to non-controlling interests | — | — | — | — | — | — | (1,653,173) | (1,653,173) |
| Share of income of OCEN (see Note 10) | — | — | 147,975 | — | — | 147,975 | — | 147,975 |
| Repurchase of CPOs | — | — | — | — | (195,597) | (195,597) | — | (195,597) |
| Shares repurchased | — | — | — | — | (111,979) | (111,979) | — | (111,979) |
| Sale of shares | — | — | (997,174) | — | 1,109,153 | 111,979 | — | 111,979 |
| Cancellation of sale of shares | — | — | 2,764,854 | — | (2,764,854) | — | — | — |
| Share-based compensation | — | — | 962,806 | — | — | 962,806 | — | 962,806 |
| Comprehensive loss | — | — | (1,250,342) | (16,877,299) | — | (18,127,641) | 1,568,327 | (16,559,314) |
| **Balance at December 31, 2020** | **Ps. 4,907,765** | **Ps. 15,889,819** | **Ps. 84,280,397** | **Ps. (15,556,848)** | **Ps. (16,079,124)** | **Ps. 73,442,009** | **Ps. 14,497,024** | **Ps. 87,939,033** |

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

**Consolidated Statements of Cash Flows**
For the years ended December 31, 2020, 2019 and 2018
(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| **Operating Activities:** | | | |
| Income before income taxes | **Ps. 5,530,724** | Ps. 8,775,258 | Ps. 12,005,774 |
| Adjustments to reconcile income before income taxes to net cash provided by operating activities: | | | |
| Share of loss (income) of associates and joint ventures | **5,739,668** | (581,023) | (532,933) |
| Depreciation and amortization | **21,260,787** | 21,008,796 | 19,834,202 |
| Other amortization of assets | **380,863** | 531,426 | 444,679 |
| Impairment of long-lived assets | **40,803** | 67,574 | 135,750 |
| (Income) loss on disposition of property and equipment | **(74,175)** | 270,381 | 912,317 |
| Impairment loss on trade notes and accounts receivable, and other receivables | **1,387,431** | 1,446,568 | 1,479,511 |
| Post-employment benefits | **292,026** | 259,064 | 171,156 |
| Interest income | **(72,861)** | (102,675) | (120,134) |
| Share-based compensation expense | **984,356** | 1,129,644 | 1,327,549 |
| Provision for deferred compensation | **—** | 199,195 | 251,787 |
| Interest receivable for Asset Tax from prior years | **—** | (139,995) | — |
| Other finance (income) loss, net | **(89,323)** | 872,291 | 859,642 |
| Gain on disposition of investments, net | **(789,873)** | (627) | (3,553,463) |
| Cancellation of provision | **691,221** | — | — |
| Interest expense | **10,482,168** | 10,402,021 | 9,707,324 |
| Unrealized foreign exchange gain, net | **(2,596,198)** | (1,120,958) | (318,087) |
| | **43,167,617** | 43,016,940 | 42,605,074 |
| Decrease in trade notes and accounts receivable | **634,108** | 4,785,389 | 3,483,695 |
| (Increase) decrease in transmission rights and programming | **(54,274)** | 2,632,696 | (2,968,579) |
| (Increase) decrease in due from related parties, net | **(393,631)** | 204,166 | (555,418) |
| (Increase) decrease in inventories | **(522,003)** | (128,327) | 444,790 |
| Increase in other accounts and notes receivable and other current assets | **(2,469,724)** | (2,789,811) | (1,144,721) |
| Increase (decrease) in trade accounts payable and accrued expenses | **1,065,101** | (1,885,865) | 2,087,404 |
| Increase (decrease) in customer deposits and advances | **185,143** | (7,778,497) | (5,176,499) |
| (Decrease) increase in other liabilities and taxes payable | **(96,832)** | (1,848,715) | 1,579,450 |
| Increase (decrease) in post-employment benefits | **326,892** | (122,261) | 82,070 |
| Income taxes paid | **(8,681,478)** | (8,816,632) | (6,722,770) |
| | **(10,006,698)** | (15,747,857) | (8,890,578) |
| Net cash provided by operating activities | **33,160,919** | 27,269,083 | 33,714,496 |
| **Investing activities:** | | | |
| Temporary investments | **—** | 30,992 | 40,186 |
| Investments in financial instruments | **—** | — | (72,723) |
| Disposition of investments in financial instruments | **3,155,643** | 2,301,682 | 287,605 |
| Disposition of Radiópolis | **1,248,000** | — | — |
| Disposition or investment in joint ventures | **125,624** | 149,390 | 209,775 |
| Investment or disposition of other investment | **(602,466)** | (25,741) | 95,161 |
| Dividends received | **—** | 772,400 | — |
| Acquisition of net assets of Axtel, net of acquired cash and cash equivalents | **—** | — | (5,465,872) |
| Disposition of investment in Imagina | **—** | — | 6,256,874 |
| Investments in property, plant and equipment | **(20,131,738)** | (19,108,284) | (18,499,662) |
| Disposition of property, plant and equipment | **1,520,417** | 981,503 | 1,024,702 |
| Payment for renewal of television broadcasting concessions | **—** | — | (5,754,038) |
| Other investments in intangible assets | **(1,235,177)** | (2,106,750) | (2,020,243) |
| Net cash used in investing activities | **(15,919,697)** | (17,004,808) | (23,898,235) |
| **Financing activities:** | | | |
| Long-term loans from Mexican banks | **—** | 10,000,000 | — |
| Repayment of Mexican peso debt | **(492,489)** | (989,156) | (307,489) |
| Issuance of Senior Notes due 2049 | **—** | 14,247,544 | — |
| Prepayment of Notes due 2020, 2021 and 2022 | **—** | (21,000,000) | — |
| Prepayment of Mexican peso debt related to Sky | **(2,750,000)** | — | — |
| Payments of lease liabilities | **(668,277)** | (559,623) | (540,448) |
| Other payments of lease liabilities | **(953,771)** | (883,533) | — |
| Repayment and prepayment of other notes payable | **(1,324,063)** | (1,294,375) | (1,184,020) |
| Interest paid | **(9,455,387)** | (9,180,141) | (10,129,304) |
| Funding for acquisition of shares of the Long-term Retention Plan | **(197,000)** | — | (1,100,000) |
| Repurchases of CPOs under a share repurchase program | **(195,597)** | (1,385,750) | (1,541,180) |
| Repurchase of capital stock | **(111,979)** | (100,246) | (1,954,312) |
| Sale of capital stock | **111,979** | 100,246 | 1,954,312 |
| Dividends paid | **—** | (1,066,187) | (1,068,868) |
| Dividends paid and reduction of capital of non-controlling interests | **(1,420,477)** | (1,594,629) | (1,270,652) |

| | | | |
|---|---|---|---|
| Acquisition of non-controlling interests | — | — | (54,256) |
| Derivative financial instruments | **1,261,845** | (596,046) | 691,303 |
| Net cash used in financing activities | **(16,195,216)** | (14,301,896) | (16,504,914) |
| Effect of exchange rate changes on cash and cash equivalents | **(11,516)** | (60,449) | 21,995 |
| Net increase (decrease) in cash and cash equivalents | **1,034,490** | (4,098,070) | (6,666,658) |
| Cash and cash equivalents related to assets held for sale | **571,338** | (517,956) | — |
| Cash and cash equivalents at beginning of year | **27,452,265** | 32,068,291 | 38,734,949 |
| Cash and cash equivalents at end of year | **Ps. 29,058,093** | Ps. 27,452,265 | Ps. 32,068,291 |

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

## 1. Corporate Information

Grupo Televisa, S.A.B. (the "Company") is a limited liability public stock corporation ("Sociedad Anónima Bursátil" or "S.A.B."), incorporated under the laws of Mexico. Pursuant to the terms of the Company's bylaws ("Estatutos Sociales"), its corporate existence continues through 2106. The shares of the Company are listed and traded in the form of "Certificados de Participación Ordinarios", or "CPOs," on the Mexican Stock Exchange ("Bolsa Mexicana de Valores" or "BMV") under the ticker symbol TLEVISA CPO, and in the form of Global Depositary Shares, or "GDSs," on the New York Stock Exchange, or "NYSE," under the ticker symbol TV. The Company's principal executive offices are located at Av. Vasco de Quiroga No. 2000, Colonia Santa Fe, 01210, Mexico City, Mexico.

Grupo Televisa, S.A.B., together with its subsidiaries (collectively, the "Group"), is a leading media company in the Spanish-speaking world, an important cable operator in Mexico, and an operator of a leading direct-to-home satellite pay television system in Mexico. The Group distributes the content it produces through several broadcast channels in Mexico and in over 70 countries through 25 pay-tv brands and television networks, cable operators and over-the-top or "OTT" services. In the United States, the Group´s audiovisual content is distributed through Univision Communications Inc. ("Univision") the leading media company serving the Hispanic market. Univision broadcasts the Group's audiovisual content through multiple platforms, in exchange for a royalty payment. In addition, beginning on December 29, 2020, the Group has equity representing 35.9% on a fully-diluted basis of the equity capital in Univision Holdings, Inc. or "UHI", the controlling company of Univision (see Notes 9 and 10). The Group's cable business offers integrated services, including video, high-speed data and voice services to residential and commercial customers as well as managed services to domestic and international carriers. The Group owns a majority interest in Sky, a leading direct-to-home satellite pay television system and broadband provider in Mexico, operating also in the Dominican Republic and Central America. The Group also has interests in magazine publishing and distribution, professional sports and live entertainment, feature-film production and distribution, and gaming.

## 2. Accounting Policies

The principal accounting policies followed by the Group and used in the preparation of these consolidated financial statements are summarized below.

### (a) Basis of Presentation

The consolidated financial statements of the Group as of December 31, 2020 and 2019, and for the years ended December 31, 2020, 2019 and 2018, are presented in accordance with International Financial Reporting Standards ("IFRS Standards"), as issued by the International Accounting Standards Board ("IASB"). IFRS Standards comprise: (i) IFRS Standards; (ii) International Accounting Standards ("IAS Standards"); (iii) IFRS Interpretations Committee ("IFRIC") Interpretations; and (iv) Standing Interpretations Committee ("SIC") Interpretations.

The consolidated financial statements have been prepared on a historical cost basis, except for the measurement at fair value of derivative financial instruments, financial assets, investments in equity financial instruments, plan assets of post-employment benefits and share-based payments, as described in the notes to the financial statements below.

The preparation of consolidated financial statements in conformity with IFRS Standards, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the Group's financial statements are disclosed in Note 5 to these consolidated financial statements.

These consolidated financial statements were authorized for issuance on March 31, 2021, and were also authorized for issuance on April 30, 2021 including the events disclosed in Note 30, by the Group's Corporate Vice President of Finance.

### (b) Consolidation

The financial statements of the Group are prepared on a consolidated basis and include the assets, liabilities and results of operations of all companies in which the Company has a controlling interest (subsidiaries). All intercompany balances and transactions have been eliminated from the consolidated financial statements.

**Subsidiaries**

Subsidiaries are all entities over which the Company has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effects of potential voting rights that are currently exercisable or convertible are considered when assessing whether or not the Company controls another entity. The subsidiaries are consolidated from the date on which control is obtained by the Company and cease to consolidate from the date on which said control is lost.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in income or loss.

**Changes in Ownership Interests in Subsidiaries without Change of Control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the interest acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

**Loss of Control of a Subsidiary**

When the Company ceases to have control of a subsidiary, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in income or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This means that amounts previously recognized in other comprehensive income are reclassified to income or loss except for certain equity financial instruments designated irrevocably with changes in other comprehensive income or loss.

At December 31, 2020 and 2019, the main direct and indirect subsidiaries of the Company were as follows:

| Subsidiaries | Company's Ownership Interest [1] | Business Segment [2] |
|---|---|---|
| Empresas Cablevisión, S.A.B. de C.V. and subsidiaries (collectively, "Empresas Cablevisión") [3] | 51.2% | Cable |
| Subsidiaries engaged in the Cablemás business (collectively, "Cablemás") [4] | 100% | Cable |
| Televisión Internacional, S.A. de C.V. and subsidiaries (collectively, "TVI") [5] | 100% | Cable |
| Cablestar, S.A. de C.V. and subsidiaries (collectively, "Bestel") [6] | 66.2% | Cable |
| Arretis, S.A.P.I. de C.V. and subsidiaries (collectively, "Cablecom") [7] | 100% | Cable |
| Subsidiaries engaged in the Telecable business (collectively, "Telecable") [8] | 100% | Cable |
| FTTH de México, S.A. de C.V. [9] | 100% | Cable |
| Corporativo Vasco de Quiroga, S.A. de C.V. ("CVQ") and subsidiaries [10] | 100% | Cable and Sky |
| Innova, S. de R.L. de C.V. ("Innova") and subsidiaries (collectively, "Sky") [11] | 58.7% | Sky |
| Grupo Telesistema, S.A. de C.V. ("Grupo Telesistema") and subsidiaries | 100% | Content and Other Businesses |
| Televisa, S.A. de C.V. ("Televisa") [12] | 100% | Content |
| Televisión Independiente de México, S.A. de C.V. ("TIM") [12] | 100% | Content |
| G.Televisa-D, S.A. de C.V. [12] | 100% | Content |
| Multimedia Telecom, S.A. de C.V. ("Multimedia Telecom") and subsidiary [13] | 100% | Content |
| Ulvik, S.A. de C.V. [14] | 100% | Content and Other Businesses |
| Controladora de Juegos y Sorteos de México, S.A. de C.V. and subsidiaries | 100% | Other Businesses |
| Editorial Televisa, S.A. de C.V. and subsidiaries | 100% | Other Businesses |
| Grupo Distribuidoras Intermex, S.A. de C.V. and subsidiaries | 100% | Other Businesses |
| Villacezán, S.A. de C.V. ("Villacezán") and subsidiaries [15] | 100% | Other Businesses |
| Sistema Radiópolis, S.A. de C.V. ("Radiópolis") and subsidiaries [16] | — | Disposed operations |

(1) Percentage of equity interest directly or indirectly held by the Company.

(2) See Note 26 for a description of each of the Group's business segments.

(3) Empresas Cablevisión, S.A.B. de C.V., is a direct majority-owned subsidiary of CVQ.

(4) Some Cablemás subsidiaries are directly owned by CVQ and some other Cablemás subsidiaries are indirectly owned by CVQ.

(5) Televisión Internacional, S.A. de C.V., is a direct subsidiary of CVQ.

(6) Cablestar, S.A. de C.V., is an indirect majority-owned subsidiary of CVQ and Empresas Cablevisión, S.A.B. de C.V.

(7) Arretis, S.A.P.I. de C.V., is a direct subsidiary of CVQ.

(8) The Telecable subsidiaries are directly owned by CVQ.

(9) FTTH de México, S. A. de C.V., is an indirect subsidiary of CVQ.

(10) CVQ is a direct subsidiary of the Company and the parent company of Empresas Cablevisión, Cablemás, TVI, Bestel, Cablecom, Telecable and Innova.

(11) Innova is an indirect majority-owned subsidiary of the Company, CVQ and Sky DTH, S.A. de C.V. ("Sky DTH"), and a direct majority-owned subsidiary of Innova Holdings, S. de R.L. de C.V. ("Innova Holdings"). Sky is a satellite television provider in Mexico, Central America and the Dominican Republic. Although the Company holds a majority of Innova's equity and designates a majority of the members of Innova's Board of Directors, the non-controlling interest has certain governance and veto rights in Innova, including the right to block certain transactions between the companies in the Group and Sky. These veto rights are protective in nature and do not affect decisions about relevant business activities of Innova.

(12) Televisa, TIM and G.Televisa-D, S.A. de C.V., are direct subsidiaries of Grupo Telesistema.

(13) Multimedia Telecom and its direct subsidiary, Comunicaciones Tieren, S.A. de C.V. ("Tieren"), are indirect wholly-owned subsidiaries of Grupo Telesistema, through which the Company owns shares of the capital stock of UHI and maintained through December 29, 2020, an investment in warrants that were exercised for shares of common stock of UHI on that date. As of December 31, 2020 and 2019, Multimedia Telecom and Tieren have investments representing 95.3% and 4.7%, respectively, of the Group's aggregate investment in shares of common stock and/or share warrants issued by UHI (see Notes 9, 10 and 20).

(14) Direct subsidiary through which we conduct certain operations of our Content segment and certain operations of our Other Businesses segments.

(15) Villacezán is an indirect subsidiary of Grupo Telesistema.

(16) In July 2020, the Company concluded the sale of its 50% equity interest in Radiópolis. Through June 2020, Radiópolis was a direct subsidiary of the Company through which the Group conducted the operations of its former Radio business. The Company controlled Radiópolis as it had the right to appoint the majority of the members of the Board of Directors of Radiópolis. The Radio business was part the of the Group's Other Businesses segment through the third quarter of 2019. Beginning in the fourth quarter of 2019, the assets and related liabilities of the Radio Business, as well as its operating results, were classified as held for sale in the Group's consolidated financial statements through June 30, 2020 (see Notes 3 and 26).

The Group's Cable, Sky and Content segments, require governmental concessions and special authorizations for the provision of broadcasting and telecommunications services in Mexico. Such concessions are granted by the Mexican Institute of Telecommunications ("Instituto Federal de Telecomunicaciones" or "IFT") for a fixed term, subject to renewal in accordance with the Mexican Telecommunications and Broadcasting Law ("Ley Federal de Telecomunicaciones y Radiodifusión" or "LFTR").

Renewal of concessions for the Content segment (Broadcasting) require, among others: (i) to request such renewal to IFT prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; (iii) a declaration by IFT that there is no public interest in recovering the spectrum granted under the related concession; and (iv) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT, including the payment of a related fee. IFT shall resolve within the year following the presentation of the request, if there is public interest in recovering the spectrum granted under the related concession, in which case it will notify its determination and proceed with the termination of the concession at the end of its fixed term. If IFT determines that there is no public interest in recovering the spectrum, it will grant the requested extension within 180 business days, provided that the concessionaire accepts, in advance, the new conditions set by IFT, which will include the payment of the fee referred to above. Such fee will be determined by IFT for the relevant concessions, considering the following elements: (i) the frequency band; (ii) the amount of spectrum; (iii) coverage of the frequency band; (iv) domestic and international benchmark regarding the market value of frequency bands; and (v) upon request of IFT, an opinion issued by the Ministry of Finance and Public Credit of IFT´s proposal for calculation of the fee.

Renewal of concessions for the Sky and Cable segments require, among others: (i) to request its renewal to IFT prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; and (iii) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT. IFT shall resolve any request for renewal of the telecommunications concessions within 180 business days of its request. Failure to respond within such period of time shall be interpreted as if the request for renewal has been granted.

The regulations of the broadcasting and the telecommunications concessions (including satellite pay TV) establish that at the end of the concession, the frequency bands or spectrum attached to the services provided in the concessions shall return to the Mexican government. In addition, at the end of the concession, the Mexican government will have the preferential right to acquire infrastructure, equipment and other goods directly used in the provision of the concession. If the Mexican government were to exercise its right to acquire infrastructure, equipment and other goods, it would be required to pay a price that is equivalent to a formula that is similar to fair value. To the knowledge of the Company's management, no spectrum granted for broadcasting services in Mexico has been recovered by the Mexican government in at least the past three decades for public interest reasons. However, the Company's management is unable to predict the outcome of any action by IFT in this regard. In addition, these assets, by themselves, would not be enough to immediately begin broadcasting or offering satellite pay TV services or telecommunications services, as no content producing assets or other equipment necessary to operate the business would be included.

Also, the Group's Gaming business, which is reported in the Other Businesses segment, requires a permit granted by the Mexican Federal Government for a fixed term, subject to renewal in accordance with Mexican law. Additionally, the Group's Sky businesses in Central America and the Dominican Republic require concessions or permits granted by local regulatory authorities for a fixed term, subject to renewal in accordance with local laws.

The accounting guidelines provided by IFRIC 12 *Service Concession Arrangements,* are not applicable to the Group due primarily to the following factors: (i) the Mexican government does not substantially control the Group's infrastructure, what services are provided with the infrastructure and the price at which such services are offered; (ii) the Group's broadcasting service does not constitute a public service as per the definition in IFRIC 12; and (iii) the Group is unable to divide its infrastructure among the public (telephony and possibly Internet services) and non-public (pay TV) service components.

At December 31, 2020, the expiration dates of the Group's concessions and permits were as follows:

| **Segments** | **Expiration Dates** |
|---|---|
| Cable | Various from 2022 to 2048 |
| Sky | Various from 2021 to 2030 |
| Content (broadcasting concessions) [(1)] | In 2021 and the relevant renewals start in 2022 ending in 2042 |
| Other Businesses: | |
| Gaming | In 2030 |

(1) In November 2018, the IFT approved the renewal of the Group's broadcasting concessions for all of its television stations in Mexico, for a term of 20 years after the existing expiration date in 2021. In November 2018, the Group paid for such renewal an aggregate amount of Ps.5,754,543 in cash, which included a payment of Ps.1,194 for administrative expenses and recognized this payment as an intangible asset in its consolidated statement of financial position. This amount will be amortized in a period of 20 years beginning on January 1, 2022, by using the straight-line method (see Note 13).

The concessions or permits held by the Group are not subject to any significant pricing regulations in the ordinary course of business.

**(c) Investments in Associates and Joint Ventures**

Associates are those entities over which the Group has significant influence but not control or joint control, generally those entities with a shareholding of between 20% and 50% of the voting rights. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are those joint arrangements where the Group exercises joint control with other stockholder or more stockholders without exercising control individually, and have rights to the net assets of the joint arrangements. Investments in associates and joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the net assets of the investee after the date of acquisition.

The Group's investments in associates include an equity interest in UHI represented by approximately 35.9% and 10% of the outstanding total shares of UHI as of December 31, 2020 and 2019, respectively (see Notes 9 and 10).

If the Group's share of losses of an associate or a joint venture equals or exceeds its interest in the investee, the Group discontinues recognizing its share of further losses. The interest in an associate or a joint venture is the carrying amount of the investment in the investee under the equity method together with any other long-term investment that, in substance, form part of the Group's net investment in the investee. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

**(d) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Co-Chief Executive Officers ("chief operating decision makers") who are responsible for allocating resources and assessing performance for each of the Group's operating segments.

**(e) Foreign Currency Translation**

**Functional and Presentation Currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The presentation and reporting currency of the Group's consolidated financial statements is the Mexican peso, which is used for compliance with its legal and tax obligations.

**Transactions and Balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or measurement where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income as part of finance income or expense, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as investments in financial instruments are analyzed between exchange differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in income or loss, and other changes in carrying amount are recognized in other comprehensive income or loss.

**Translation of Foreign Operations**

The financial statements of the Group's foreign entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows: (a) assets and liabilities are translated at the closing rate at the date of the statement of financial position; (b) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); (c) stockholders' equity accounts are translated at the prevailing exchange rate at the time capital contributions were made and earnings were generated and (d) all resulting translation differences are recognized in other comprehensive income or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Translation differences arising are recognized in other comprehensive income or loss.

Assets and liabilities in foreign currencies of non-Mexican subsidiaries that use the Mexican Peso as a functional currency are initially converted to Mexican Pesos by utilizing the exchange rate of the statement of financial position date for monetary assets and liabilities, and historical exchange rates for non-monetary items, with the related adjustment included in the consolidated statement of income as finance income or expense.

A portion of the Group's outstanding principal amount of its U.S. dollar denominated long-term debt (hedging instrument, disclosed in the line item "Long-term debt, net of current portion" of the consolidated statement of financial position) has been designated as a hedge of a net investment in a foreign operation in connection with the Group's investment in shares of common stock of UHI (hedged item), which amounted to U.S.$1,074.0 million (Ps.21,424,180) and U.S.$433.7 million (Ps.8,189,662) as of December 31, 2020 and 2019, respectively. Consequently, any foreign exchange gain or loss attributable to this designated hedging long-term debt is credited or charged directly to other comprehensive income or loss as a cumulative result from foreign currency translation (see Note 10).

A portion of the Group's outstanding principal amount of its U.S. dollar denominated long-term debt (hedging instrument, disclosed in the line item "Long-term debt, net of current portion" of the consolidated statement of financial position) was designated as a fair value hedge of foreign exchange exposure related to its investment in warrants that were exercisable for common stock of UHI (hedged item) through December 29, 2020, the date on which the Group exercised all of these warrants for common stock of UHI, which amounted to Ps.17,387,699 (U.S.$871.6 million) as of December 29, 2020 and Ps.33,775,451 (U.S.$1,788.6 million) as of December 31, 2019. Consequently, any foreign exchange gain or loss attributable to this designated hedging long-term debt was credited or charged directly to other comprehensive income or loss through December 29, 2020, along with the recognition in the same line item of any foreign currency gain or loss of this investment in warrants designated as a hedged item through that date (see Notes 9, 14 and 18).

A portion of the Group's outstanding principal amount of its U.S. dollar denominated long-term debt (hedging instrument, disclosed in the line item "Long-term debt, net of current portion" of the consolidated statement of financial position) has been designated as a fair value hedge of foreign exchange exposure related to its investment in Open-Ended Fund (hedged item), which amounted to Ps.1,135,803 (U.S.$56.9 million) and Ps.4,688,202 (U.S.$248.3 million), as of December 31, 2020 and 2019, respectively. Consequently, any foreign exchange gain or loss attributable to this designated hedging long-term debt is credited or charged directly to other comprehensive income or loss, along with the recognition in the same line item of any foreign currency gain or loss of this investment in Open-Ended Fund designated as a hedged item (see Notes 9, 14 and 18).

Beginning on January 1, 2018, the Group adopted the hedge accounting requirements of IFRS 9 *Financial Instruments* ("IFRS 9") for all of its hedging relationships. This IFRS Standard became effective on that date.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and all highly liquid investments with an original maturity of three months or less at the date of acquisition. Cash is stated at nominal value and cash equivalents are measured at fair value, and the changes in the fair value are recognized in the statement of income.

As of December 31, 2020 and 2019, cash equivalents primarily consisted of fixed short-term deposits and corporate fixed income securities denominated in U.S. dollars and Mexican pesos, with an average yield of approximately 0.38% for U.S. dollar deposits and 5.40% for Mexican peso deposits in 2020, and approximately 2.20% for U.S. dollar deposits and 8.09% for Mexican peso deposits in 2019.

**(g) Transmission Rights and Programming**

Programming is comprised of programs, literary works, production talent advances and films.

Transmission rights and literary works are valued at the lesser of acquisition cost and net realizable value. Programs and films are valued at the lesser of production cost, which consists of direct production costs and production overhead, and net realizable value. Payments for production talent advances are initially capitalized and subsequently included as direct or indirect costs of program production. Transmission rights are recognized from the point of which the legally enforceable license period begins. Until the license term commences and the programming rights are available, payments made are recognized as prepayments.

The Group's policy is to capitalize the production costs of programs which benefit more than one annual period and amortize them over the expected period of future program revenues based on the Company's historical revenue patterns and usage for similar productions.

Transmission rights, programs, literary works, production talent advances and films are recorded at acquisition or production cost. Cost of sales is calculated and recorded for the month in which such transmission rights, programs, literary works, production talent advances and films are matched with related revenues.

Transmission rights are recognized in income over the lives of the contracts. Transmission rights in perpetuity are amortized on a straight-line basis over the period of the expected benefit as determined by past experience, but not exceeding 25 years.

**(h) Inventories**

Inventories of paper, magazines, materials and supplies for maintenance of technical equipment are recorded at the lower of cost or its net realization value. The net realization value is the estimated selling price in the normal course of business, less estimated costs to conduct the sale. Cost is determined using the average cost method.

**(i) Financial Assets**

Beginning on January 1, 2018, the Group classifies its financial assets in accordance with IFRS 9 which became effective on that date. Under the guidelines of IFRS 9, the Group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or loss ("FVOCIL"), or fair value through income or loss ("FVIL"), based on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

**Financial Assets Measured at Amortized Cost**

Financial assets are measured at amortized cost when the objective of holding such financial assets is to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are only payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate method, with changes in carrying value recognized in the consolidated statement of income in the line which most appropriately reflects the nature of the item or transaction. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period that are included in non-current assets. The Group's financial assets measured at amortized costs are primarily presented as "trade notes and accounts receivable", "other accounts and notes receivable", and "due from related parties" in the consolidated statement of financial position (see Note 7).

**Financial Assets Measured at FVOCIL**

Financial assets are measured at FVOCIL when the objective of holding such financial assets is both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's investments in certain equity instruments have been designated to be measured at FVOCIL, as permitted by IFRS 9 (see Note 28). In connection with this designation, any amounts presented in consolidated other comprehensive income are not subsequently transferred to consolidated income. Dividends from these equity instruments are recognized in consolidated income when the right to receive payment of the dividend is established, and such dividend is probable to be paid to the Group.

**Financial Assets at FVIL**

Financial assets at FVIL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

**Impairment of Financial Assets**

From January 1, 2018, the Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at fair value through other comprehensive income or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables (see Note 7).

**Offsetting of Financial Instruments**

Financial assets are offset against financial liabilities and the net amount reported in the consolidated statement of financial position if, and only when the Group: (i) currently has a legally enforceable right to set off the recognized amounts; and (ii) intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously.

**(j) Property, Plant and Equipment**

Property, plant and equipment are recorded at acquisition cost.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to income or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation of property, plant and equipment is based upon the carrying value of the assets in use and is computed using the straight-line method over the estimated useful lives of the asset, as follows:

| | Estimated Useful Lives |
|---|---|
| Buildings | 20-65 years |
| Building improvements | 5-20 years |
| Technical equipment | 3-30 years |
| Satellite transponders | 15 years |
| Furniture and fixtures | 3-10 years |
| Transportation equipment | 4-8 years |
| Computer equipment | 3-6 years |
| Leasehold improvements | 5-30 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other income or expense in the consolidated statement of income.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

**(k) Right-of-use Assets**

Right-of-use assets are measured at cost comprising the following: the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight – line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and mostly leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

**(l) Intangible Assets and Goodwill**

Intangible assets and goodwill are recognized at acquisition cost. Intangible assets and goodwill acquired through business combinations are recorded at fair value at the date of acquisition. Intangible assets with indefinite useful lives, which include, trademarks, concessions, and goodwill, are not amortized, and subsequently recognized at cost less accumulated impairment losses. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives, as follows:

| | Estimated Useful Lives |
|---|---|
| Trademarks with finite useful lives | 4 years |
| Licenses | 3-10 years |
| Subscriber lists | 4-5 years |
| Payments for renewal of concessions | 20 years |
| Other intangible assets | 3-20 years |

**Trademarks**

The Group determines its acquired trademarks to have an indefinite life when they are expected to generate net cash inflows for the Group indefinitely. Additionally, the Group considers that there are no legal, regulatory or contractual provisions that limit the useful lives of trademarks. The Group has not capitalized any amounts associated with internally developed trademarks.

**Concessions**

The Group defined concessions to have an indefinite life due to the fact that the Group has a history of renewing its concessions upon expiration, has maintained the concessions granted by the Mexican government, and has no foreseeable limit to the period over which the assets are expected to generate net cash inflows. In addition, the Group is committed to continue to invest for the long term to extend the period over which the broadcasting and telecommunications concessions are expected to continue to provide economic benefits.

Any fees paid by the Group to regulatory authorities for concessions renewed are determined to have finite useful lives and are amortized on a straight-live basis over the fixed term of the related concession.

**Goodwill**

Goodwill arises on the acquisition of a business and represents the excess of the consideration transferred over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher between the value in use and the fair value less costs to sell. Any impairment of goodwill is recognized as an expense in the consolidated statement of income and is not subject to be reversed in subsequent periods.

**(m) Impairment of Long-lived Assets**

The Group reviews for impairment the carrying amounts of its long-lived assets, tangible and intangible, including goodwill (see Note 13), at least once a year, or whenever events or changes in business circumstances indicate that these carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. To determine whether an impairment exists, the carrying value of the reporting unit is compared with its recoverable amount. Fair value estimates are based on quoted market values in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including discounted value of estimated future cash flows, market multiples or third-party appraisal valuations. Any impairment of long-lived assets other than goodwill may be subsequently reversed under certain circumstances.

**(n) Trade Accounts Payable and Accrued Expenses**

Trade accounts payable and accrued expenses are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade accounts payable and accrued expenses are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade accounts payable and accrued expenses are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Trade accounts payable and accrued expenses are presented as a single item of consolidated current liabilities in the consolidated statements of financial position as of December 31, 2020 and 2019.

**(o) Debt**

Debt is recognized initially at fair value, net of transaction costs incurred. Debt is subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of income over the period on which the debt is outstanding using the effective interest method.

Fees paid on the establishment of debt facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Current portion of long-term debt and interest payable are presented as a separate line item in the consolidated statements of financial position as of December 31, 2020 and 2019.

Debt early redemption costs are recognized as finance expense in the consolidated statement of income.

**(p) Customer Deposits and Advances**

Customer deposits and advance agreements for advertising services provide that customers receive prices that are fixed for the contract period for advertising time in the Group's platforms based on rates established by the Group. Such rates vary depending on when the advertisement is made, including the season, hour, day and type of programming.

The Group recognizes customer deposits and advance agreements for advertising services in the consolidated statement of financial position when these agreements are executed either with a consideration in cash paid by customers or with short-term non-interest bearing notes received from customers in connection with annual ("upfront basis") and from time to time ("scatter basis") prepayments (see Note 7). In connection with the initial adoption of IFRS 15 *Revenues from Contracts with Customers* ("IFRS 15") in the first quarter of 2018 (see Note 2 (s)), customer deposits and advances agreements are presented by the Group as a contract liability in the consolidated statement of financial position when a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services to the customer. Under the guidelines of this standard, a contract liability is a Group's obligation to transfer services or goods to a customer for which the Group has received consideration, or an amount of consideration is due, from the customer. In addition, the Group recognizes contract asset upon the approval of non-cancellable contracts that generate an unconditional right to receive cash consideration prior to services being rendered. The Company's management has consistently recognized that an amount of consideration is due, for legal, finance and accounting purposes, when a short-term non-interest bearing note is received from a customer in connection with a deposit or advance agreement entered into with the customer for advertising services to be rendered by the Group in the short term.

**(q) Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provisions due to passage of time is recognized as interest expense.

**(r) Equity**

The capital stock and other equity accounts include the effect of restatement through December 31, 1997, determined by applying the change in the Mexican National Consumer Price Index between the dates capital was contributed or net results were generated and December 31, 1997, the date through which the Mexican economy was considered hyperinflationary under the guidelines of IFRS Standards. The restatement represented the amount required to maintain the contributions and accumulated results in Mexican Pesos in purchasing power as of December 31, 1997.

Where any company in the Group purchases shares of the Company's capital stock (shares repurchased), the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to stockholders of the Company until the shares are cancelled, reissued, or sold. Where such shares repurchased are subsequently reissued or sold, any consideration received, net of any directly attributable incremental transaction costs, is included in equity attributable to stockholders of the Company.

**(s) Revenue Recognition**

In connection with the initial adoption of IFRS 15, in the first quarter of 2018, the Company's management: (i) reviewed significant revenue streams and identified certain effects on revenue recognition in the Group's Cable and Sky segments, as discussed below; (ii) used the retrospective cumulative effect, which consists in recognizing any cumulative adjustment resulting from the new standard at the date of initial adoption in consolidated equity; and (iii) did not restate the comparative information for prior years, which was reported under the revenue recognition IFRS Standard in effect in those periods (see Note 28).

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided. The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Group derives the majority of its revenues from media and entertainment-related business activities both in Mexico and internationally. Revenues are recognized when the service is provided and collection is probable. A summary of revenue recognition policies by significant activity is as follows:

- Cable television, internet and telephone subscription, and pay-per-view and installation fees are recognized in the period in which the services are rendered. Beginning on January 1, 2018, in accordance with IFRS 15, incremental costs for obtaining contracts with customers, primarily commissions, are recognized as assets in the Group's consolidated statement of financial position and amortized in the expected life of contracts with customers.

- Revenues from other telecommunications and data services are recognized in the period in which these services are provided. Other telecommunications services include long distance and local telephony, as well as leasing and maintenance of telecommunications facilities.

- Sky program service revenues, including advances from customers for future direct-to-home ("DTH") program services, are recognized at the time the service is provided. Beginning on January 1, 2018, in accordance with IFRS 15, certain incremental costs for obtaining contracts with customers, primarily commissions, are recognized as assets in the Group's consolidated statement of financial position and amortized in the expected life of contracts with customers.

- Advertising revenues, including deposits and advances from customers for future advertising, are recognized at the time the advertising services are rendered.

- Revenues from program services for network subscription and licensed and syndicated television programs are recognized when the programs are sold and become available for broadcast.

- Revenues from magazine subscriptions are initially deferred and recognized proportionately as products are delivered to subscribers. Revenues from the sales of magazines are recognized on the date of circulation of delivered merchandise, net of a provision for estimated returns.

- Revenues from publishing distribution are recognized upon distribution of the products.

- Revenues from attendance to soccer games, including revenues from advance ticket sales for soccer games and other promotional events, are recognized on the date of the relevant event.

- Motion picture production and distribution revenues are recognized as the films are exhibited.

- Gaming revenues consist of the net win from gaming activities, which is the difference between amounts wagered and amounts paid to winning patrons and are recognized at the time of such net win.

In respect to sales of multiple products or services, the Group evaluates whether it has fair value evidence for each deliverable in the transaction. For example, the Group sells cable television, internet and telephone subscription to subscribers in a bundled package at a rate lower than if the subscriber purchases each product on an individual basis. Subscription revenues received from such subscribers are allocated to each product in a pro-rata manner based on the fair value of each of the respective services.

**(t) Interest Income**

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognized using the original effective interest rate.

**(u) Employee Benefits**

**Pension and Seniority Premium Obligations**

Plans exist for pensions and seniority premiums (post-employment benefits), for most of the Group's employees funded through irrevocable trusts. Increases or decreases in the consolidated liability or asset for post-employment benefits are based upon actuarial calculations. Contributions to the trusts are determined in accordance with actuarial estimates of funding requirements. Payments of post-employment benefits are made by the trust administrators. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Remeasurement of post-employment benefit obligations related to experience adjustments and changes in actuarial assumptions of post- employment benefits are recognized in the period in which they are incurred as part of other comprehensive income or loss in consolidated equity.

**Profit Sharing**

The employees' profit sharing required to be paid under certain circumstances in Mexico, is recognized as a direct benefit to employees in the consolidated statements of income in the period in which it is incurred.

**Termination Benefits**

Termination benefits, which mainly represent severance payments by law, are recorded in the consolidated statement of income. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that involves the payment of termination benefits.

**(v) Income Taxes**

The income tax expense for the period comprises current and deferred income tax. Income tax is recognized in the consolidated statement of income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is recognized in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction (other than in a business combination) that at the time of the transaction affects neither accounting nor taxable income or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is recovered or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences and tax loss carryforwards can be utilized. For this purpose, the Group takes into consideration all available positive and negative evidence, including factors such as market conditions, industry analysis, projected taxable income, carryforward periods, current tax structure, potential changes or adjustments in tax structure, and future reversals of existing temporary differences.

Deferred income tax liabilities are provided on taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are provided on deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, to the extent that it is probable that there will be sufficient taxable income against which to utilize the benefit of the temporary difference and it is expected to reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**(w) Derivative Financial Instruments**

The Group recognizes derivative financial instruments as either assets or liabilities in the consolidated statements of financial position and measures such instruments at fair value. The accounting for changes in the fair value of a derivative financial instrument depends on the intended use of the derivative financial instrument and the resulting designation. For a derivative financial instrument designated as a cash flow hedge, the effective portion of such derivative's gain or loss is initially reported as a component of other comprehensive income or loss and subsequently reclassified into income when the hedged exposure affects income. The ineffective portion of the gain or loss is reported in income immediately. For a derivative financial instrument designated as a fair value hedge, the gain or loss is recognized in income in the period of change together with the offsetting loss or gain on the hedged item attributed to the risk being hedged. When a hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument that has been recognized in other comprehensive income remains in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to income or loss. For derivative financial instruments that are not designated as accounting hedges, changes in fair value are recognized in income in the period of change. During the years ended December 31, 2020, 2019 and 2018, certain derivative financial instruments qualified for hedge accounting (see Note 15).

**(x) Comprehensive Income**

Comprehensive income for the period includes the net income for the period presented in the consolidated statement of income plus other comprehensive income for the period reflected in the consolidated statement of comprehensive income.

**(y) Share-based Payment Agreements**

Key officers and employees of certain subsidiaries of the Company have entered into agreements for the conditional sale of Company's shares under the Company's Long-Term Retention Plan ("LTRP"). The share-based compensation expense is measured at fair value at the date the equity benefits are conditionally sold to these officers and employees, and is recognized as a charge to consolidated income (administrative expense) over the vesting period. The Group recognized a share-based compensation expense of Ps.984,356, Ps.1,129,644 and Ps.1,327,549 for the years ended December 31, 2020, 2019 and 2018, respectively, of which Ps.962,806, Ps.1,108,094 and Ps.1,305,999 was credited in consolidated stockholders' equity for those years, respectively (see Note 17).

**(z) Leases**

Through December 31, 2018:

- The determination of whether an arrangement was, or contained, a lease was based on the substance of the arrangement and required an assessment of whether the fulfillment of the arrangement was dependent on the use of a specific asset or assets and whether the arrangement conveyed the right to use the asset.

- Leases of property, plant and equipment and other assets where the Group held substantially all the risks and rewards of ownership were classified as finance leases. Finance lease assets were capitalized at the commencement of the lease term at the lower of the present value of the minimum lease payments or the fair value of the lease asset. The obligations relating to finance leases, net of finance charges in respect of future periods, were recognized as liabilities. The interest element of the finance cost was charged to the consolidated statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the shorter of the useful life of the asset and the lease term.

- Leases where a significant portion of the risks and rewards were held by the lessor were classified as operating leases. Rentals were charged to the consolidated statement of income on a straight line basis over the period of the lease.

- Leasehold improvements were depreciated at the lesser of its useful life or contract term.

In the first quarter of 2019, the Group adopted IFRS 16 *Leases* ("IFRS 16"), which became effective for annual periods beginning on January 1, 2019 (see Note 28). The Group does not apply this new IFRS Standard to short-term leases and leases for which the underlying asset is of low value, as permitted by the guidelines of IFRS 16.

On adoption of IFRS 16, the Group recognized lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 *Leases* ("IAS 17"). These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee´s incremental borrowing rate as of January 1, 2019. The average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 4.7% and 10.6% for U.S. dollars leases and Mexican pesos leases, respectively.

**(aa) New and Amended IFRS Standards**

The Group adopted IFRS 16 in 2019, which became effective on January 1, 2019 (see Notes 2 (k), 2 (z) and 28). The Group adopted IFRS 15 and IFRS 9 in 2018, which became effective on January 1, 2018 (see Notes 2 (i), 2 (t) and 28). Some other amendments and improvements to certain IFRS Standards became effective on January 1, 2020, 2019 and 2018, and they did not have any significant impact on the Group's consolidated financial statements.

Below is a list of the new and amended IFRS Standards that have been issued by the IASB and are effective for annual periods starting on or after June 1, 2021.

| New or Amended IFRS Standard | Title of the IFRS Standard | Effective for Annual Periods Beginning On or After |
|---|---|---|
| Amendments to IFRS 10 and IAS 28 [(1)] | *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* | Postponed |
| IFRS 17 [(2)] | *Insurance Contracts* | January 1, 2023 |
| Amendments to IAS 1 [(1)] | *Classification of Liabilities as Current or Non-current* | January 1, 2023 |
| Annual Improvements [(1)] | *Annual Improvements to IFRS Standards 2018-2020* | January 1, 2022 |
| Amendments to IAS 16 [(1)] | *Property, Plant and Equipment: Proceeds before Intended Use* | January 1, 2022 |
| Amendments to IAS 37 [(1)] | *Onerous Contracts – Cost of Fulfilling a Contract* | January 1, 2022 |
| Amendments to IFRS 3 [(1)] | *Reference to the Conceptual Framework* | January 1, 2022 |
| Amendment to IFRS 16 [(1)] | *COVID-19-Related Rent Concessions* | June 1, 2020 |
| Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 [(2)] | *Interest Rate Benchmark Reform – Phase 2* | January 1, 2021 |
| Amendments to IAS 8 | *Definition of Accounting Estimates* | January 1, 2023 |
| Amendments to IAS 1 and IFRS Practice Statement 2 | *Disclosure of Accounting Policies* | January 1, 2023 |

[(1)] This new or amended IFRS Standard is not expected to have a significant impact on the Group's consolidated financial statements.

[(2)] This new or amended IFRS Standard is not expected to be applicable to the Group's consolidated financial statements.

Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, were issued in September 2014 and address and acknowledge inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involved a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involved assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015, the IASB postponed the effective date of these amendments indefinitely pending the outcome of its research project on the equity method of accounting.

IFRS 17 *Insurance Contracts* ("IFRS 17") was issued in May 2017 and amended in June 2020. IFRS 17 supersedes IFRS 4 *Insurance Contracts* ("IFRS 4"), which has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosures of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts with discretionary participation features issued. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Under the provisions of IFRS 17, insurance obligations will be accounted for using current values instead of historical cost. Amendments to IFRS 17 were issued in June 2020 aimed at helping companies implement the Standard and making it easier for them to explain their financial performance. The fundamental principles introduced when IFRS 17 was issued in May 2017 remained unaffected. IFRS 17 is effective on January 1, 2023, and earlier application is permitted.

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* were issued in January 2020, and clarify one of the criteria in IAS 1 for classifying a liability as non-current that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2023 retrospectively in accordance with IAS 8. Earlier application is permitted.

Annual Improvements to IFRS Standards 2018-2020, were issued in May 2020, and make minor amendments to certain IFRS Standards. The amendments are effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The following table shows the IFRS Standards amended and the subject of the amendments.

| Standard | Subject of Amendment |
|---|---|
| IFRS 1 *First-time Adoption of International Reporting Standards* | Subsidiary as a First-time Adopter |
| IFRS 9 *Financial Instruments* | Fees in the "10 per cent" Test for Derecognition of Financial Liabilities |
| Illustrative Examples accompanying IFRS 16 *Leases* | Lease Incentives |
| IAS 41 *Agriculture* | Taxation in Fair Value Measurements |

Amendments to IFRS 3 *Reference to the Conceptual Framework*, were issued in May 2020, and update a reference in IFRS 3 Business Combinations to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16 *Property, Plant and Equipment: Proceeds before Intended Use*, were issued in May 2020, and prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in income or loss.

Amendments to IAS 37 *Onerous Contracts – Cost of Fulfilling a Contract*, were issued in May 2020, and specify which costs a company includes when assessing whether a contract will be loss-making, under the guidelines of IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Amendment to IFRS 16 *Covid-19-Related Rent Concessions* was issued in May 2020, and exempts lessees from having to consider individual lease contracts to determine whether rent concessions (i.e. temporary rent reductions) occurring as a direct consequence of the Covid-19 pandemic are lease modifications, and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to Covid-19-related rent concessions that reduce lease payments due on or before June 30, 2021. IFRS 16 specifies how lessees should account for changes in lease payments, including concessions. However, applying those requirements to a potentially large volume of Covid-19-related rent concessions could be practically difficult, especially in the light of the many challenges stakeholders face during the pandemic. This optional exemption gives timely relief to lessees and enables them to continue providing information about their leases that is useful to investors. The amendment does not affect lessors. The amendment is effective for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted, including in financial statements not authorized for issue.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 *Interest Rate Benchmark Reform – Phase 2*, were issued in August 2020 as a complement to those amendments issued in September 2019 (Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform, which were focused on the accounting effects of uncertainty in the period leading up to the reform). The "interest rate benchmark reform" refers to the market-wide reform of an interest rate benchmark (such as an interbank offered rate or IBOR), including the replacement of an interest rate benchmark with an alternative benchmark rate. Phase 2 amendments focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform, The amendments in this final phase relate to: (i) changes to contractual cash flows – a company will not have to derecognize or adjust the carrying amount of financial instruments for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate; (ii) hedge accounting – a company will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and (iii) disclosures – a company will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

Amendments to IAS 8 *Definition of Accounting Estimates,* were issued in February 2021, the amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies.

Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of Accounting Policies,* were issued in February 2021, the Board amended paragraphs 117–122 of IAS 1 *Presentation of Financial Statements* to require entities to disclose their material accounting policy information rather than their significant accounting policies. To support this amendment the Board also amended IFRS Practice Statement 2 *Making Materiality Judgements* (Materiality Practice Statement) to explain and demonstrate the application of the 'four-step materiality process' to accounting policy disclosures.

**3. Acquisitions, Investments, Dispositions and Assets Held for Sale**

In February 2018, the Company announced an agreement to sell its 19.9% stake in Imagina Media Audiovisual, S.L. (together with its subsidiaries, "Imagina"), a media and telecom company in Spain, which was subject to the fulfillment of certain conditions and regulatory approvals. In June 2018, this transaction was closed and the Company sold its stake in Imagina and received proceeds in the aggregate amount of €284.5 million (Ps.6,603,751), of which €251.3 million (Ps.5,832,360) were in cash and €33.2 million (Ps.771,391) were held in escrow, and will be paid to the Company over time subject to customary terms and conditions under escrow agreements. In the fourth quarter of 2018, a cash amount of €16.1 million (Ps.366,354) was released from escrow and an amount of €1.5 million (Ps.33,558) was used for escrow purposes. As of December 31, 2020 and 2019, the amount held in escrow from this transaction was €2.2 million (Ps.54,302) and €5.4 million (Ps.114,127), respectively.

On December 17, 2018, the Group acquired from Axtel, S.A.B. de C.V. ("Axtel") its residential fiber-to-home business and related assets in Mexico City, Zapopan, Monterrey, Aguascalientes, San Luis Potosi and Ciudad Juárez. The assets acquired comprise 553,226 revenue generating units consisting of 97,622 video, 227,802 broadband and 227,802 voice, revenue generating units. This transaction was paid in cash by the Group in the aggregate amount of Ps.5,466,872, including value added tax. Through this acquisition, the Group continues with its strategy to consolidate a cable company with national coverage that delivers more and better services for the benefit of end users. The following table summarizes the allocation of the total amount of cash paid by the Group in connection with the purchase of tangible and identifiable intangible assets acquired and liabilities assumed at the acquisition date. The excess of the purchase price over those fair values was allocated to goodwill in the Cable segment. The Company's management completed a final purchase price allocation for this acquisition in the first half of 2019, and there was no changes with the preliminary purchase price allocation made as of December 31, 2018.

| | December 17, 2018 |
|---|---|
| Cash and cash equivalents | Ps. 1,000 |
| Trade notes and accounts receivables | 169,036 |
| Other accounts receivable primarily value-added tax | 875,331 |
| Total current assets | 1,045,367 |
| Property and equipment | 2,130,108 |
| Intangible assets and goodwill | 2,582,713 |
| Total assets | 5,758,188 |
| Other current liabilities | 291,316 |
| Total liabilities | 291,316 |
| Total net assets | Ps. 5,466,872 |

In July 2019, the Company announced an agreement with Live Nation Entertainment, Inc. ("Live Nation") to dispose of its 40% equity interest in OCESA Entretenimiento, S.A. de C.V. ("OCEN"), a live entertainment company with operations in Mexico, Central America and Colombia. OCEN is (i) a direct associate of OISE Entretenimiento, S.A. de C.V. ("OISE Entretenimiento"), a wholly-owned subsidiary of the Company; and (ii) a subsidiary of Compañía Interamericana de Entretenimiento, S.A.B. de C.V. ("CIE"). The proposed disposal of OCEN was expected to be completed by the parties in the first half of 2020, through the sale of all of the outstanding shares of OISE Entretenimiento, which net assets are comprised primarily of the 40% equity stake in OCEN. This transaction was subject to customary closing conditions, including regulatory approvals and certain notifications, and to the closing of the proposed sale by CIE to Live Nation of a portion of its stake in OCEN. In consideration for the sale of the shares of OISE Entretenimiento, the Company expected to receive cash proceeds in the aggregate amount of Ps.5,206,000. As a result of this transaction, beginning on July 31, 2019, the Group classified the assets of OISE Entretenimiento, including the carrying value of its investment in OCEN as current assets held for sale in its consolidated statement of financial position. As of December 31, 2019, the carrying value of current assets held for sale in connection with this proposed transaction amounted to Ps.694,239, of which Ps.693,970, were related to the carrying value of the investment in OCEN. Live Nation and the Company have an open dispute in connection with a purported unilateral termination of the stock purchase agreement by Live Nation which was notified to the Company in May 2020. Beginning on May 31, 2020, the Company: (i) ceased to classify the assets of OISE Entretenimiento, including the investment in OCEN, as current assets held for sale; (ii) began to classify its equity interest in OCEN as an investment in associates and joint ventures in its consolidated statement of financial position; (iii) recognized its share of income of OCEN, which was discontinued from August 1, through December 31, 2019, in consolidated retained earnings as of January 1, 2020 in the amount of Ps.147,975; (iv) began to recognize its share of income or loss of OCEN for the year ended December 31, 2020; and (v) restated for comparison purposes its previously reported consolidated statement of financial position as of December 31, 2019, which included its investment in OCEN as current assets held for sale, to conform with the current classification of this asset as investments in associates and joint ventures (see Notes 10 and 20).

In July 2019, the Company announced a stock purchase agreement with Corporativo Coral, S.A. de C.V. ("Coral") and Miguel Alemán Magnani as Obligor to dispose of its 50% equity interest in Radiópolis, a direct subsidiary of the Company at that date which was engaged in the Radio business, for an aggregate amount of Ps.1,248,000, as well as the payment of a dividend by Radiópolis to the Company by the closing date of the transaction. While the sale of the Company's equity interest in the Radio business was consummated for legal and tax purposes as of December 31, 2019, the total assets and related total liabilities of Radiópolis in the amount of Ps.1,675,426 and Ps.432,812, respectively, as of December 31, 2019, were classified as current assets and current liabilities held for sale in the Group's consolidated statement of financial position as of that date, as the voting interest of the Company in Radiópolis continued to be in place until the full payment of the purchase price was made by the acquirer. In March and June 2020, the Company entered into additional agreements with Coral an its Obligor to complete this transaction by which, among other things, the acquirer made two cash payments in March and June 2020, for the amount of Ps.603,395 and Ps.110,000, respectively, and a final cash payment in July 2020 for the amount of Ps.534,605, the Company concluded this transaction and received the payment of a dividend from Radiópolis in the amount of Ps.285,669. As a result of this transaction the Group recognized a pre-tax gain of disposition on Radiópolis of Ps.932,449 in consolidated other income for the year ended December 31, 2020. Following this transaction, the Group classified its former Radio operations as disposed operations in the segment information of its consolidated statements of income for the years ended December 31, 2020, 2019 and 2018. The Group did not classify its former Radio operations as discontinued operations in these consolidated statements of income, as these operations did not represent a separate major line of business in any of those years, based on a materiality assessment performed by management (see Notes 2 (b), 22 and 26).

**4. Financial Risk Management**

**(a) Market Risk**

Market risk is the exposure to an adverse change in the value of financial instruments caused by market factors including changes in equity prices, interest rates, foreign currency exchange rates, commodity prices and inflation rates.

The Group is exposed to market risks arising from changes in equity prices, interest rates, foreign currency exchange rates and inflation rates, in both the Mexican and U.S. markets. Market risk management activities are monitored by the Investments, Risk Management and Treasury Committee on a quarterly basis.

**(i) Foreign Exchange Risk**

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. dollar and in those subsidiaries with functional currency other than the Mexican peso. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Foreign currency exchange risk is monitored by assessing the net monetary liability position in U.S. dollars and the forecasted cash flow needs for anticipated U.S. dollar investments and servicing the Group's U.S. dollar-denominated debt.

Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, entities in the Group use forward contracts. In compliance with the procedures and controls established by the Risk Management Committee, in 2020 and 2019, the Group entered into certain derivative transactions with certain financial institutions in order to manage its exposure to market risks resulting from changes in interest rates and foreign currency exchange rates. The objective in managing foreign currency fluctuations is to reduce earnings and cash flow volatility.

**Foreign Currency Position**

The foreign currency position of monetary items of the Group at December 31, 2020, was as follows:

| | Foreign Currency Amounts (Thousands) | Year-End Exchange Rate | Mexican Pesos |
|---|---|---|---|
| **Assets:** | | | |
| U.S. dollars | **1,154,453** | **Ps. 19.9493** | **Ps. 23,030,529** |
| Euros | **19,260** | **24.3774** | **469,509** |
| Swiss francs | **438** | **22.5299** | **9,868** |
| Argentinean pesos | **66,482** | **0.2371** | **15,763** |
| Chilean pesos | **327,357** | **0.0280** | **9,166** |
| Other currencies | **—** | **—** | **7,713** |
| **Liabilities:** | | | |
| U.S. dollars [(1)] | **5,161,009** | **Ps. 19.9493** | **Ps. 102,958,517** |
| Euros | **1,151** | **24.3774** | **28,058** |
| Swiss francs | **659** | **22.5299** | **14,847** |
| Chilean pesos | **632,679** | **0.0280** | **17,715** |
| Colombian pesos | **8,246,548** | **0.0057** | **47,005** |
| Other currencies | **—** | **—** | **3,332** |

The foreign currency position of monetary items of the Group at December 31, 2019, was as follows:

| | Foreign Currency Amounts (Thousands) | Year-End Exchange Rate | Mexican Pesos |
|---|---|---|---|
| **Assets:** | | | |
| U.S. dollars | 1,258,623 | Ps. 18.8838 | Ps. 23,767,585 |
| Euros | 51,398 | 21.1995 | 1,089,612 |
| Swiss francs | 3,071 | 19.5345 | 59,990 |
| Colombian pesos | 2,744,483 | 0.0058 | 15,918 |
| Argentinean pesos | 28,269 | 0.3154 | 8,916 |
| Chilean pesos | 110,984 | 0.0254 | 2,819 |
| Other currencies | — | — | 5,832 |
| **Liabilities:** | | | |
| U.S. dollars [(1)] | 5,257,954 | Ps. 18.8838 | Ps. 99,290,152 |
| Swiss francs | 4,069 | 19.5345 | 79,486 |
| Euros | 912 | 21.1995 | 19,334 |
| Chilean pesos | 689,094 | 0.0254 | 17,503 |
| Colombian pesos | 4,195,172 | 0.0058 | 24,332 |
| Other currencies | — | — | 3,075 |

[(1)] As of December 31, 2020 and 2019, monetary liabilities include U.S.$1,130.9 million (Ps.22,559,983) and U.S.$2,470.6 million (Ps.46,653,315), respectively, related to long-term debt designated as a hedging instrument of the Group's investments in UHI and the investment in Open-Ended Fund (see Note 14).

As of March 31, 2021, the exchange rate was Ps.20.4692 per U.S. dollar, which represents the interbank free market exchange rate on that date as reported by Banco Nacional de México, S.A. or Citibanamex.

The Group is subject to the risk of foreign currency exchange rate fluctuations, resulting primarily from the net monetary position in U.S. dollars and U.S. dollar equivalent amounts of the Group's Mexican operations, as follows (in millions of U.S. dollars):

| | December 31, | | | |
|---|---|---|---|---|
| | 2020 | | 2019 | |
| U.S. dollar-denominated and U.S. dollar-equivalent monetary assets, primarily cash and cash equivalents, and non-current investments in financial instruments [1] | **U.S.$** | **1,125.1** | U.S.$ | 1,253.3 |
| U.S. dollar-denominated and U.S. dollar-equivalent monetary liabilities, primarily trade accounts payable, Senior debt securities, lease liabilities, and other liabilities [2] [3] | | **(5,115.9)** | | (5,231.8) |
| Net liability position | **U.S.$** | **(3,990.8)** | U.S.$ | (3,978.5) |

[1] As of December 31, 2020 and 2019, this line includes U.S. dollar equivalent amounts of U.S.$24.5 million and U.S.$57.6 million, respectively, related to other foreign currencies, primarily Euros.

[2] As of December 31, 2020 and 2019, this line includes U.S. dollar equivalent amounts of U.S.$2.0 million and U.S.$5.0 million, respectively, related to other foreign currencies, primarily Euros.

[3] As of December 31, 2020 and 2019, monetary liabilities include U.S.$1,130.9 million (Ps.22,559,983) and U.S.$2,470.6 million (Ps.46,653,315), respectively, related to long-term debt designated as a hedging instrument of the Group's investments in UHI and the investment in Open-Ended Fund (see Note 14).

At December 31, 2020, a hypothetical 10% appreciation/depreciation in the U.S. dollar to Mexican peso exchange rate would result in a foreign exchange gain/loss, net of hedge, of Ps.5,705,342, in the consolidated statement of income. At December 31, 2019, a hypothetical 10% appreciation/depreciation in the U.S. dollar to Mexican peso exchange rate would result in a foreign exchange gain/loss, net of hedge, of Ps.2,847,471 in the consolidated statement of income.

**(ii) Cash Flow Interest Rate Risk**

The Group monitors the exposure to interest rate risk by: (i) evaluating differences between interest rates on its outstanding debt and short-term investments and market interest rates on similar financial instruments; (ii) reviewing its cash flow needs and financial ratios (indebtedness and interest coverage); (iii) assessing current and forecasted trends in the relevant markets; and (iv) evaluating peer Group and industry practices. This approach allows the Group to determine the interest rate "mix" between variable and fixed rate debt.

The Group's interest rate risk arises from long-term debt. Debt issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Debt issued at fixed rates expose the Group to fair value interest rate risk. During recent years the Group has maintained most of its debt in fixed rate instruments (see Note 14).

Based on various scenarios, the Group manages its cash flow interest rate risk by using cross-currency interest rate swaps, exchange rate agreements and floating-to-fixed interest rate swaps. Cross-currency interest rate swap agreements allow the Group to hedge against Mexican peso depreciation on the interest payments for medium-term periods. Interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

**Sensitivity and Fair Value Analysis**

The sensitivity analyses that follow are intended to present the hypothetical change in fair value or loss in earnings due to changes in interest rates, inflation rates, foreign currency exchange rates and debt and equity market prices as they affect the Group's financial instruments at December 31, 2020 and 2019. These analyses address market risk only and do not take into consideration other risks that the Group faces in the ordinary course of business, including country risk and credit risk. The hypothetical changes reflect management view of changes that are reasonably possible over a one-year period. For purposes of the following sensitivity analyses, the Group has made assumptions of a hypothetical change in fair value of 10% for expected near-term future changes in the United States interest rates, Mexican interest rates, inflation rates and Mexican peso to U.S. dollar exchange rate. The results of the analyses do not purport to represent actual changes in fair value or losses in earnings that the Group will incur.

| December 31, 2020 | Carrying Value | Fair Value | Difference between Fair Value and Carrying Value | Difference between Fair Value and Carrying Value Assuming a Hypothetical 10% Increase in Fair Value |
|---|---|---|---|---|
| **Assets:** | | | | |
| Long-term loan and interest receivable from GTAC | **Ps. 821,253** | **Ps. 824,092** | **Ps. 2,839** | **Ps. 85,248** |
| Open-Ended Fund | **1,135,803** | **1,135,803** | **—** | **—** |
| Other equity instruments | **5,397,504** | **5,397,504** | **—** | **—** |
| | | | | |
| **Liabilities [2] [3]:** | | | | |
| U.S. dollar-denominated debt: | | | | |
| Senior Notes due 2025 | **11,969,580** | **14,609,830** | **2,640,250** | **4,101,233** |
| Senior Notes due 2026 | **5,984,790** | **6,840,854** | **856,064** | **1,540,149** |
| Senior Notes due 2032 | **5,984,790** | **9,193,415** | **3,208,625** | **4,127,967** |
| Senior Notes due 2040 | **11,969,580** | **16,780,992** | **4,811,412** | **6,489,511** |
| Senior Notes due 2045 | **19,949,300** | **24,282,886** | **4,333,586** | **6,761,875** |
| Senior Notes due 2046 | **17,954,370** | **24,970,938** | **7,016,568** | **9,513,662** |
| Senior Notes due 2049 | **14,961,975** | **18,978,667** | **4,016,692** | **5,914,559** |
| Peso-denominated debt: | | | | |
| Notes due 2027 | **4,500,000** | **5,035,860** | **535,860** | **1,039,446** |
| Senior Notes due 2037 | **4,500,000** | **4,087,575** | **(412,425)** | **(3,668)** |
| Senior Notes due 2043 | **6,500,000** | **5,150,860** | **(1,349,140)** | **(834,054)** |
| Long-term notes payable to Mexican banks | **19,602,893** | **19,801,142** | **198,249** | **2,178,363** |
| Lease liabilities | **9,292,351** | **9,343,100** | **50,749** | **985,059** |
| Derivative financial instruments [1] | **3,476,223** | **3,476,223** | **—** | **—** |

| December 31, 2019 | Carrying Value | Fair Value | Difference between Fair Value and Carrying Value | Difference between Fair Value and Carrying Value Assuming a Hypothetical 10% Increase in Fair Value |
|---|---|---|---|---|
| **Assets:** | | | | |
| Warrants issued by UHI | Ps. 33,775,451 | Ps. 33,775,451 | Ps. — | Ps. — |
| Long-term loan and interest receivable from GTAC | 872,317 | 875,585 | 3,268 | 90,827 |
| Open-Ended Fund | 4,688,202 | 4,688,202 | — | — |
| Other equity instruments | 5,751,001 | 5,751,001 | — | — |
| Derivative financial instruments [1] | 4,592 | 4,592 | — | — |
| | | | | |
| **Liabilities [2] [3]:** | | | | |
| U.S. dollar-denominated debt: | | | | |
| Senior Notes due 2025 | 11,330,280 | 13,243,624 | 1,913,344 | 3,237,706 |
| Senior Notes due 2026 | 5,665,140 | 6,079,885 | 414,745 | 1,022,734 |
| Senior Notes due 2032 | 5,665,140 | 7,571,346 | 1,906,206 | 2,663,341 |
| Senior Notes due 2040 | 11,330,280 | 14,139,283 | 2,809,003 | 4,222,931 |
| Senior Notes due 2045 | 18,883,800 | 19,739,047 | 855,247 | 2,829,152 |
| Senior Notes due 2046 | 16,995,420 | 20,565,308 | 3,569,888 | 5,626,419 |
| Senior Notes due 2049 | 14,162,850 | 15,364,426 | 1,201,576 | 2,738,019 |
| Peso-denominated debt: | | | | |
| Notes due 2027 | 4,500,000 | 4,656,375 | 156,375 | 622,013 |
| Senior Notes due 2037 | 4,500,000 | 4,133,385 | (366,615) | 46,724 |
| Senior Notes due 2043 | 6,500,000 | 4,853,485 | (1,646,515) | (1,161,167) |
| Long-term notes payable to Mexican banks | 22,845,382 | 23,012,707 | 167,325 | 2,468,596 |
| Lease liabilities | 9,363,520 | 9,120,903 | (242,617) | 669,473 |
| Other notes payable | 1,324,063 | 1,295,780 | (28,283) | 101,295 |
| Derivative financial instruments [1] | 915,290 | 915,290 | — | — |

(1) Given the nature and the tenor of these derivative financial instruments, an increase of 10% in the interest and/or exchange rates would not be an accurate sensitivity analysis on the fair value of these financial instruments.

(2) The carrying value of debt is stated in this table at its principal amount.

(3) The fair value of the Senior Notes and Notes due by the Group are within Level 1 of the fair value hierarchy as there is a quoted market price for them. The fair value of the lease liabilities are within Level 2 of the fair value hierarchy and has been estimated based on cash flows discounted using an estimated weighted average cost of capital. The fair value of held-to-maturity securities are within Level 1 of the fair value hierarchy, and were based on market interest rates to the listed securities.

**(iii) Price Risk**

The Group is exposed to equity securities price risk because of investments held by the Group and classified in the consolidated statements of financial position as non-current investments in financial instruments. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. The Group is not exposed to commodity price risk.

**(b) Credit Risk**

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of "AA" in local scale for domestic institutions and "BBB" in global scale for foreign institutions are accepted. If customers are independently rated, these ratings are used. If there is no independent rating, the Group's risk control function assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Company's management. See Note 7 for further disclosure on credit risk.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by the counterparties.

The Group historically has not had significant credit losses arising from customers.

**(c) Liquidity Risk**

Cash flow forecasting is performed in the operating entities of the Group and aggregated by corporate management. Corporate management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing investments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. At December 31, 2020 and 2019, the Group held cash and cash equivalents of Ps.29,058,093 and Ps.27,452,265, respectively (see Note 6).

The table below analyses the Group's non-derivative and derivative financial liabilities as well as related contractual interest on debt and lease liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

| | Less Than 12 Months January 1, 2021 to December 31, 2021 | 12-36 Months January 1, 2022 to December 31, 2023 | 36-60 Months January 1, 2024 to December 31, 2025 | Maturities Subsequent to December 31, 2025 | Total |
|---|---|---|---|---|---|
| **At December 31, 2020** | | | | | |
| Debt [1] | **Ps. 617,489** | **Ps. 8,985,404** | **Ps. 21,969,580** | **Ps. 92,304,805** | **Ps. 123,877,278** |
| Lease liabilities | **1,277,754** | **2,184,098** | **2,240,777** | **3,589,722** | **9,292,351** |
| Trade and other liabilities | **33,936,100** | **4,078,823** | **644,830** | **3,137,092** | **41,796,845** |
| Interest on debt [2] | **5,997,185** | **15,177,002** | **13,256,713** | **90,128,177** | **124,559,077** |
| Interest on lease liabilities | **668,461** | **1,169,317** | **853,741** | **925,566** | **3,617,085** |

| | Less Than 12 Months January 1, 2020 to December 31, 2020 | 12-36 Months January 1, 2021 to December 31, 2022 | 36-60 Months January 1, 2023 to December 31, 2024 | Maturities Subsequent to December 31, 2024 | Total |
|---|---|---|---|---|---|
| At December 31, 2019 | | | | | |
| Debt [1] | Ps. 492,489 | Ps. 8,852,893 | Ps. 13,500,000 | Ps. 99,532,910 | Ps. 122,378,292 |
| Lease liabilities | 1,257,766 | 2,491,539 | 2,381,812 | 3,232,403 | 9,363,520 |
| Other notes payable | 1,324,063 | — | — | — | 1,324,063 |
| Trade and other liabilities | 31,588,449 | 3,426,610 | 1,035,998 | 2,488,379 | 38,539,436 |
| Interest on debt [2] | 6,565,402 | 16,351,837 | 14,404,394 | 91,956,556 | 129,278,189 |
| Interest on lease liabilities | 731,591 | 1,417,722 | 984,003 | 755,862 | 3,889,178 |
| Interest on other notes payable | 5,938 | — | — | — | 5,938 |

[1] The amounts of debt are disclosed on a principal amount basis (see Note 14).

[2] Interest to be paid in future years on outstanding debt as of December 31, 2020 and 2019, based on contractual interest rate and exchange rates as of that date.

**Capital Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure in order to minimize the cost of capital.

**5. Critical Accounting Estimates and Assumptions**

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. By definition, the resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of consolidated assets and liabilities within the next financial year are addressed below:

**(a) Accounting for Programming**

The Group produces a significant portion of programming for initial broadcast over its television networks in Mexico, its primary market. Following the initial broadcast of this programming, the Group then licenses some of this programming for broadcast in secondary markets, such as Mexico, the United States, Latin America, Asia, Europe and Africa. Under IFRS, in order to properly capitalize and subsequently amortize production costs related to this programming, the Group must estimate the expected future benefit period over which a given program will generate revenues (generally, over a five-year period). The Group then amortizes the production costs related to a given program over the expected future benefit period. Under this policy, the Group generally expenses approximately 70% of the production costs related to a given program in its initial broadcast run and defers and expenses the remaining production costs over the remainder of the expected future benefit period (see Note 2 (g)).

The Group estimates the expected future benefit periods based on past historical revenue patterns and usage for similar types of programming and any potential future events, such as new outlets through which the Group can exploit or distribute its programming, including its consolidated subsidiaries and equity investees. To the extent that a given future expected benefit period is shorter than the estimate, the Group may have to accelerate capitalized production costs sooner than anticipated. Conversely, to the extent that a given future expected benefit period is longer than the estimate, the Group may have to extend the amortization schedule for the remaining capitalized production costs.

The Group also enters into license arrangements with various third party programming producers and providers, pursuant to which it receives the rights to broadcast programming produced by third parties over its television networks in Mexico. For programming licensed from third parties, the Group estimates the expected future benefit period based upon the term of the license. In addition, the Group may purchase programming from third parties, from time to time. In this case, the Group estimates the expected future benefit period based on the anticipated number of showings in Mexico. To the extent that a given future expected benefit period is shorter than the estimate, the Group may have to accelerate the amortization of the purchase price or the license fee sooner than anticipated. Conversely, to the extent that a given future expected benefit period is longer than the estimate, the Group may have to extend the amortization schedule for the remaining portion of the purchase price or the license fee.

Assuming a hypothetical 10% decrease in expected future revenue from the Group's programming as of December 31, 2020, the balance of such programming would decrease in the amount of Ps.349,704, with a corresponding increase in programming amortization expense.

**(b) Goodwill and Other Indefinite-lived Intangible Assets**

Goodwill and other intangible assets with indefinite useful lives are reviewed for impairment at least annually. When an impairment test is performed, the recoverable amount is assessed by reference to the higher of the net present value of the expected future cash flows (value in use) of the relevant CGU and the fair value less cost to sell.

The recoverable amount of CGUs has been determined based on the higher of value in use and fair value less costs to disposal calculations. These calculations require the use of estimates, which include management's expectations of future revenue growth, operating costs, profit margins and operating cash flows for each CGU, long-term growth rates and discount rates based on weighted average cost of capital, among others.

During 2020 and 2019, the Group recorded impairment adjustments for other indefinite-lived intangible assets (trademarks) related to its Publishing business. See Note 2 (b) and (l) for disclosure regarding concession intangible assets.

**(c) Long-lived Assets**

The Group presents certain long-lived assets other than goodwill and indefinite-lived intangible assets in its consolidated statement of financial position. Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may no longer be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Recoverability is analyzed based on projected cash flows. Estimates of future cash flows involve considerable management judgment. These estimates are based on historical data, future revenue growth, anticipated market conditions, management plans, and assumptions regarding projected rates of inflation and currency fluctuations, among other factors. If these assumptions are not correct, the Group would have to recognize a write-off or write-down or accelerate the amortization schedule related to the carrying value of these assets (see Notes 2 (m), 13 and 22). The Group has not recorded any significant impairment charges during any of the years presented herein.

**(d) Deferred Income Taxes**

The Group records its deferred tax assets based on the likelihood that these assets are realized in the future. This likelihood is assessed by taking into consideration the future taxable income. In the event the Group were to determine that it would be able to realize its deferred tax assets in the future in excess of the net recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made. Should the Group determine that it would not be able to realize all or part of its net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made.

**(e) Financial Assets Measured at Fair Value**

The Group has a significant amount of financial assets that are measured at fair value on a recurring basis. The degree of management's judgment involved in determining the fair value of a financial asset varies depending upon the availability of quoted market prices. When observable quoted market prices exist, that is the fair value estimate the Group uses. To the extent such quoted market prices do not exist, management uses other means to determine fair value (see Notes 4 and 15).

**(f) Warrants issued by UHI**

The Company's management applied significant judgment to determine the classification of the warrants issued by UHI and held by the Group through December 29, 2020. These warrants did not comply with the definition of a derivative financial instrument because the initial investment that the Group paid to acquire the original instrument (Convertible Debentures) was significant and a derivative requires no initial investment or one that is smaller than would be required for a contract with similar response to changes in market factors; therefore, the Group classified the warrants issued by UHI as equity instrument with changes in fair value recognized in other comprehensive income or loss in consolidated equity. Significant judgment was applied by the Company's management in assessing that the characteristics of the warrants issued by UHI were closer to an equity instrument in accordance with the IAS 32 *Financial Instruments: Presentation* and IFRS 9 (see Notes 3, 9, 10 and 15).

**6. Cash and Cash Equivalents**

Cash and cash equivalents as of December 31, 2020 and 2019, consisted of:

| | | 2020 | | 2019 |
|---|---|---|---|---|
| Cash and bank accounts | **Ps.** | **5,094,610** | Ps. | 1,758,262 |
| Short-term investments [(1)] | | **23,963,483** | | 25,694,003 |
| Total cash and cash equivalents | **Ps.** | **29,058,093** | Ps. | 27,452,265 |

[(1)] Highly-liquid investments with an original maturity of three months or less at the date of acquisition.

## 7. Trade Notes and Accounts Receivable, Net

Trade notes and accounts receivable, net as of December 31, 2020 and 2019, consisted of:

| | | 2020 | | 2019 |
|---|---|---|---|---|
| Non-interest bearing notes received from customers as deposits and advances mainly in connection with annual ("upfront basis") and from time to time ("scatter basis") prepayments (see Note 2 (p)) | **Ps.** | **3,327,579** | Ps. | 4,188,293 |
| Trade accounts receivable | | **13,265,351** | | 15,144,534 |
| Loss allowance | | **(4,249,133)** | | (4,846,643) |
| | **Ps.** | **12,343,797** | Ps. | 14,486,184 |

As of December 31, 2020 and 2019, the aging analysis of the trade notes and accounts receivable that were past due is as follows:

| | | 2020 | | 2019 |
|---|---|---|---|---|
| 1 to 90 days | **Ps.** | **3,634,710** | Ps. | 4,180,830 |
| 91 to 180 days | | **1,386,243** | | 1,182,634 |
| More than 180 days | | **4,044,530** | | 4,706,908 |

The carrying amounts of the Group's trade notes and account receivables denominated in other than peso currencies are as follows:

| | | 2020 | | 2019 |
|---|---|---|---|---|
| U.S. dollar | **Ps.** | **2,905,396** | Ps. | 3,610,639 |
| Other currencies | | **75,369** | | 45,114 |
| At December 31 | **Ps.** | **2,980,765** | Ps. | 3,655,753 |

Movements on the Group for loss allowance of trade notes and account receivables are as follows:

| | | 2020 | | 2019 |
|---|---|---|---|---|
| At January 1 | **Ps.** | **(4,846,643)** | Ps. | (4,379,316) |
| Impairment provision | | **(1,352,432)** | | (1,549,801) |
| Write-off of receivables | | **1,949,942** | | 996,185 |
| Reclassification to current assets held for sale | | **—** | | 86,289 |
| At December 31 | **Ps.** | **(4,249,133)** | Ps. | (4,846,643) |

The maximum exposure to credit risk of the trade notes and accounts receivable as of December 31, 2020 and 2019 is the carrying value of each class of receivables mentioned above.

## 8. Transmission Rights and Programming

At December 31, 2020 and 2019, transmission rights and programming consisted of:

| | | 2020 | | 2019 |
|---|---|---|---|---|
| Transmission rights | **Ps.** | **9,695,030** | Ps. | 8,671,434 |
| Programming | | **4,683,980** | | 5,709,414 |
| | | **14,379,010** | | 14,380,848 |
| Non-current portion of: | | | | |
| Transmission rights | | **5,257,926** | | 4,630,513 |
| Programming | | **2,724,870** | | 3,271,077 |
| | | **7,982,796** | | 7,901,590 |
| Current portion of transmission rights and programming | **Ps.** | **6,396,214** | Ps. | 6,479,258 |

Transmission rights and programming charged to consolidated cost of sales for the years ended December 31, 2020, 2019 and 2018, amounted to Ps.12,691,287, Ps.14,515,285 and Ps.18,009,554, respectively (see Note 21).

## 9. Investments in Financial Instruments

At December 31, 2020 and 2019, the Group had the following investments in financial instruments:

| | 2020 | 2019 |
|---|---|---|
| Equity instruments measured at FVOCIL: | | |
| Warrants issued by UHI [1] | **Ps. —** | Ps. 33,775,451 |
| Open-Ended Fund [2] | **1,135,803** | 4,688,202 |
| Other equity instruments [3] | **5,397,504** | 5,751,001 |
| | **6,533,307** | 44,214,654 |
| Other | **469,405** | 51,245 |
| | **Ps. 7,002,712** | Ps. 44,265,899 |

(1) Investment in warrants issued by UHI and exercisable for UHI's common stock. The Group exercised these warrants for common stock of UHI on December 29, 2020, at an exercise price of U.S.$0.01 per warrant. The warrants did not entitle the holder to any voting rights or other rights as a stockholder of UHI. The warrants did not bear interest. As of December 29, 2020 and December 31, 2019, the Group owned 4,590,953 warrant shares, which upon their exercise and together with its investment in shares of UHI, represented 35.9% on a fully-diluted, as-converted basis of the equity capital in UHI. As of December 31, 2020, and resulting from the exercise of the warrants, the Group owns a total of 35.9% of the equity of UHI, on a fully-diluted, as-converted basis. In January 2017, in a Declaratory Ruling, the U.S. Federal Communications Commission ("FCC") approved an increase in the authorized aggregate foreign ownership of UHI's issued and outstanding shares of common stock from 25% to 49% and authorized the Group to hold up to 40% of the voting interest and 49% of the equity interest of UHI.

In conjunction with the acquisition of the majority stock of UHI by a group of investors, which was announced on February 25, 2020, the Company's management assessed the implicit value of UHI's shares in comparison to the fair value of its warrants and concluded that such implicit value did not constitute evidence of a condition that existed as of December 31, 2019, and reviewed the assumptions and inputs related to its discounted cash flow model used to determine the fair value of its investment in warrants as of December 31, 2019, concluding that the fair value of the warrants at such date was appropriate.

During the first quarter of 2020, as a result of revised cashflow forecasts and increasing uncertainty due to the COVID-19 pandemic, the Company's management recognized: (i) a decline in the estimated fair value of the Group's investment in warrants of UHI in the amount of Ps.21,937,152, which was accounted for in other comprehensive income or loss, net of income tax of Ps.6,581,146, for the year ended December 31, 2020; and (ii) an impairment loss that decreased the carrying value of the Group's investment in shares of UHI in the amount of Ps.5,455,356, which was accounted for in share of income or loss of associates and joint ventures in the consolidated statement of income for the year ended December 31, 2020 (see Notes 2 (i), 10 and 15).

(2) The Group has an investment in an Open-Ended Fund that has as a primary objective to achieve capital appreciation by using a broad range of strategies through investments in securities, including without limitation stock, debt and other financial instruments, a principal portion of which are considered as Level 1 financial instruments, in telecom, media and other sectors across global markets, including Latin America and other emerging markets. Shares may be redeemed on a quarterly basis at the Net Asset Value ("NAV") per share as of such redemption date. The fair value of this fund is determined by using the NAV per share. The NAV per share is calculated by determining the value of the fund assets, all of which are measured at fair value, and subtracting all of the fund liabilities and dividing the result by the total number of issued shares. In July and November 2019, the Company redeemed a portion of its investment in Open-Ended Fund at the aggregate fair value amount of U.S.$121.6 million (Ps.2,301,682) and recognized cash proceeds from this redemption for such aggregate amount. In September and December 2020, the Company redeemed a portion of its investment in Open-Ended Fund at the aggregate fair value amount of U.S.$153.7 million (Ps.3,155,643) and recognized cash proceeds from this redemption for such aggregate amount (see Note 2 (i)).

(3) Other equity instruments include publicly traded instruments, and their fair value is determined by using quoted market prices at the measurement date (see Note 2 (i)).

A roll forward of investments in financial assets at FVOCIL for the years ended December 31, 2020 and 2019 is presented as follows:

| | Warrants Issued by UHI | Open-Ended Fund | Other Equity Instruments | Total |
|---|---|---|---|---|
| At January 1, 2020 | **Ps. 33,775,451** | **Ps. 4,688,202** | **Ps. 5,751,001** | **Ps. 44,214,654** |
| Disposition of investments | **—** | **(3,159,970)** | **—** | **(3,159,970)** |
| Change in fair value in other comprehensive income [1] | **(16,387,752)** | **(392,429)** | **(353,497)** | **(17,133,678)** |
| Warrants exercised for common stock of UHI | **(17,387,699)** | **—** | **—** | **(17,387,699)** |
| **At December 31, 2020** | **Ps. —** | **Ps. 1,135,803** | **Ps. 5,397,504** | **Ps. 6,533,307** |

| | Warrants Issued by UHI | Open-Ended Fund | Other Equity Instruments | Other Financial Assets | Total |
|---|---|---|---|---|---|
| At January 1, 2019 | Ps. 34,921,530 | Ps. 7,662,726 | Ps. 6,545,625 | Ps. 72,612 | Ps. 49,202,493 |
| Disposition of investments | — | (2,331,785) | — | (72,723) | (2,404,508) |
| Change in fair value in other comprehensive income [1] | (1,146,079) | (642,739) | (794,624) | 111 | (2,583,331) |
| At December 31, 2019 | Ps. 33,775,451 | Ps. 4,688,202 | Ps. 5,751,001 | Ps. — | Ps. 44,214,654 |

(1) The foreign exchange gain in 2020 derived from the hedged warrants issued by UHI and the investment in Open-Ended Fund was hedged by foreign exchange loss in the consolidated statement of income for the year ended December 31, 2020, in the amount of Ps.5,511,412 and Ps.471,097, respectively. The foreign exchange loss in 2019 derived from the hedged warrants issued by UHI and the investment in Open-Ended Fund was hedged by foreign exchange gain in the consolidated statement of income for the year ended December 31, 2019 in the amount of Ps.1,403,384 and Ps.289,298, respectively (see Notes 14 and 23).

The maximum exposure to credit risk of the investments in financial instruments as of December 31, 2020 and 2019 is the carrying value of the financial assets mentioned

above.

**10. Investments in Associates and Joint Ventures**

At December 31, 2020 and 2019, the Group had the following investments in associates and joint ventures accounted for by the equity method:

| | Ownership as of December 31, 2020 | 2020 | 2019 |
|---|---|---|---|
| Associates: | | | |
| UHI [1] | **35.9%** | **Ps. 21,424,180** | Ps. 8,189,662 |
| OCEN and subsidiaries [2] | **40.0%** | **556,251** | 693,970 |
| Other | | **113,905** | 115,161 |
| Joint ventures: | | | |
| Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V. and subsidiaries ("GTAC") [3] | **33.3%** | **514,731** | 567,165 |
| Periódico Digital Sendero, S.A.P.I. de C.V. and subsidiary (collectively, "PDS")[4] | **50.0%** | **204,464** | 196,474 |
| | | **Ps. 22,813,531** | Ps. 9,762,432 |

(1) The Group accounts for its investment in common stock of UHI, the parent company of Univision, under the equity method due to the Group's ability to exercise significant influence, as defined under IFRS Standards, over UHI's operations. Beginning on December 29, 2020, the Group had the ability to exercise significant influence over the operating and financial policies of UHI because (i) it owns 5,701,335 Class "A" shares of common stock of UHI, representing 35.9% on a fully-diluted of the outstanding shares of UHI and 40.6% of the voting shares of UHI as of December 31, 2020, as a result of exercising all of its outstanding warrants for common stock of UHI on that date; and (ii) it has three officers of the Company designated as members of the Board of Directors of UHI, which is composed of nine directors. Before December 29, 2020, the Group had the ability to exercise significant influence over the operating and financial policies of UHI because (i) it owned 1,110,382 Class "C" shares of common stock of UHI, representing 10% of the outstanding total shares of UHI and 14% of the voting shares of UHI, and 4,590,953 warrants issued by UHI, which upon their exercise and together with the current investment in shares of UHI, represented approximately 36% on a fully-diluted, as-converted basis of the equity capital in UHI, subject to certain conditions, laws and regulations; and (ii) it had three officers and one director of the Company designated as members of the Board of Directors of UHI, which was composed of 19 directors of 22 available Board seats. The Group is also a party to a Program Licensing Agreement ("PLA"), as amended, with Univision, pursuant to which Univision has the right to broadcast certain Televisa content in the United States, and to another program license agreement pursuant to which the Group has the right to broadcast certain Univision's content in Mexico, in each case through 7.5 years after the Group has voluntarily sold two-thirds of its initial investment made in UHI in December 2010. On February 25, 2020, UHI, Searchlight Capital Partners, LP ("Searchlight"), a global private investment firm, and ForgeLight LLC ("ForgeLight"), an operating and investment company focused on the media and consumer technology sectors, announced a definitive agreement in which Searchlight and ForgeLight would acquire a majority ownership interest in UHI from all stockholders of UHI other than the Group. Terms of the transaction were not disclosed. The Group elected to retain its approximately 36% stake in UHI's equity upon exercise of its warrants on a fully-diluted, as-converted basis. Under the terms of the acquisition, Searchlight and ForgeLight would purchase the remaining 64% ownership interest from the other stockholders of UHI. The transaction, which was subject to customary closing conditions including receipt of regulatory approvals, closed on December 29, 2020. In conjunction with this transaction and a related decline in the estimated fair value of the Group's investment in warrants issued by UHI, the Company's management recognized an impairment loss in the amount of Ps.5,455,356 that decreased the carrying value of the Group's investment in shares of UHI in the first quarter of 2020. This impairment adjustment was accounted for in share of income or loss of associates and joint ventures in the Group's consolidated statement of income for the year ended December 31, 2020 (see Notes 1, 2 (a), 9, 15, 20 and 23).

(2) OCEN is a majority-owned subsidiary of CIE, and is engaged in the live entertainment business in Mexico, Central America and Colombia. In July 2019, the Group announced the sale of its 40% equity interest in OCEN to Live Nation Entertainment, Inc., and classified this non-current investment as current assets held for sale. As a result, the Group discontinued the use of the equity method to account for the investment in this associate beginning on August 1, 2019. In 2019, the stockholders of OCEN approved the payment of dividends in the aggregate amount of Ps.1,931,000, of which Ps.772,400 were paid to the Group, as well as a capital reduction in the amount of Ps.200,466, of which Ps.80,186 were paid to the Group. In 2020 and 2018, the stockholders of OCEN did not pay any dividends. Beginning on May 31, 2020, the Company (i) ceased to classify the assets of OISE Entretenimiento, including the investment in OCEN, as current assets held for sale; (ii) began to classify its equity interest in OCEN as an investment in associates and joint ventures in its consolidated statement of financial position; (iii) recognized its share of income of OCEN, which was discontinued from August 1, through December 31, 2019, in consolidated retained earnings as of January 1, 2020 in the amount of Ps.147,975; (iv) began to recognize its share of income or loss of OCEN for the year ended December 31, 2020; and (v) restated for comparison purposes its previously reported consolidated statement of financial position as of December 31, 2019, which included its investment in OCEN as current assets held for sale, to conform with the current classification of this asset as investments in associates and joint ventures. As of December 31, 2020 and 2019, the investment in OCEN included goodwill of Ps.359,613 (see Notes 3 and 20).

(3) GTAC was granted a 20-year contract for the lease of a pair of dark fiber wires held by the Mexican Federal Electricity Commission and a concession to operate a public telecommunications network in Mexico with an expiration date in 2030. GTAC is a joint venture in which a subsidiary of the Company, a subsidiary of Grupo de Telecomunicaciones Mexicanas, S.A. de C.V. and a subsidiary of Megacable, S.A. de C.V. have an equal equity participation of 33.3%. In June 2010, a subsidiary of the Company entered into a long-term credit facility agreement to provide financing to GTAC for up to Ps.688,217, with an annual interest rate of the Mexican Interbank Interest Rate ("Tasa de Interés Interbancaria de Equilibrio" or "TIIE") plus 200 basis points. Under the terms of this agreement, principal and interest are payable at dates agreed by the parties, between 2013 and 2021. As of December 31, 2020 and 2019, GTAC had used a principal amount of Ps.688,183, under this credit facility. During the year ended December 31, 2020, GTAC paid principal and interest to the Group in connection with this credit facility in the aggregate principal amount of Ps.123,390. During the year ended December 31, 2019, GTAC paid principal and interest to the Group in connection with this credit facility in the aggregate principal amount of Ps.114,574. Also, a subsidiary of the Company entered into supplementary long-term loans to provide additional financing to GTAC for an aggregate principal amount of Ps.946,128, with an annual interest of TIIE plus 200 basis points computed on a monthly basis and payable on an annual basis or at dates agreed by the parties. Under the terms of these supplementary loans, principal amounts can be prepaid at dates agreed by the parties before their maturities between 2023 and 2030. During the years ended December 31, 2020 and 2019, GTAC paid principal and interest to the Group in connection with this credit facility in the aggregate principal amount of Ps.122,656 and Ps.86,321, respectively. The net investment in GTAC as of December 31, 2020 and 2019, included amounts receivable in connection with this long-term credit facility and supplementary loans to GTAC in the aggregate amount of Ps.821,253 and Ps.872,317, respectively. These amounts receivable are in substance a part of the Group's net investment in this investee (see Note 15).

(4) The Group accounts for its investment in PDS under the equity method, due to its 50% interest in this joint venture. In September 2017, PDS acquired substantially all of the equity interest in Now New Media, S.A.P.I. de C.V., an online news website in Mexico City, in the aggregate amount of Ps.81,749. As of December 31, 2020 and 2019, the Group's investment in PDS included intangible assets and goodwill in the aggregate amount of Ps.113,837 (see Note 3).

A roll forward of investments in associates and joint ventures for the years ended December 31, 2020 and 2019, is presented as follows:

| | | 2020 | | 2019 |
|---|---|---|---|---|
| At January 1 | **Ps.** | **9,762,432** | Ps. | 10,546,728 |
| Impairment loss in investment in shares of UHI | | **(5,455,356)** | | — |
| Share of (loss) or income of associates and joint ventures, net | | **(284,312)** | | 581,023 |
| Dividends from OCEN | | **—** | | (772,400) |
| Long-term loans granted to GTAC, net | | **132,926** | | 172,223 |
| Foreign currency translation adjustments | | **1,360,735** | | (337,742) |
| GTAC payments of principal and interest | | **(246,046)** | | (200,895) |
| Capital stock reduction in OCEN | | **—** | | (80,186) |
| Exercise of warrants for UHI shares | | **17,387,699** | | — |
| Additional share of income of OCEN (see Note 3) | | **147,975** | | — |
| Other | | **7,478** | | (146,319) |
| At December 31 | **Ps.** | **22,813,531** | Ps. | 9,762,432 |

IFRS summarized financial information of UHI as of December 31, 2020 and 2019, and for the years ended December 31, 2020, 2019 and 2018, including adjustments made by the Group when using the equity method, such as purchase price adjustments at the time of acquisition, impairment adjustments and adjustments for differences in accounting policies, is set forth below.

IFRS summarized financial information of UHI as of December 31, 2020 and 2019 (amounts in thousands of U.S. dollars):

| | | 2020 | | 2019 |
|---|---|---|---|---|
| Current assets | **U.S.$** | **1,470,301** | U.S.$ | 1,199,800 |
| Non-current assets | | **8,249,358** | | 8,521,477 |
| Total assets | | **9,719,659** | | 9,721,277 |
| Current liabilities | | **712,300** | | 554,700 |
| Non-current liabilities | | **8,630,459** | | 8,720,377 |
| Total liabilities | | **9,342,759** | | 9,275,077 |
| Total net assets | **U.S.$** | **376,900** | U.S.$ | 446,200 |

The table below reconciles the summarized financial information of UHI to the carrying amount of the Group´s interest in UHI as of December 31, 2020 and 2019 (amounts in thousands of U.S. dollars):

| | | 2020 | | 2019 |
|---|---|---|---|---|
| Ownership as of December 31 | | **35.9**% | | 10% |
| Group's share of net assets | **U.S.$** | **135,307** | U.S.$ | 44,568 |
| Group's share of net assets | **Ps.** | **2,699,282** | Ps. | 841,619 |
| Goodwill | | **18,687,080** | | 7,426,968 |
| Adjustments for differences in accounting policies | | **37,818** | | (78,925) |
| Carrying amount of the Group´s interest in UHI | **Ps.** | **21,424,180** | Ps. | 8,189,662 |

IFRS summarized financial information of UHI for the years ended December 31, 2020, 2019 and 2018 (amounts in thousands of U.S. dollars):

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Revenue | **U.S.$ 2,541,900** | U.S.$ 2,687,900 | U.S.$ 2,713,800 |
| Profit from continuing operations | **36,400** | 290,200 | 161,000 |
| Post-tax loss from discontinued operations | **—** | (13,200) | (148,900) |
| Net income | **36,400** | 277,000 | 12,100 |
| Other comprehensive (loss) income | **(23,700)** | (99,000) | 15,410 |
| Total comprehensive income | **12,700** | 178,000 | 27,510 |
| Dividends received from UHI | **U.S.$ —** | U.S.$ — | U.S.$ — |

The table below reconciles the summarized financial information of UHI to the carrying amount of the Group´s interest in UHI for the years ended December 31, 2020, 2019 and 2018 (amounts in thousands of U.S. dollars):

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Net income (10%) | **U.S.$ 3,635** | U.S.$ 27,668 | U.S.$ 1,208 |
| Other comprehensive (loss) income (10%) | **(2,367)** | (9,889) | 1,538 |
| | | | |
| Net income (10%) | **Ps. 78,133** | Ps. 532,896 | Ps. 23,258 |
| Other comprehensive (loss) income (10%) | **(50,872)** | (190,457) | 29,620 |
| Adjustments for differences in accounting policies: | | | |
| Net (loss) income | **(79,163)** | (55,058) | 166,044 |
| Other comprehensive loss | **(6,657)** | (45,263) | (76,521) |
| Group's interest in UHI: | | | |
| Net (loss) income | **(1,030)** | 477,838 | 189,302 |
| Other comprehensive loss | **(57,529)** | (235,720) | (46,901) |
| | | | |
| Impairment loss in investment in shares of UHI | **Ps. (5,455,356)** | Ps. — | Ps. — |

Combined condensed balance sheet information related to the Group's share in associates other than UHI as of December 31, 2020 and 2019, including adjustments made by the Group when using the equity method, such as fair value adjustments made at the time of acquisition, is set forth below:

| | 2020 | 2019 |
|---|---|---|
| Current assets | **Ps. 923,784** | Ps. 1,454,771 |
| Non-current assets | **967,584** | 920,140 |
| Total assets | **1,891,368** | 2,374,911 |
| Current liabilities | **1,229,246** | 1,439,238 |
| Non-current liabilities | **315,260** | 426,043 |
| Total liabilities | **1,544,506** | 1,865,281 |
| Net assets | **Ps. 346,862** | Ps. 509,630 |
| Goodwill | **359,613** | 359,613 |
| Adjustments for differences in accounting policies | **(36,319)** | (60,112) |
| Carrying amount of the Group´s interest in associates | **Ps. 670,156** | Ps. 809,131 |

Combined condensed balance sheet information related to the Group's share in joint ventures as of December 31, 2020 and 2019, including adjustments made by the Group when using the equity method, such as fair value adjustments made at the time of acquisition, is set forth below:

| | 2020 | 2019 |
|---|---|---|
| Current assets | **Ps. 151,151** | Ps. 155,628 |
| Non-current assets | **541,861** | 599,856 |
| Total assets | **693,012** | 755,484 |
| Current liabilities | **45,320** | 43,556 |
| Non-current liabilities | **860,357** | 924,759 |
| Total liabilities | **905,677** | 968,315 |
| Net assets | **Ps. (212,665)** | Ps. (212,831) |
| Goodwill | **113,837** | 113,837 |
| Adjustments for differences in accounting policies | **(3,230)** | (9,684) |
| Long-term loans granted to GTAC, net | **821,253** | 872,317 |
| Carrying amount of the Group´s interest in joint ventures | **Ps. 719,195** | Ps. 763,639 |

The Group recognized its share of comprehensive (loss) income of associates and joint ventures other than UHI for the years ended December 31, 2020, 2019 and 2018, as follows:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Share of (loss) income of associates and joint ventures, net | **Ps. (283,282)** | Ps. 103,185 | Ps. 343,631 |
| Share of other comprehensive (loss) income of associates and joint ventures: | | | |
| Foreign currency translation adjustments, net | **1,757** | (2,556) | 2,987 |
| Other items of comprehensive loss, net | **(5,261)** | 2,117 | (3,399) |
| | **(3,504)** | (439) | (412) |
| Share of comprehensive (loss) income of associates and joint ventures | **Ps. (286,786)** | Ps. 102,746 | Ps. 343,219 |

## 11. Property, Plant and Equipment, Net

The analysis of the changes in property, plant and equipment is as follows:

| | Buildings and Land | Technical Equipment | Satellite Transponders | Furniture and Fixtures | Transportation Equipment | Computer Equipment | Leasehold Improvements | Construction and Projects in Progress [1] | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | | | |
| January 1, 2019 | Ps. 14,635,604 | Ps. 133,171,187 | Ps. 10,301,713 | Ps. 1,203,942 | Ps. 3,085,762 | Ps. 8,848,455 | Ps. 3,215,239 | Ps. 11,683,180 | Ps. 186,145,082 |
| Additions | 25,132 | 11,152,691 | — | 55,434 | 74,684 | 199,749 | 37,213 | 7,563,381 | 19,108,284 |
| Dismantling cost | — | 797,176 | — | — | — | — | — | — | 797,176 |
| Retirements and reclassifications to other accounts | (266,687) | (2,332,091) | — | (163,756) | (199,494) | (965,029) | (36,943) | (1,967,705) | (5,931,705) |
| Transfers to right-of-use asset | — | (1,896,682) | (4,275,619) | — | — | — | — | — | (6,172,301) |
| Transfers to intangibles assets | — | — | — | — | — | — | — | (1,487,056) | (1,487,056) |
| Transfers and reclassifications | 94,791 | 1,188,429 | — | 64,380 | 39,724 | 470,161 | 220,219 | (2,077,704) | — |
| Effect of translation | 20,366 | (114,068) | — | (1,255) | (354) | (5,071) | (1,354) | 272 | (101,464) |
| December 31, 2019 | 14,509,206 | 141,966,642 | 6,026,094 | 1,158,745 | 3,000,322 | 8,548,265 | 3,434,374 | 13,714,368 | 192,358,016 |
| Additions | 6,252 | 12,384,030 | — | 24,562 | 75,219 | 253,783 | 19,283 | 7,368,609 | 20,131,738 |
| Dismantling cost | — | 71,241 | — | — | — | — | — | — | 71,241 |
| Retirements and reclassifications to other accounts | (53,559) | (547,789) | — | (2,426) | (45,726) | (72,113) | (627) | (2,575,544) | (3,297,784) |
| Transfers to intangibles assets | — | (2,725) | — | — | — | — | — | (1,042,340) | (1,045,065) |
| Transfers and reclassifications | 415,289 | 3,381,566 | — | 82,855 | 92,370 | 467,754 | 152,591 | (4,592,425) | — |
| Effect of translation | 9,724 | 9,223 | — | 64 | 47 | 693 | 15 | 1,002 | 20,768 |
| **December 31, 2020** | **Ps. 14,886,912** | **Ps. 157,262,188** | **Ps. 6,026,094** | **Ps. 1,263,800** | **Ps. 3,122,232** | **Ps. 9,198,382** | **Ps. 3,605,636** | **Ps. 12,873,670** | **Ps. 208,238,914** |
| **Depreciation:** | | | | | | | | | |
| January 1, 2019 | Ps. (4,939,196) | Ps. (78,108,278) | Ps. (5,187,749) | Ps. (648,264) | Ps. (1,650,668) | Ps. (6,192,249) | Ps. (2,076,148) | Ps. — | Ps. (98,802,552) |
| Depreciation of the year | (239,066) | (15,272,635) | (282,414) | (114,382) | (309,376) | (956,985) | (262,942) | — | (17,437,800) |
| Retirements | 102,538 | 2,955,945 | — | 157,477 | 153,235 | 941,061 | 27,925 | — | 4,338,181 |
| Transfers to right-of-use assets | — | 987,924 | 1,781,508 | — | — | — | — | — | 2,769,432 |
| Reclassifications | — | 27,103 | — | — | 1,481 | (28,584) | — | — | — |
| Effect of translation | 3,648 | 92,902 | — | 1,210 | 324 | 4,534 | 1,337 | — | 103,955 |
| December 31, 2019 | (5,072,076) | (89,317,039) | (3,688,655) | (603,959) | (1,805,004) | (6,232,223) | (2,309,828) | — | (109,028,784) |
| Depreciation of the year | (268,684) | (15,545,278) | (282,414) | (116,651) | (267,356) | (945,389) | (263,731) | — | (17,689,503) |
| Retirements | 37,704 | 1,622,089 | — | 2,208 | 41,131 | 71,752 | 35 | — | 1,774,919 |
| Reclassifications | — | — | — | — | — | — | — | — | — |
| Effect of translation | (4,703) | (8,642) | — | (69) | (37) | (452) | (16) | — | (13,919) |
| **December 31, 2020** | **Ps. (5,307,759)** | **Ps. (103,248,870)** | **Ps. (3,971,069)** | **Ps. (718,471)** | **Ps. (2,031,266)** | **Ps. (7,106,312)** | **Ps. (2,573,540)** | **Ps. —** | **Ps. (124,957,287)** |
| **Carrying value:** | | | | | | | | | |
| At January 1, 2019 | Ps. 9,696,408 | Ps. 55,062,909 | Ps. 5,113,964 | Ps. 555,678 | Ps. 1,435,094 | Ps. 2,656,206 | Ps. 1,139,091 | Ps. 11,683,180 | Ps. 87,342,530 |
| At December 31, 2019 | Ps. 9,437,130 | Ps. 52,649,603 | Ps. 2,337,439 | Ps. 554,786 | Ps. 1,195,318 | Ps. 2,316,042 | Ps. 1,124,546 | Ps. 13,714,368 | Ps. 83,329,232 |
| **At December 31, 2020** | **Ps. 9,579,153** | **Ps. 54,013,318** | **Ps. 2,055,025** | **Ps. 545,329** | **Ps. 1,090,966** | **Ps. 2,092,070** | **Ps. 1,032,096** | **Ps. 12,873,670** | **Ps. 83,281,627** |

(1) Retirements and reclassifications to other accounts include (i) set-up box refurbishment projects that are subsequently reclassified to inventory in order to be assigned or sold to a customer; and (ii) projects in progress related to certain costs that are reclassified to programming when a specific program benefits from those costs.

Depreciation charges are presented in Note 21.

Property, plant and equipment include the following technical equipment leased to subscribers in the Cable and Sky segments as of December 31:

| | 2020 | 2019 |
|---|---|---|
| Subscriber leased set-top equipment | **Ps. 42,564,180** | Ps. 34,923,489 |
| Accumulated depreciation | **(26,885,031)** | (22,269,138) |
| | **Ps. 15,679,149** | Ps. 12,654,351 |

## 12. Right-of-use Assets, Net

The analysis of the changes of right-of-use assets, net, is as follows:

| | Buildings | Satellite Transponders | Technical Equipment | Others | Total |
|---|---|---|---|---|---|
| **Cost:** | | | | | |
| January 1, 2019 | Ps. 4,758,787 | Ps. 4,275,619 | Ps. 1,896,682 | Ps. 38,525 | Ps. 10,969,613 |
| Additions or inflationary adjustments | 480,222 | — | 82,568 | 25,263 | 588,053 |
| Retirements | (153,888) | — | (290,421) | (5,767) | (450,076) |
| Effect of translation | 121 | — | — | — | 121 |
| December 31, 2019 | 5,085,242 | 4,275,619 | 1,688,829 | 58,021 | 11,107,711 |
| Additions | **655,135** | **—** | **195,153** | **66,791** | **917,079** |
| Reclassifications | **(107,075)** | **—** | **—** | **107,075** | **—** |
| Retirements | **(169,899)** | **—** | **—** | **(749)** | **(170,648)** |
| Effect of translation | **1,181** | **—** | **—** | **—** | **1,181** |
| **December 31, 2020** | **Ps. 5,464,584** | **Ps. 4,275,619** | **Ps. 1,883,982** | **Ps. 231,138** | **Ps. 11,855,323** |
| **Depreciation:** | | | | | |
| January 1, 2019 | Ps. — | Ps. (1,781,508) | Ps. (987,924) | Ps. — | Ps. (2,769,432) |
| Depreciation of the year | (618,374) | (285,041) | (134,775) | (32,160) | (1,070,350) |
| Retirements | 9,714 | — | 275,262 | — | 284,976 |
| Effect of translation | 147 | — | — | — | 147 |
| December 31, 2019 | (608,513) | (2,066,549) | (847,437) | (32,160) | (3,554,659) |
| Depreciation of the year | **(607,791)** | **(285,041)** | **(140,985)** | **(62,957)** | **(1,096,774)** |
| Reclassifications | **35,312** | **—** | **—** | **(35,312)** | **—** |
| Retirements | **4,211** | **—** | **156** | **3,806** | **8,173** |
| Effect of translation | **102** | **—** | **—** | **—** | **102** |
| **December 31, 2020** | **Ps. (1,176,679)** | **Ps. (2,351,590)** | **Ps. (988,266)** | **Ps. (126,623)** | **Ps. (4,643,158)** |
| **Carrying value:** | | | | | |
| At January 1, 2019 | Ps. 4,758,787 | Ps. 2,494,111 | Ps. 908,758 | Ps. 38,525 | Ps. 8,200,181 |
| At December 31, 2019 | Ps. 4,476,729 | Ps. 2,209,070 | Ps. 841,392 | Ps. 25,861 | Ps. 7,553,052 |
| **At December 31, 2020** | **Ps. 4,287,905** | **Ps. 1,924,029** | **Ps. 895,716** | **Ps. 104,515** | **Ps. 7,212,165** |

Depreciation charges are presented in Note 21.

## 13. Intangible Assets and Goodwill, Net

As of December 31, 2020 and 2019, intangible assets and goodwill are summarized as follows:

| | 2020 | | | 2019 | | |
|---|---|---|---|---|---|---|
| | Cost | Accumulated Amortization | Carrying Value | Cost | Accumulated Amortization | Carrying Value |
| **Intangible assets and goodwill with indefinite useful lives:** | | | | | | |
| Trademarks | **Ps. 35,242** | **Ps. —** | **Ps. 35,242** | Ps. 175,444 | Ps. — | Ps. 175,444 |
| Concessions | **15,166,067** | **—** | **15,166,067** | 15,166,067 | — | 15,166,067 |
| Goodwill | **14,113,626** | **—** | **14,113,626** | 14,113,626 | — | 14,113,626 |
| | **29,314,935** | **—** | **29,314,935** | 29,455,137 | — | 29,455,137 |
| **Intangible assets with finite useful lives:** | | | | | | |
| Trademarks | **2,227,096** | **(1,971,314)** | **255,782** | 2,127,697 | (1,899,187) | 228,510 |
| Concessions | **553,505** | **(442,804)** | **110,701** | 553,505 | (332,103) | 221,402 |
| Licenses and software | **13,139,480** | **(8,446,906)** | **4,692,574** | 10,858,388 | (6,843,169) | 4,015,219 |
| Subscriber lists | **8,804,334** | **(7,258,070)** | **1,546,264** | 8,782,852 | (6,632,419) | 2,150,433 |
| Payments for renewal of concessions | **5,825,559** | **—** | **5,825,559** | 5,821,828 | — | 5,821,828 |
| Other intangible assets | **5,169,795** | **(4,191,392)** | **978,403** | 5,198,960 | (3,762,535) | 1,436,425 |
| | **35,719,769** | **(22,310,486)** | **13,409,283** | 33,343,230 | (19,469,413) | 13,873,817 |
| | **Ps. 65,034,704** | **Ps. (22,310,486)** | **Ps. 42,724,218** | Ps. 62,798,367 | Ps. (19,469,413) | Ps. 43,328,954 |

Changes in intangible assets and goodwill with indefinite useful lives in 2020 and 2019, were as follows:

| | 2020 | | | |
|---|---|---|---|---|
| | Trademarks | Concessions | Goodwill | Total |
| **Cost:** | | | | |
| Balance at beginning of period | **Ps. 175,444** | **Ps. 15,166,067** | **Ps. 14,113,626** | **Ps. 29,455,137** |
| Impairment adjustments | **(40,803)** | **—** | **—** | **(40,803)** |
| Transfers and reclassifications | **(99,399)** | **—** | **—** | **(99,399)** |
| Balance at end of period | **Ps. 35,242** | **Ps. 15,166,067** | **Ps. 14,113,626** | **Ps. 29,314,935** |

| | 2019 | | | |
|---|---|---|---|---|
| | Trademarks | Concessions | Goodwill | Total |
| **Cost:** | | | | |
| Balance at beginning of period | Ps. 479,409 | Ps. 15,166,067 | Ps. 14,113,626 | Ps. 29,759,102 |
| Impairment adjustments | (67,574) | — | — | (67,574) |
| Transfers and reclassifications | (236,391) | — | — | (236,391) |
| Balance at end of period | Ps. 175,444 | Ps. 15,166,067 | Ps. 14,113,626 | Ps. 29,455,137 |

Changes in intangible assets with finite useful lives in 2020 and 2019, were as follows:

| | 2020 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Trademarks | Concessions | Licenses and Software | Subscriber Lists | Payments for Renewal of Concessions | Other Intangible Assets | Total |
| **Cost:** | | | | | | | |
| Balance at beginning of period | **Ps. 2,127,697** | **Ps. 553,505** | **Ps. 10,858,388** | **Ps. 8,782,852** | **Ps. 5,821,828** | **Ps. 5,198,960** | **Ps. 33,343,230** |
| Additions | **—** | **—** | **959,813** | **—** | **3,731** | **271,633** | **1,235,177** |
| Transfers from property, plant and equipment | **—** | **—** | **1,247,347** | **—** | **—** | **—** | **1,247,347** |
| Transfers to property, plant and equipment | **—** | **—** | **—** | **—** | **—** | **(202,282)** | **(202,282)** |
| Retirements | **—** | **—** | **(28,127)** | **—** | **—** | **(25,013)** | **(53,140)** |
| Transfers and reclassifications | **99,399** | **—** | **84,823** | **16,428** | **—** | **(73,124)** | **127,526** |
| Effect of translation | **—** | **—** | **17,236** | **5,054** | **—** | **(379)** | **21,911** |
| Balance at end of period | **2,227,096** | **553,505** | **13,139,480** | **8,804,334** | **5,825,559** | **5,169,795** | **35,719,769** |
| **Amortization:** | | | | | | | |
| Balance at beginning of period | **(1,899,187)** | **(332,103)** | **(6,843,169)** | **(6,632,419)** | **—** | **(3,762,535)** | **(19,469,413)** |
| Amortization of the year | **(72,127)** | **(110,701)** | **(1,717,282)** | **(523,878)** | **—** | **(50,522)** | **(2,474,510)** |
| Other amortization of the year [1] | **—** | **—** | **—** | **—** | **—** | **(380,863)** | **(380,863)** |
| Retirements | **—** | **—** | **28,127** | **—** | **—** | **2,003** | **30,130** |
| Reclassifications | **—** | **—** | **96,304** | **(96,719)** | **—** | **415** | **—** |
| Effect of translation | **—** | **—** | **(10,886)** | **(5,054)** | **—** | **110** | **(15,830)** |
| Balance at end of period | **(1,971,314)** | **(442,804)** | **(8,446,906)** | **(7,258,070)** | **—** | **(4,191,392)** | **(22,310,486)** |
| | **Ps. 255,782** | **Ps. 110,701** | **Ps. 4,692,574** | **Ps. 1,546,264** | **Ps. 5,825,559** | **Ps. 978,403** | **Ps. 13,409,283** |

| | 2019 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Trademarks | Concessions | Licenses and Software | Subscriber Lists | Payments for Renewal of Concessions | Other Intangible Assets | Total |
| **Cost:** | | | | | | | |
| Balance at beginning of period | Ps. 1,891,306 | Ps. 553,505 | Ps. 9,065,582 | Ps. 8,785,423 | Ps. 5,993,891 | Ps. 4,099,750 | Ps. 30,389,457 |
| Additions | — | — | 913,108 | — | 67,285 | 1,126,357 | 2,106,750 |
| Transfers from property, plant and equipment | — | — | 1,487,056 | — | — | — | 1,487,056 |
| Retirements | — | — | (526,166) | — | (239,348) | (90,324) | (855,838) |
| Transfers and reclassifications | 236,391 | — | (68,641) | 1,162 | — | 67,479 | 236,391 |
| Effect of translation | — | — | (12,551) | (3,733) | — | (4,302) | (20,586) |
| Balance at end of period | 2,127,697 | 553,505 | 10,858,388 | 8,782,852 | 5,821,828 | 5,198,960 | 33,343,230 |
| **Amortization:** | | | | | | | |
| Balance at beginning of period | (1,569,786) | (221,402) | (5,934,647) | (6,108,251) | (15,454) | (3,235,503) | (17,085,043) |
| Amortization of the year | (329,401) | (110,701) | (1,490,841) | (530,013) | (7,773) | (31,917) | (2,500,646) |
| Other amortization of the year [1] | — | — | — | — | — | (531,426) | (531,426) |
| Retirements | — | — | 529,403 | — | 23,227 | 79,108 | 631,738 |
| Reclassifications | — | — | 44,824 | 2,112 | — | (46,936) | — |
| Effect of translation | — | — | 8,092 | 3,733 | — | 4,139 | 15,964 |
| Balance at end of period | (1,899,187) | (332,103) | (6,843,169) | (6,632,419) | — | (3,762,535) | (19,469,413) |
| | Ps. 228,510 | Ps. 221,402 | Ps. 4,015,219 | Ps. 2,150,433 | Ps. 5,821,828 | Ps. 1,436,425 | Ps. 13,873,817 |

**(1)** Other amortization of the year relates primarily to amortization of soccer player rights, which is included in consolidated cost of sales.

All of the amortization charges are presented in Note 21.

The changes in the net carrying amount of goodwill, indefinite-lived trademarks and concessions for the year ended December 31, 2020 and 2019, were as follows:

| | Balance as of January 1, 2020 | Acquisitions | Retirements | Foreign Currency Translation Adjustments | Impairment Adjustments | Transfers | Balance as of December 31, 2020 |
|---|---|---|---|---|---|---|---|
| **Goodwill:** | | | | | | | |
| Cable | Ps. 13,794,684 | Ps. — | Ps. — | Ps. — | Ps. — | Ps. — | **Ps. 13,794,684** |
| Content | 241,973 | — | — | — | — | — | **241,973** |
| Other Businesses | 76,969 | — | — | — | — | — | **76,969** |
| | Ps. 14,113,626 | Ps. — | Ps. — | Ps. — | Ps. — | Ps. — | **Ps. 14,113,626** |
| **Indefinite-lived trademarks (see Note 3):** | | | | | | | |
| Cable | Ps. 132,212 | Ps. — | Ps. — | Ps. — | Ps. — | Ps. (99,399) | **Ps. 32,813** |
| Other Businesses | 43,232 | — | — | — | (40,803) | — | **2,429** |
| | Ps. 175,444 | Ps. — | Ps. — | Ps. — | Ps. (40,803) | Ps. (99,399) | **Ps. 35,242** |
| **Indefinite-lived concessions (see Note 3):** | | | | | | | |
| Cable | Ps. 15,070,025 | Ps. — | Ps. — | Ps. — | Ps. — | Ps. — | **Ps. 15,070,025** |
| Sky | 96,042 | — | — | — | — | — | **96,042** |
| | Ps. 15,166,067 | Ps. — | Ps. — | Ps. — | Ps. — | Ps. — | **Ps. 15,166,067** |

| | Balance as of January 1,2019 | Acquisitions | Retirements | Foreign Currency Translation Adjustments | Impairment Adjustments | Transfers | Balance as of December 31, 2019 |
|---|---|---|---|---|---|---|---|
| **Goodwill:** | | | | | | | |
| Cable | Ps. 13,794,684 | Ps. — | Ps. — | Ps. — | Ps. — | Ps. — | Ps. 13,794,684 |
| Content | 241,973 | — | — | — | — | — | 241,973 |
| Other Businesses | 76,969 | — | — | — | — | — | 76,969 |
| | Ps. 14,113,626 | Ps. — | Ps. — | Ps. — | Ps. — | Ps. — | Ps. 14,113,626 |
| **Indefinite-lived trademarks (see Note 3):** | | | | | | | |
| Cable | Ps. 368,603 | Ps. — | Ps. — | Ps. — | Ps. — | Ps. (236,391) | Ps. 132,212 |
| Other Businesses | 110,806 | — | — | — | (67,574) | — | 43,232 |
| | Ps. 479,409 | Ps. — | Ps. — | Ps. — | Ps. (67,574) | Ps. (236,391) | Ps. 175,444 |
| **Indefinite-lived concessions (see Note 3):** | | | | | | | |
| Cable | Ps. 15,070,025 | Ps. — | Ps. — | Ps. — | Ps. — | Ps. — | Ps. 15,070,025 |
| Sky | 96,042 | — | — | — | — | — | 96,042 |
| | Ps. 15,166,067 | Ps. — | Ps. — | Ps. — | Ps. — | Ps. — | Ps. 15,166,067 |

During the second half of 2020 and 2019, the Group monitored the market associated with its Publishing business, which is classified into the Other Businesses segment, which has experienced a general slow-down in Latin America. Accordingly, the Group reduced its cash flow expectations for some of its foreign operations. As a result, the Group compared the fair value of the intangible assets in the reporting units with the related carrying value and recorded an aggregate impairment charge in connection with trademarks of Ps.40,803 and Ps.67,574, in other expense, net, in the consolidated statements of income for the years ended December 31, 2020 and 2019, respectively.

The key assumptions used for either fair value or value in use calculations of goodwill and intangible assets in 2020, were as follows (see Note 15):

| | Cable | |
|---|---|---|
| | Minimum | Maximum |
| **Value in use calculations:** | | |
| Long-term growth rate | **3.70%** | **3.90%** |
| Discount rate | **10.50%** | **11.60%** |
| **Fair value calculations:** | | |
| Multiple of sales | **2.3** | **3.4** |
| Multiple of EBITDA (as defined) | **6.3** | **8.2** |

The key assumptions used for fair value calculations of goodwill and intangible assets in 2019, were as follows (see Note 15):

| | Cable | | Other Businesses | |
|---|---|---|---|---|
| | Minimum | Maximum | Minimum | Maximum |
| Long-term growth rate | 3.50% | 3.50% | 3.50% | 3.50% |
| Discount rate | 10.90% | 11.20% | 14.60% | 15.60% |

As described in Note 2 (l), in 2015, the Company's management estimated the remaining useful life of four years for acquired trademarks in specific locations of Mexico, in connection with the migration to an internally developed trademark in the Group's Cable segment. Amortization of trademarks with a finite useful life amounted to Ps.321,520, for the year ended December 31, 2019.

In the fourth quarter of 2017, the Company's management reviewed the useful life of certain Group's television concessions accounted for as intangible assets in conjunction with the payment made in 2018 for renewal of concessions expiring in 2021, which amount was determined by the IFT before the renewal date (see Note 2 (b)). Based on such review, the Group classified these concessions as intangible assets with a finite useful life and began to amortize the related net carrying amount of Ps.553,505 in a period ending in 2021. Amortization of these concessions with a finite useful life amounted to Ps.110,701 for each of the years ended December 31, 2020 and 2019. Assuming a remaining useful life of five years, amortization of these concessions in future years is estimated in the following amounts:

| | Year ended December 31, |
|---|---|
| 2021 | Ps. 110,701 |

## 14. Debt, Lease Liabilities and Other Notes Payable

Debt, lease liabilities and other notes payable outstanding as of December 31, 2020 and 2019, were as follows:

| | Effective Interest Rate | 2020 | | | | | 2019 |
|---|---|---|---|---|---|---|---|
| | | Principal | Finance Costs | Principal, Net of Finance Costs | Interest Payable | Total | Total |
| **U.S. dollar Senior Notes:** | | | | | | | |
| 6.625% Senior Notes due 2025 [1] | 7.60% | Ps. 11,969,580 | Ps. (162,815) | Ps. 11,806,765 | Ps. 224,679 | **Ps. 12,031,444** | Ps. 11,341,835 |
| 4.625% Senior Notes due 2026 [1] | 5.03% | 5,984,790 | (24,424) | 5,960,366 | 138,398 | **6,098,764** | 5,766,754 |
| 8.50% Senior Notes due 2032 [1] | 9.00% | 5,984,790 | (19,870) | 5,964,920 | 155,438 | **6,120,358** | 5,790,640 |
| 6.625% Senior Notes due 2040 [1] | 7.05% | 11,969,580 | (120,485) | 11,849,095 | 431,736 | **12,280,831** | 11,612,104 |
| 5% Senior Notes due 2045 [1] | 5.39% | 19,949,300 | (412,967) | 19,536,333 | 144,079 | **19,680,412** | 18,590,304 |
| 6.125% Senior Notes due 2046 [1] | 6.47% | 17,954,370 | (119,284) | 17,835,086 | 549,853 | **18,384,939** | 17,391,833 |
| 5.25% Senior Notes due 2049 [1] | 5.59% | 14,961,975 | (294,210) | 14,667,765 | 78,550 | **14,746,315** | 13,932,641 |
| Total U.S. dollar debt | | 88,774,385 | (1,154,055) | 87,620,330 | 1,722,733 | **89,343,063** | 84,426,111 |
| **Mexican peso debt:** | | | | | | | |
| 8.79% Notes due 2027 [2] | 8.84% | 4,500,000 | (16,122) | 4,483,878 | 95,591 | **4,579,469** | 4,574,913 |
| 8.49% Senior Notes due 2037 [1] | 8.94% | 4,500,000 | (11,903) | 4,488,097 | 31,838 | **4,519,935** | 4,519,209 |
| 7.25% Senior Notes due 2043 [1] | 7.92% | 6,500,000 | (53,091) | 6,446,909 | 65,451 | **6,512,360** | 6,517,845 |
| Bank loans [3] | 5.62% | 16,000,000 | (88,350) | 15,911,650 | 6,672 | **15,918,322** | 15,971,960 |
| Bank loans (Sky) [4] | 7.04% | 2,750,000 | — | 2,750,000 | 12,371 | **2,762,371** | 5,525,212 |
| Bank loans (TVI) [5] | 5.97% | 852,893 | (786) | 852,107 | — | **852,107** | 1,345,308 |
| Total Mexican peso debt | | 35,102,893 | (170,252) | 34,932,641 | 211,923 | **35,144,564** | 38,454,447 |
| Total debt [6] | | 123,877,278 | (1,324,307) | 122,552,971 | 1,934,656 | **124,487,627** | 122,880,558 |
| Less: Current portion of long-term debt | | 617,489 | (498) | 616,991 | 1,934,656 | **2,551,647** | 2,435,814 |
| Long-term debt, net of current portion | | Ps. 123,259,789 | Ps. (1,323,809) | Ps. 121,935,980 | Ps. — | **Ps. 121,935,980** | Ps. 120,444,744 |
| **Lease liabilities:** | | | | | | | |
| Satellite transponder lease liabilities [7] | 7.30% | Ps. 3,818,559 | Ps. — | Ps. 3,818,559 | Ps. — | **Ps. 3,818,559** | Ps. 4,014,567 |
| Other lease liabilities [8] | 7.94% | 728,500 | — | 728,500 | — | **728,500** | 707,248 |
| Lease liabilities recognized as of January 1, 2019 [8] | | 4,745,292 | — | 4,745,292 | — | **4,745,292** | 4,641,705 |
| Total lease liabilities | | 9,292,351 | — | 9,292,351 | — | **9,292,351** | 9,363,520 |
| Less: Current portion | | 1,277,754 | — | 1,277,754 | — | **1,277,754** | 1,257,766 |
| Lease liabilities, net of current portion | | Ps. 8,014,597 | Ps. — | Ps. 8,014,597 | Ps. — | **Ps. 8,014,597** | Ps. 8,105,754 |
| **Other notes payable:** | | | | | | | |
| Total other notes payable [9] | 3.00% | Ps. — | Ps. — | Ps. — | Ps. — | **Ps. —** | Ps. 1,324,063 |
| Less: Current portion | | — | — | — | — | — | 1,324,063 |
| Other notes payable, net of current portion | | Ps. — | Ps. — | Ps. — | Ps. — | **Ps. —** | Ps. — |

(1) The Senior Notes due between 2025 and 2049, in the aggregate outstanding principal amount of U.S.$4,450 million and Ps.11,000,000, are unsecured obligations of the Company, rank equally in right of payment with all existing and future unsecured and unsubordinated indebtedness of the Company, and are junior in right of payment to all of the existing and future liabilities of the Company's subsidiaries. Interest rate on the Senior Notes due 2025, 2026, 2032, 2037, 2040, 2043, 2045, 2046 and 2049, including additional amounts payable in respect of certain Mexican withholding taxes, is 6.97%, 4.86%, 8.94%, 8.93%, 6.97%, 7.62%, 5.26%, 6.44% and 5.52% per annum, respectively, and is payable semi-annually. These Senior Notes may not be redeemed prior to maturity, except: (i) in the event of certain changes in law affecting the Mexican withholding tax treatment of certain payments on the securities, in which case the securities will be redeemable, in whole or in part, at the option of the Company; and (ii) in the event of a change of control, in which case the Company may be required to redeem the securities at 101% of their principal amount. Also, the Company may, at its own option, redeem the Senior Notes due 2025, 2026, 2037, 2040, 2043, 2046 and 2049, in whole or in part, at any time at a redemption price equal to the greater of the principal amount of these Senior Notes or the present value of future cash flows, at the redemption date, of principal and interest amounts of the Senior Notes discounted at a fixed rate of comparable U.S. or Mexican sovereign bonds. The Senior Notes due 2026, 2032, 2040, 2043, 2045, 2046 and 2049 were priced at 99.385%, 99.431%, 98.319%, 99.733%, 96.534%, 99.677% and 98.588%, respectively, for a yield to maturity of 4.70%, 8.553%, 6.755%, 7.27%, 5.227%, 6.147% and 5.345%, respectively. The Senior Notes due 2025 were issued in two aggregate principal amounts of U.S.$400 million and U.S.$200 million, and were priced at 98.081% and 98.632%, respectively, for a yield to maturity of 6.802% and 6.787%, respectively. The agreement of these Senior Notes contains covenants that limit the ability of the Company and certain restricted subsidiaries engaged in the Group's Content segment, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations and similar transactions. The Senior Notes due 2025, 2026, 2032, 2037, 2040, 2045, 2046 and 2049, are registered with the U.S. Securities and Exchange Commission ("SEC"). The Senior Notes due 2043 are registered with both the SEC and the Mexican Banking and Securities Commission ("Comisión Nacional Bancaria y de Valores" or "CNBV").

(2) In 2010, 2014, 2015 and October 2017, the Company issued Notes ("Certificados Bursátiles") due 2020, 2021, 2022 and 2027, respectively, through the BMV in the aggregate principal amount of Ps.10,000,000, Ps.6,000,000, Ps.5,000,000 and Ps.4,500,000, respectively. In July 2019, the Company prepaid all of the outstanding Notes due 2021 and 2022 in the aggregate principal amount of Ps.11,000,000. In October 2019, the Company prepaid all of the outstanding Notes due 2020 in the aggregate principal amount of Ps.10,000,000. Interest rate on the Notes due 2020 was 7.38% per annum and was payable semi-annually. Interest rate on the Notes due 2021 and 2022 was the TIIE plus 35 basis points per annum and was payable every 28 days. Interest rate on the Notes due 2027 is 8.79% per annum and is payable semi-annually. The Company may, at its own option, redeem the Notes due 2027, in whole or in part, at any semi-annual interest payment date at a redemption price equal to the greater of the principal amount of the outstanding Notes and the present value of future cash flows, at the redemption date, of principal and interest amounts of the Notes discounted at a fixed rate of comparable Mexican sovereign bonds. The agreement of the Notes contains covenants that limit the ability of the Company and certain restricted subsidiaries appointed by the Company's Board of Directors, and engaged in the Group's Content segment, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations and similar transactions.

(3) In 2017, the Company entered into long-term credit agreements with three Mexican banks, in the aggregate principal amount of Ps.6,000,000, with an annual interest rate payable on a monthly basis of 28-day TIIE plus a range between 125 and 130 basis points, and principal maturities between 2022 and 2023. The proceeds of these loans were used primarily for the prepayment in full of the Senior Notes due 2018. Under the terms of these loan agreements, the Company is required to: (a) maintain certain financial coverage ratios related to indebtedness and interest expense; and (b) comply with the restrictive covenant on certain spin-offs, mergers and similar transactions. In July 2019, the Company entered into a credit agreement for a five-year term loan with a syndicate of banks in the aggregate principal amount of Ps.10,000,000. The funds from this loan were used for general corporate purposes, including the refinancing of the Company's indebtedness. This loan bears interest at a floating rate based on a spread of 105 or 130 basis points over the 28-day TIIE rate depending on the Group's net leverage ratio. The credit agreement of this loan requires the maintenance of financial ratios related to indebtedness and interest expense. During 2018, the Company executed a revolving credit facility with a syndicate of banks, for up to an amount equivalent to U.S.$618 million payable in Mexican pesos, which funds may be used for the repayment of existing indebtedness and other general corporate purposes. In March 2020, the Company drew down Ps.14,770,694 under this revolving credit facility, with a maturity in the first quarter of 2022, and interest payable on a monthly basis at a floating rate based on a spread of 87.5 or 112.5 basis points over the 28-day TIIE rate depending on the Group's net leverage ratio. This facility was used by the Company as a prudent and precautionary measure to increase the Group's cash position and preserve financial flexibility in light of uncertainty in the global and local markets resulting from the COVID-19 outbreak. On October 6, 2020, the Company prepaid in full without penalty the principal amount of Ps.14,770,694 under this revolving credit facility. The Company retained the right to reborrow the facility in an amount of up to the Mexican peso equivalent of U.S.$618 million, and the facility remains available through March 2022.

(4) In March 2016, Sky entered into long-term credit agreements with two Mexican banks in the aggregate principal amount of Ps.5,500,000, with maturities between 2021 and 2023, and interest payable on a monthly basis with an annual interest rate in the range of 7.0% and 7.13%. In July 2020, Sky prepaid a portion of these loans in the aggregate cash amount of Ps.2,818,091, which included principal amount prepayments of Ps.2,750,000, and related accrued interest and transaction costs in the amount of Ps.68,091. Under the terms of these credit agreements, the Company is required to: (a) maintain certain financial coverage ratios related to indebtedness and interest expense; and (b) comply with the restrictive covenant on spin-offs, mergers and similar transactions.

(5) In 2020 and 2019, included outstanding balances in the aggregate principal amount of Ps.852,893 and Ps.1,345,382, respectively, in connection with credit agreements entered into by TVI with Mexican banks, with maturities between 2019 and 2022, bearing interest at an annual rate of TIIE plus a range between 100 and 125 basis points, which is payable on a monthly basis. This TVI long-term indebtedness is guaranteed by the Company. Under the terms of these credit agreements, TVI is required to comply with certain restrictive covenants and financial coverage ratios.

(6) Total debt as of December 31, 2019, is presented net of unamortized finance costs in the aggregate amount of Ps.1,441,597, interest payable in the aggregate amount of Ps.1,943,863.

(7) Under a capital lease agreement entered into with Intelsat Global Sales & Marketing Ltd. ("Intelsat") in March 2010, Sky is obligated to pay at an annual interest rate of 7.30%, a monthly fee through 2027 of U.S.$3.0 million for satellite signal reception and retransmission service from 24 KU-band transponders on satellite IS-21, which became operational in October 2012. The service term for IS-21 will end at the earlier of: (a) the end of 15 years or; (b) the date IS-21 is taken out of service (see Note 12).

(8) In 2020, includes lease liabilities recognized beginning on January 1, 2019 under IFRS 16 for an aggregate amount of Ps.4,745,292. Also, includes minimum lease payments of property and equipment under leases that qualify as lease liabilities. In 2020 and 2019, includes Ps.728,500 and Ps.699,066, respectively, in connection with a lease agreement entered into by a subsidiary of the Company and GTAC for the right to use certain capacity of a telecommunications network through 2029 (see Note 20). This lease agreement provides for annual payments through 2029. Other lease liabilities had terms which expired at various dates between 2019 and 2020.

(9) Notes payable issued by the Group in 2016, in connection with the acquisition of a non-controlling interest in TVI. The cash payments made between 2018 and 2020 related to these notes payable amounted to an aggregate of Ps.1,330,000 and Ps.2,624,375, respectively, including interest of Ps.142,500 and Ps.249,375, respectively. Accumulated accrued interest for this transaction amounted to Ps.136,563 and Ps.201,874, as of December 31, 2019 and 2018, respectively. This was regarded as a Level 2 debt, which was fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market price of other quoted debt instruments. In February 2020, the Group repaid all of its outstanding other notes payable as of December 31, 2019.

As of December 31, 2020 and 2019, the outstanding principal amounts of Senior Notes of the Company that have been designated as hedging instruments of the Group's investments in UHI and the investment in Open-Ended Fund (hedged items) were as follows (see Notes 2 (e) and 4):

| | December 31, 2020 | | December 31, 2019 | |
|---|---|---|---|---|
| **Hedged Items** | **Millions of U.S. dollars** | **Thousands of Mexican pesos** | **Millions of U.S. dollars** | **Thousands of Mexican pesos** |
| Investment in shares of UHI (net investment hedge) | **U.S.$ 1,074.0** | **Ps. 21,424,180** | U.S.$ 433.7 | Ps. 8,189,662 |
| Warrants issued by UHI (foreign currency fair value hedge) | **—** | **—** | 1,788.6 | 33,775,451 |
| Open-Ended Fund (foreign currency fair value hedge) | **56.9** | **1,135,803** | 248.3 | 4,688,202 |
| Total | **U.S.$ 1,130.9** | **Ps. 22,559,983** | U.S.$ 2,470.6 | Ps. 46,653,315 |

The foreign exchange gain or loss derived from the Company's U.S. dollar denominated long-term debt designated as a hedge, for the years ended December 31, 2020 and 2019, is analyzed as follows (see Notes 9 and 23):

| **Foreign Exchange Gain or Loss Derived from Senior Notes Designated as Hedging Instruments** | **Year Ended December 31, 2020** | **Year Ended December 31, 2019** |
|---|---|---|
| **Recognized in:** | | |
| Comprehensive income | **Ps. (7,343,244)** | Ps. 2,030,424 |
| Total foreign exchange (loss) gain derived from hedging Senior Notes | **Ps. (7,343,244)** | Ps. 2,030,424 |
| | | |
| **Offset against:** | | |
| Foreign currency translation gain (loss) derived from the hedged net investment in shares of UHI | **Ps. 1,360,735** | Ps. (337,742) |
| Foreign exchange gain (loss) derived from hedged warrants issued by UHI | **5,511,412** | (1,403,384) |
| Foreign exchange gain (loss) derived from the hedged Open-Ended Fund | **471,097** | (289,298) |
| Total foreign currency translation and foreign exchange gain (loss) derived from hedged assets | **Ps. 7,343,244** | Ps. (2,030,424) |

**Maturities of Debt and Lease Liabilities**

Debt maturities for the years subsequent to December 31, 2020, are as follows:

| | **Nominal** | **Unamortized Finance Costs** |
|---|---|---|
| 2021 | Ps. 617,489 | Ps. (498) |
| 2022 | 5,485,404 | (8,213) |
| 2023 | 3,500,000 | (6,290) |
| 2024 | 10,000,000 | (74,135) |
| 2025 | 11,969,580 | (162,815) |
| Thereafter | 92,304,805 | (1,072,356) |
| | Ps. 123,877,278 | Ps. (1,324,307) |

Future minimum payments under lease liabilities for the years subsequent to December 31, 2020, are as follows:

| | |
|---|---|
| 2021 | Ps. 1,946,215 |
| 2022 | 1,708,943 |
| 2023 | 1,644,473 |
| 2024 | 1,583,671 |
| 2025 | 1,510,847 |
| Thereafter | 4,515,287 |
| | 12,909,436 |
| Less: Amount representing interest | (3,617,085) |
| | Ps. 9,292,351 |

A reconciliation of long-term debt and lease liabilities arising from financing activities in the Group's consolidated statement of cash flows for the year ended December 31, 2020 and 2019, is as follows:

| | Balance as of January 1, 2020 | Cash Flow | | Non-Cash Changes | | | Balance as of December 31, 2020 |
|---|---|---|---|---|---|---|---|
| | | New Debt | Payments | New Debt and Leases | Foreign Exchange Income | Interest | |
| Debt | Ps. 122,378,292 | Ps. 14,770,694 | Ps. (18,013,183) | Ps. — | Ps. 4,741,475 | Ps. — | **Ps. 123,877,278** |
| Satellite transponder lease liabilities | 4,014,567 | — | (456,465) | — | 260,457 | — | **3,818,559** |
| Other lease liabilities | 707,248 | — | (211,812) | 195,308 | — | 37,756 | **728,500** |
| Lease liabilities | 4,641,705 | — | (953,771) | 540,477 | 20,102 | 496,779 | **4,745,292** |
| Total debt and lease liabilities | Ps. 131,741,812 | Ps. 14,770,694 | Ps. (19,635,231) | Ps. 735,785 | Ps. 5,022,034 | Ps. 534,535 | **Ps. 133,169,629** |

| | Balance as of January 1, 2019 | Cash Flow | | Non-Cash Changes | | | Balance as of December 31, 2019 |
|---|---|---|---|---|---|---|---|
| | | New Debt | Payments | New Debt and Leases | Foreign Exchange Income | Interest | |
| Debt | Ps. 123,124,638 | Ps. 24,298,075 | Ps. (21,989,156) | Ps. — | Ps. (3,055,265) | Ps. — | Ps. 122,378,292 |
| Finance Costs | — | — | (50,531) | — | — | — | (50,531) |
| Satellite transponder lease liabilities | 4,569,773 | — | (387,428) | — | (167,778) | — | 4,014,567 |
| Other lease liabilities | 748,171 | — | (172,195) | 82,597 | — | 48,675 | 707,248 |
| Lease liabilities recognized as of January 1, 2019 | 4,797,312 | — | (883,533) | 762,910 | (34,984) | — | 4,641,705 |
| Total debt and lease liabilities | Ps. 133,239,894 | Ps. 24,298,075 | Ps. (23,482,843) | Ps. 845,507 | Ps. (3,258,027) | Ps. 48,675 | Ps. 131,691,281 |

## 15. Financial Instruments

The Group's financial instruments presented in the consolidated statements of financial position included cash and cash equivalents, accounts and notes receivable, a long-term loan receivable from GTAC, warrants that were exercised for UHI's common stock, on December 29, 2020, non-current investments in debt and equity securities, and in securities in the form of an open-ended fund, accounts payable, outstanding debt, lease liabilities, other notes payable, and derivative financial instruments. For cash and cash equivalents, accounts receivable, accounts payable, and the current portion of notes payable due to banks and other financial institutions, the carrying amounts approximate fair value due to the short maturity of these instruments. The fair value of the Group's long-term debt securities are based on quoted market prices.

The fair value of long-term loans that the Group borrowed from leading Mexican banks (see Note 14), has been estimated using the borrowing rates currently available to the Group for bank loans with similar terms and average maturities. The fair value of non-current investments in financial instruments, and currency option and interest rate swap agreements were determined by using valuation techniques that maximize the use of observable market data.

The carrying and estimated fair values of the Group's non-derivative financial instruments as of December 31, 2020 and 2019, were as follows:

| | 2020 | | 2019 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Assets:** | | | | |
| Cash and cash equivalents | **Ps. 29,058,093** | **Ps. 29,058,093** | Ps. 27,452,265 | Ps. 27,452,265 |
| Trade notes and accounts receivable, net | **12,343,797** | **12,343,797** | 14,486,184 | 14,486,184 |
| Warrants issued by UHI (see Note 9) | **—** | **—** | 33,775,451 | 33,775,451 |
| Long-term loan and interests receivable from GTAC (see Note 10) | **821,253** | **824,092** | 872,317 | 875,585 |
| Open-Ended Fund (see Note 9) | **1,135,803** | **1,135,803** | 4,688,202 | 4,688,202 |
| Other equity instruments (see Note 9) | **5,397,504** | **5,397,504** | 5,751,001 | 5,751,001 |
| **Liabilities:** | | | | |
| Senior Notes due 2025, 2032 and 2040 | **Ps. 29,923,950** | **Ps. 40,584,237** | Ps. 28,325,700 | Ps. 34,954,254 |
| Senior Notes due 2045 | **19,949,300** | **24,282,886** | 18,883,800 | 19,739,047 |
| Senior Notes due 2037 and 2043 | **11,000,000** | **9,238,435** | 11,000,000 | 8,986,870 |
| Senior Notes due 2026 and 2046 | **23,939,160** | **31,811,792** | 22,660,560 | 26,645,193 |
| Senior Notes due 2049 | **14,961,975** | **18,978,667** | 14,162,850 | 15,364,426 |
| Notes due 2027 | **4,500,000** | **5,035,860** | 4,500,000 | 4,656,375 |
| Long-term notes payable to Mexican banks | **19,602,893** | **19,801,142** | 22,845,382 | 23,012,707 |
| Lease liabilities | **9,292,351** | **9,343,100** | 9,363,520 | 9,120,903 |
| Other notes payable | **—** | **—** | 1,324,063 | 1,295,780 |

The carrying values (based on estimated fair values), notional amounts, and maturity dates of the Group's derivative financial instruments as of December 31, 2020 and 2019, were as follows:

| **December 31, 2020:**<br>**Derivative Financial Instruments** | | **Carrying Value** | **Notional Amount (U.S. Dollars in Thousands)** | | **Maturity Date** |
|---|---|---|---|---|---|
| **Liabilities:** | | | | | |
| Derivatives recorded as accounting hedges (cash flow hedges): | | | | | |
| TVI's interest rate swap [(a)] | **Ps.** | **1,759** | Ps. | 122,400 | May 2022 |
| TVI's interest rate swap [(b)] | | **23,784** | Ps. | 730,493 | April 2022 |
| Interest rate swaps [(c)] | | **109,146** | Ps. | 2,000,000 | October 2022 |
| Interest rate swaps [(d)] | | **86,171** | Ps. | 1,500,000 | October 2022 |
| Interest rate swaps [(e)] | | **180,941** | Ps. | 2,500,000 | February 2023 |
| Interest rate swaps [(f)] | | **762,827** | Ps. | 10,000,000 | June 2024 |
| Forward [(g)] | | **714,763** | U.S.$ | 330,500 | January 2021 through March 2022 |
| Derivatives not recorded as accounting hedges: | | | | | |
| Interest rate swap [(h)] | | **204,250** | Ps. | 9,385,347 | March 2022 |
| TVI's forward [(i)] | | **176,868** | U.S.$ | 88,353 | January 2021 through February 2022 |
| Empresas Cablevisión's forward [(j)] | | **190,726** | U.S.$ | 96,789 | January 2021 through February 2022 |
| Sky's forward [(k)] | | **318,701** | U.S.$ | 135,000 | February 2021 through February 2022 |
| Forward [(l)] | | **706,287** | U.S.$ | 344,898 | January 2021 through February 2022 |
| Total liabilities | **Ps.** | **3,476,223** | | | |

| **December 31, 2019:**<br>**Derivative Financial Instruments** | | **Carrying Value** | **Notional Amount (U.S. Dollars in Thousands)** | | **Maturity Date** |
|---|---|---|---|---|---|
| **Assets:** | | | | | |
| Derivatives recorded as accounting hedges (cash flow hedges): | | | | | |
| TVI's interest rate swap [(a)] | Ps. | 4,592 | Ps. | 407,200 | May 2020 through May 2022 |
| Total assets | Ps. | 4,592 | | | |
| | | | | | |
| **Liabilities:** | | | | | |
| Derivatives recorded as accounting hedges (cash flow hedges): | | | | | |
| TVI's interest rate swap [(b)] | Ps. | 8,943 | Ps. | 938,182 | April 2022 |
| Interest rate swaps [(c)] | | 38,543 | Ps. | 2,000,000 | October 2022 |
| Interest rate swaps [(d)] | | 30,702 | Ps. | 1,500,000 | October 2022 |
| Interest rate swaps [(e)] | | 83,122 | Ps. | 2,500,000 | February 2023 |
| Interest rate swaps [(f)] | | 185,205 | Ps. | 6,000,000 | June 2024 |
| Forward [(g)] | | 144,466 | U.S.$ | 218,688 | January 2020 through September 2020 |
| Derivatives not recorded as accounting hedges: | | | | | |
| TVI's forward [(i)] | | 45,968 | U.S.$ | 66,000 | January 2020 through October 2020 |
| Empresas Cablevisión's forward [(j)] | | 48,474 | U.S.$ | 73,000 | January 2020 through October 2020 |
| Sky's forward [(k)] | | 87,090 | U.S.$ | 127,850 | January 2020 through September 2020 |
| Forward [(l)] | | 242,777 | U.S.$ | 361,550 | January 2020 through October 2020 |
| Total liabilities | Ps. | 915,290 | | | |

(a) TVI has entered into several derivative transaction agreements (interest rate swaps) with two financial institutions from August 2013 through May 2022 to hedge the variable interest rate exposure resulting from Mexican peso loans of a total principal amount of Ps.122,400 and Ps.407,200, as of December 31, 2020 and 2019, respectively. Under these agreements, the Company receives monthly payments based on aggregate notional amounts of Ps.122,400 and Ps.407,200 and makes payments based on the same notional amount at an annual weighted average fixed rate of 5.585%. TVI has recognized the change in fair value of this transaction as an accounting hedge, and recorded a loss of Ps.60,730 and Ps.54,383 in other comprehensive income or loss as of December 31, 2020 and 2019, respectively. In the years ended as of December 31, 2020 and 2019, TVI recorded a gain of Ps.2,046 and Ps.26,962, respectively, in consolidated other finance income or expense.

(b) In March and April 2017, TVI entered into several derivative transaction agreements (interest rate swaps) with two financial institutions through April 2022 to hedge the variable interest rate exposure resulting from Mexican peso loan of a total principal amount of Ps.730,493 and Ps.938,182, as of December 31, 2020 and 2019, respectively. Under these agreements, the Company receives monthly payments based on aggregate notional amounts of Ps.730,493 and Ps.938,182, as of December 31, 2020 and 2019, respectively, at an annual variable rate of 28-days TIIE and makes monthly payments based on the same notional amounts at an annual weighted average fixed rate of 7.2663%. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a loss of Ps.23,784 and Ps.8,943 in other comprehensive income or loss as of December 31, 2020 and 2019, respectively. TVI recorded a (loss) gain of Ps.(11,700) and Ps.11,738 for this transaction agreement in consolidated other finance income or expense as of December 31, 2020 and 2019, respectively.

(c) In November 2017, the Company entered into a derivative transaction agreement (interest rate swap) through October 2022, to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.2,000,000. Under this transaction, the Company receives monthly payments based on an aggregate notional amount of Ps.2,000,000, at an annual variable rate of 28 days of TIIE and makes monthly payments based on the same notional amount at an annual fixed rate of 7.3275%. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative loss of Ps.107,884 and Ps.38,543 in other comprehensive income or loss as of December 31, 2020 and 2019, respectively. In 2020 and 2019, the Company recorded a (loss) gain of Ps.(28,719) and Ps.20,933, respectively, in consolidated other finance income or expense.

(d) In November and December 2017, the Company entered into a derivative transaction agreement (interest rate swap) through October 2022, to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.1,500,000. Under this transaction, the Company receives monthly payments based on an aggregate notional amount of Ps.1,500,000, at an annual variable rate of 28 days of TIIE and makes monthly payments based on the same notional amount at an annual fixed rate of 7.35%. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative loss of Ps.85,217 and Ps.30,702, in other comprehensive income or loss as of December 31, 2020 and 2019, respectively. In 2020, the Company recorded a loss of Ps.21,741 in consolidated other finance income or expense.

(e) In January 2018, the Company entered into a derivative transaction agreement (interest rate swap) through February 2023, to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.2,500,000. Under this transaction, the Company receives monthly payments based on aggregate notional amount of Ps.2,500,000, at an annual variable rate of 28 days of TIIE and makes monthly payments based on the same notional amount at an annual fixed rate of 7.7485%. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative loss of Ps.175,498 and Ps.83,122 in other comprehensive income or loss as of December 31, 2020 and 2019, respectively. In 2020, the Company recorded a loss of Ps.42,553 in consolidated other finance income or expense.

(f) In June and July 2019 and October 2020, the Company entered into a derivative transaction agreements (interest rate swap) through June 2024, to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.10,000,000 and Ps.6,000,000 as of December 31, 2020 and 2019, respectively. Under this agreements, the Company receives monthly payments based on aggregate notional amounts of Ps.10,000,000 and Ps.6,000,000, at an annual variable rate of 28 days of TIIE and makes monthly payments based on the same notional amount at an annual weighted average fixed rate of 6.7620%. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative loss of Ps.747,630 in other comprehensive income or loss as of December 31, 2020. In 2020, the Company recorded a loss of Ps.89,336 in consolidated other finance income or expense.

(g) As of December 31, 2020 and 2019, the Company had entered into derivative contracts of foreign currency (forwards) to fix the exchange rate for the purchase of U.S.$330.5 million and U.S.$218.7 million, respectively, at an average exchange rate of Ps.22.5859 and Ps.19.9256, respectively. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative loss of Ps.714,763 and Ps.144,466 for this transaction agreement in other comprehensive income or loss as of December 31, 2020, and 2019, respectively. In 2020 and 2019, the Company recorded a gain (loss) of Ps.308,562 and Ps. (107,440) in consolidated other finance income or expense, respectively.

(h) In March 2020, the Company entered into a derivative transaction agreement (interest rate swap) through March 2022, to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.9,385,347. Under this transaction, the Company receives monthly payments based on aggregate notional amounts of Ps.9,385,347, at an annual variable rate of 28 days of TIIE, and makes monthly payments based on the same notional amount at an annual fixed rate of 6.0246%. In 2020, the Company recorded a loss of Ps.274,285 in consolidated other finance income or expense.

(i) As of December 31, 2020, TVI had foreign currency contracts (forwards) in the aggregate notional amount of U.S.$88.4 million at an average rate of Ps.22.4570. As a result of the change in fair value of these agreements in the year ended December 31, 2020, the Company recorded a loss of Ps.3,482 in consolidated other finance income or expense.

(j) As of December 31, 2020, Empresas Cablevisión had foreign currency contracts (forwards) in the aggregate notional amount of U.S.$96.8 million at an average rate of Ps.22.4103. As a result of the change in fair value of these agreements in the year ended December 31, 2020 the Company recorded a loss of Ps.300 in consolidated other finance income or expense.

(k) As of December 31, 2020, Sky had foreign currency contracts (forwards) in the aggregate notional amount of U.S.$135.0 million at an average rate of Ps.22.8411. As a result of the change in fair value of these agreements in the year ended December 31, 2020 the Company recorded a gain of Ps.43,419 in consolidated other finance income or expense.

(l) As of December 31, 2020 and 2019, the Company had foreign currency contracts (forward) in the aggregate notional amount of U.S.$344.9 million and U.S.$361.5 million at an average rate of Ps.22.4872 and Ps.19.9898, respectively. As a result of the change in fair value of these agreements, in the years ended December 31, 2020 and 2019, the Company recorded a gain (loss) of Ps.207,412 and Ps.(820,585), in consolidated other finance income or expense, respectively.

**Fair Value Measurement**

**Assets and Liabilities Measured at Fair Value on a Recurring Basis**

All fair value adjustments as of December 31, 2020 and 2019, represent assets or liabilities measured at fair value on a recurring basis. In determining fair value, the Group's financial instruments are separated into two categories: investments in financial assets at FVOCIL and derivative financial instruments.

Financial assets and liabilities measured at fair value as of December 31, 2020 and 2019:

| | Balance as of December 31, 2020 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Internal Models with Significant Observable Inputs (Level 2) | Internal Models with Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| **Assets:** | | | | |
| At FVOCIL: | | | | |
| Open-Ended Fund | **Ps. 1,135,803** | Ps. — | Ps. 1,135,803 | Ps. — |
| Other equity instruments | **5,397,504** | 5,397,504 | — | — |
| Total | **Ps. 6,533,307** | Ps. 5,397,504 | Ps. 1,135,803 | Ps. — |
| **Liabilities:** | | | | |
| Derivative financial instruments | **Ps. 3,476,223** | Ps. — | Ps. 3,476,223 | Ps. — |
| Total | **Ps. 3,476,223** | Ps. — | Ps. 3,476,223 | Ps. — |

| | Balance as of December 31, 2019 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Internal Models with Significant Observable Inputs (Level 2) | Internal Models with Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| **Assets:** | | | | |
| At FVOCIL: | | | | |
| Open-Ended Fund | Ps. 4,688,202 | Ps. — | Ps. 4,688,202 | Ps. — |
| Other equity instruments | 5,751,001 | 5,751,001 | — | — |
| Warrants issued by UHI | 33,775,451 | — | — | 33,775,451 |
| Derivative financial instruments | 4,592 | — | 4,592 | — |
| Total | Ps. 44,219,246 | Ps. 5,751,001 | Ps. 4,692,794 | Ps. 33,775,451 |
| **Liabilities:** | | | | |
| Derivative financial instruments | Ps. 915,290 | Ps. — | Ps. 915,290 | Ps. — |
| Total | Ps. 915,290 | Ps. — | Ps. 915,290 | Ps. — |

The table below presents the reconciliation for all assets and liabilities measured at fair value using internal models with significant unobservable inputs (Level 3) during the years ended December 31, 2020 and 2019:

| | 2020 | 2019 |
|---|---|---|
| Balance at beginning of year | **Ps. 33,775,451** | Ps. 34,921,530 |
| Included in other comprehensive income | **(16,387,752)** | (1,146,079) |
| Warrants exercised for common stock of UHI | **(17,387,699)** | — |
| Balance at the end of year | **Ps. —** | Ps. 33,775,451 |

**Non-current Financial Assets**

Investments in debt securities or with readily determinable fair values, are classified as non-current investments in financial instruments, and are recorded at fair value with unrealized gains and losses included in consolidated stockholders' equity as accumulated other comprehensive result.

Non-current financial assets are generally valued using quoted market prices or alternative pricing sources with reasonable levels of price transparency. Such instruments are classified in Level 1, Level 2, and Level 3, depending on the observability of the significant inputs.

**Open-Ended Fund**

The Group has an investment in an Open-Ended Fund that has as a primary objective to achieve capital appreciation by using a broad range of strategies through investments in securities, including without limitation stock, debt and other financial instruments, a principal portion of which are considered as Level 1 financial instruments, in telecom, media and other sectors across global markets, including Latin America and other emerging markets. Shares may be redeemed on a quarterly basis at the NAV per share as of such redemption date (see Notes 4 and 9).

**UHI Warrants**

In July 2015, the Group exchanged its investment in U.S.$1,125 million principal amount of Convertible Debentures due 2025 issued by UHI for 4,858,485 warrants that were exercisable for UHI's common stock and exercised 267,532 of these warrants to increase its equity stake in UHI from 7.8% to 10%. On December 29, 2020, the Group exercised all of its remaining warrants for common shares of UHI to increase its equity stake in UHI from 10% to 35.9% on a fully diluted basis (see Notes 9 and 10).

The carrying amount of these warrants included the original value of U.S.$1,063.1 million invested by the Group in December 2010 in the form of Convertible Debentures issued by UHI that were then exchanged for these warrants in July 2015.

The Group determined the fair value of its investment in warrants by using the income approach based on post-tax discounted cash flows. The income approach requires management to make judgments and involves the use of significant estimates and assumptions. These estimates and assumptions include long-term growth rates and operating margins used to calculate projected future cash flows, risk-adjusted discount rates based on weighted average cost of capital within a range of 8% to 9%, among others. The Group´s estimates for market growth were based on historical data, various internal estimates and observable external sources when available and are based on assumptions that are consistent with the strategic plans and estimates used to manage the underlying business. Since the described methodology is an internal model with significant unobservable inputs, the UHI warrants are classified as Level 3. Additionally, the Group determined the fair value of its investment in warrants by using the Black-Scholes model ("BSPM"). The BSPM involves the use of significant estimates and assumptions. The assumptions used as of December 29, 2020, December 31, 2019 and 2018, included the UHI stock´s spot price of U.S.$190, U.S.$390 and U.S.$387 per share on a fully-diluted, as–converted basis, respectively, and the UHI stock's expected volatility of 64%, 40% and 36%, respectively.

The Company's management applied significant judgment to determine the classification of the warrants issued by UHI that were exercisable for UHI's common stock. These warrants did not comply with the definition of a derivative financial instrument because the initial investment that the Group paid to acquire the original instrument (Convertible Debentures) was significant and a derivative requires no initial investment or one that is smaller than would be required for a contract with similar response to changes in market factors; therefore, the Group classified the warrants issued by UHI as equity instruments with changes in fair value recognized in other comprehensive income or loss in consolidated equity. Significant judgment was applied by the Company's management in assessing that the characteristics of the warrants issued by UHI are closer to an equity instrument in accordance with IAS 32 *Financial Instruments: Presentation* (see Note 9).

**Disclosures for Each Class of Assets and Liabilities Subject to Recurring Fair Value Measurements Categorized Within Level 3**

The Corporate Finance Department of the Company has established rules for a proper portfolio asset classification according to the fair value hierarchy defined by the IFRS Standards. On a monthly basis, any new assets recognized in the portfolio are classified according to this criterion. Subsequently, there is a quarterly review of the portfolio in order to analyze the need for a change in classification of any of these assets.

Sensitivity analysis is performed on the Group's investments with significant unobservable inputs (Level 3) in order to obtain a reasonable range of possible alternative valuations. This analysis is carried out by the Corporate Finance Department of the Company.

**Derivative Financial Instruments**

Derivative financial instruments include swaps, forwards and options (see Notes 2 (w) and 4).

The Group's derivative portfolio is entirely over-the-counter ("OTC"). The Group's derivatives are valued using industry standard valuation models; projecting future cash flows discounted to present value, using market-based observable inputs including interest rate curves, foreign exchange rates, and forward and spot prices for currencies.

When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit spreads considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used. All derivatives are classified in Level 2.

**Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis**

The majority of the Group's non-financial instruments, which include goodwill, intangible assets, inventories, transmission rights and programming, property, plant and equipment and right-of-use assets are not required to be carried at fair value on a recurring basis. However, if certain triggering events occur (or at least annually in the fourth quarter for goodwill and indefinite-lived intangible assets) such that a non-financial instrument is required to be evaluated for impairment, a resulting asset impairment would require that, the non-financial instrument be recorded at the lower of carrying amount or its recoverable amount.

The impairment test for goodwill involves a comparison of the estimated fair value of each of the Group's reporting units to its carrying amount, including goodwill. The Group determines the fair value of a reporting unit using the higher between the value in use and the fair value less costs to sell, which utilize significant unobservable inputs (Level 3) within the fair value hierarchy. The impairment test for intangible assets not subject to amortization involves a comparison of the estimated fair value of the intangible asset with its carrying value. The Group determines the fair value of the intangible asset using a discounted cash flow analysis, which utilizes significant unobservable inputs (Level 3) within the fair value hierarchy. Determining fair value requires the exercise of significant judgment, including judgment about appropriate discount rates, perpetual growth rates, the amount and timing of expected future cash flows for a period of time that comprise five years, as well as relevant comparable company earnings multiples for the market-based approach.

Once an asset has been impaired, it is not remeasured at fair value on a recurring basis; however, it is still subject to fair value measurements to test for recoverability of the carrying amount.

**16. Post-employment Benefits**

Certain companies in the Group have collective bargaining contracts which include defined benefit pension plans and other retirement benefits for substantially all of their employees. Additionally, the Group has defined benefit pension plans for certain eligible executives and employees. All pension benefits are based on salary and years of service rendered.

Under the provisions of the Mexican Labor Law, seniority premiums are payable based on salary and years of service to employees who resign or are terminated prior to reaching retirement age. Some companies in the Group have seniority premium benefits which are greater than the legal requirement. After retirement age employees are no longer eligible for seniority premiums.

Post-employment benefits are actuarially determined by using nominal assumptions and attributing the present value of all future expected benefits proportionately over each year from date of hire to age 65.

The Group used actuarial assumptions to determine the present value of defined benefit obligations, as follows:

| | 2020 | 2019 |
|---|---|---|
| Discount rate | **6.6%** | 7.0% |
| Salary increase | **5.0%** | 5.0% |
| Inflation rate | **3.5%** | 3.5% |

Had the discount rate of 6.6% used by the Group in 2020 been decreased by 50 basis points, the impact on defined benefit obligation would have been an increase to Ps.3,382,711 as of December 31, 2020.

Had the discount rate of 7.0% used by the Group in 2019 been decreased by 50 basis points, the impact on defined benefit obligation would have been an increase to Ps.3,037,398 as of December 31, 2019.

The reconciliation between defined benefit obligations and post-employment benefit liability (asset) in the consolidated statements of financial position as of December 31, 2020 and 2019, is presented as follows:

| | Pensions | Seniority Premiums | 2020 |
|---|---|---|---|
| Vested benefit obligations | Ps. 556,619 | Ps. 376,122 | **Ps. 932,741** |
| Unvested benefit obligations | 2,077,506 | 266,153 | **2,343,659** |
| Defined benefit obligations | 2,634,125 | 642,275 | **3,276,400** |
| Fair value of plan assets | 909,324 | 286,425 | **1,195,749** |
| Underfunded status of the plan assets | 1,724,801 | 355,850 | **2,080,651** |
| Post-employment benefit liability | Ps. 1,724,801 | Ps. 355,850 | **Ps. 2,080,651** |

| | Pensions | Seniority Premiums | 2019 |
|---|---|---|---|
| Vested benefit obligations | Ps. 449,752 | Ps. 338,962 | Ps. 788,714 |
| Unvested benefit obligations | 1,890,108 | 168,786 | 2,058,894 |
| Defined benefit obligations | 2,339,860 | 507,748 | 2,847,608 |
| Fair value of plan assets | 1,051,076 | 328,420 | 1,379,496 |
| Underfunded status of the plan assets | 1,288,784 | 179,328 | 1,468,112 |
| Post-employment benefit liability | Ps. 1,288,784 | Ps. 179,328 | Ps. 1,468,112 |

The components of net periodic pensions and seniority premiums cost for the years ended December 31, consisted of the following:

| | 2020 | 2019 |
|---|---|---|
| Service cost | **Ps. 148,987** | Ps. 131,662 |
| Interest cost | **187,470** | 193,344 |
| Prior service cost for plan amendments | **40,542** | 46,846 |
| Interest on plan assets | **(84,973)** | (112,788) |
| Net periodic cost | **Ps. 292,026** | Ps. 259,064 |

The Group's defined benefit obligations, plan assets, funded status and balances in the consolidated statements of financial position as of December 31, 2020 and 2019, associated with post-employment benefits, are presented as follows:

| | Pensions | Seniority Premiums | 2020 | 2019 |
|---|---|---|---|---|
| **Defined benefit obligations:** | | | | |
| Beginning of year | Ps. 2,339,860 | Ps. 507,748 | **Ps. 2,847,608** | Ps. 2,477,527 |
| Service cost | 90,045 | 58,942 | **148,987** | 131,662 |
| Interest cost | 150,253 | 37,217 | **187,470** | 193,344 |
| Benefits paid | (154,542) | (66,642) | **(221,184)** | (215,474) |
| Remeasurement of post-employment benefit obligations | 198,995 | 73,982 | **272,977** | 213,703 |
| Past service cost | 9,514 | 31,028 | **40,542** | 46,846 |
| End of year | 2,634,125 | 642,275 | **3,276,400** | 2,847,608 |
| **Fair value of plan assets:** | | | | |
| Beginning of year | 1,051,076 | 328,420 | **1,379,496** | 1,515,030 |
| Return on plan assets | 63,478 | 21,495 | **84,973** | 112,788 |
| Contributions | 600 | — | **600** | — |
| Remeasurement on plan assets | (51,288) | (20,048) | **(71,336)** | (33,389) |
| Benefits paid | (154,542) | (43,442) | **(197,984)** | (214,933) |
| End of year | 909,324 | 286,425 | **1,195,749** | 1,379,496 |
| Unfunded status by the plan assets | Ps. 1,724,801 | Ps. 355,850 | **Ps. 2,080,651** | Ps. 1,468,112 |

The changes in the net post-employment liability (asset) in the consolidated statements of financial position as of December 31, 2020 and 2019, are as follows:

| | Pensions | Seniority Premiums | 2020 | 2019 |
|---|---|---|---|---|
| Beginning of net post-employment liability (asset) | Ps. 1,288,784 | Ps. 179,328 | **Ps. 1,468,112** | Ps. 962,497 |
| Net periodic cost | 186,334 | 105,692 | **292,026** | 259,064 |
| Contributions | (600) | — | **(600)** | — |
| Remeasurement of post-employment benefits | 250,283 | 94,030 | **344,313** | 247,092 |
| Benefits paid | — | (23,200) | **(23,200)** | (541) |
| Ending net post-employment liability | Ps. 1,724,801 | Ps. 355,850 | **Ps. 2,080,651** | Ps. 1,468,112 |

The post-employment benefits as of December 31, 2020 and 2019 and remeasurements adjustments for the years ended December 31, 2020 and 2019, are summarized as follows:

| | 2020 | 2019 |
|---|---|---|
| **Pensions:** | | |
| Defined benefit obligations | **Ps. 2,634,125** | Ps. 2,339,860 |
| Plan assets | **909,324** | 1,051,076 |
| Unfunded status of plans | **1,724,801** | 1,288,784 |
| Remeasurements adjustments [(1)] | **250,283** | 183,002 |
| **Seniority premiums:** | | |
| Defined benefit obligations | **Ps. 642,275** | Ps. 507,748 |
| Plan assets | **286,425** | 328,420 |
| Unfunded status of plans | **355,850** | 179,328 |
| Remeasurements adjustments [(1)] | **94,030** | 64,090 |

[(1)] On defined benefit obligations and plan assets.

**Pensions and Seniority Premiums Plan Assets**

The plan assets are invested according to specific investment guidelines determined by the technical committees of the pension plan and seniority premiums trusts and in accordance with actuarial computations of funding requirements. These investment guidelines require a minimum investment of 30% of the plan assets in fixed rate instruments, or mutual funds comprised of fixed rate instruments. The plan assets that are invested in mutual funds are all rated "AA" or "AAA" by at least one of the main rating agencies. These mutual funds vary in liquidity characteristics ranging from one day to one month. The investment goals of the plan assets are to preserve principal, diversify the portfolio, maintain a high degree of liquidity and credit quality, and deliver competitive returns subject to prevailing market conditions. Currently, the plan assets do not engage in the use of financial derivative instruments. The Group's target allocation in the foreseeable future is to maintain approximately 20% in equity securities and 80% in fixed rate instruments.

The weighted average asset allocation by asset category as of December 31, 2020 and 2019, was as follows:

| | 2020 | 2019 |
|---|---|---|
| Equity securities [1] | **28.8%** | 28.6% |
| Fixed rate instruments | **71.2%** | 71.4% |
| Total | **100.0%** | 100.0% |

[1] Included within plan assets at December 31, 2020 and 2019, are shares of the Company held by the trust with a fair value of Ps.101,690 and Ps.136,963, respectively.

The weighted average expected long-term rate of return of plan assets of 6.59% and 7.02% were used in determining net periodic pension cost in 2020 and 2019, respectively. The rate used reflected an estimate of long-term future returns for the plan assets. This estimate was primarily a function of the asset classes (equities versus fixed income) in which the plan assets were invested and the analysis of past performance of these asset classes over a long period of time.

This analysis included expected long-term inflation and the risk premiums associated with equity investments and fixed income investments.

The following table summarizes the Group's plan assets measured at fair value on a recurring basis as of December 31, 2020 and 2019:

| | Balance as of December 31, 2020 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Internal Models with Significant Observable Inputs (Level 2) | Internal Models with Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| Common Stocks [1] | **Ps. 101,690** | Ps. 101,690 | Ps. — | Ps. — |
| Mutual funds (fixed rate instruments) [2] | **231,837** | 231,837 | — | — |
| Money market securities [3] | **607,658** | 607,658 | — | — |
| Other equity securities | **254,564** | 254,564 | — | — |
| Total investment assets | **Ps. 1,195,749** | Ps. 1,195,749 | Ps. — | Ps. — |

| | Balance as of December 31, 2019 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Internal Models with Significant Observable Inputs (Level 2) | Internal Models with Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| Common Stocks [1] | Ps. 136,963 | Ps. 136,963 | Ps. — | Ps. — |
| Mutual funds (fixed rate instruments) [2] | 218,269 | 218,269 | — | — |
| Money market securities [3] | 766,181 | 766,181 | — | — |
| Other equity securities | 258,083 | 258,083 | — | — |
| Total investment assets | Ps. 1,379,496 | Ps. 1,379,496 | Ps. — | Ps. — |

[1] Common stocks are valued at the closing price reported on the active market on which the individual securities are traded. All common stock included in this line item relate to the Company's CPOs.

[2] Mutual funds consist of fixed rate instruments. These are valued at the net asset value provided by the administrator of the fund.

[3] Money market securities consist of government debt securities, which are valued based on observable prices from the new issue market, benchmark quotes, secondary trading and dealer quotes.

The Group did not make significant contributions to its plan assets in 2020 and 2019, and does not expect to make significant contributions to its plan assets in 2021.

The weighted average durations of the defined benefit plans as of December 31, 2020 and 2019, were as follows:

| | 2020 | 2019 |
|---|---|---|
| Seniority Premiums | **8.6 years** | 8.2 years |
| Pensions | **5.7 years** | 7.0 years |

**17. Capital Stock and Long-term Retention Plan**

**Capital Stock**

The Company has four classes of capital stock: Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares, with no par value. The Series "A" Shares and Series "B" Shares are common shares. The Series "D" Shares are limited-voting and preferred dividend shares, with a preference upon liquidation. The Series "L" Shares are limited-voting shares.

The Company's shares are publicly traded in Mexico, primarily in the form of Ordinary Participation Certificates ("CPOs"), each CPO representing 117 shares comprised of 25 Series "A" Shares, 22 Series "B" Shares, 35 Series "D" Shares and 35 Series "L" Shares; and in the United States in the form of Global Depositary Shares ("GDS"), each GDS representing five CPOs. Non-Mexican holders of CPOs do not have voting rights with respect to the Series "A", Series "B" and Series "D" Shares.

At December 31, 2020, shares of capital stock and CPOs consisted of (in millions):

| | Authorized and Issued [1] | Repurchased by the Company [2] | Held by a Company's Trust [3] | Outstanding |
|---|---|---|---|---|
| Series "A" Shares | 122,179.4 | (1,105.4) | (8,054.8) | 113,019.2 |
| Series "B" Shares | 58,019.7 | (972.8) | (6,118.4) | 50,928.5 |
| Series "D" Shares | 88,554.1 | (1,547.5) | (5,984.2) | 81,022.4 |
| Series "L" Shares | 88,554.1 | (1,547.5) | (5,984.2) | 81,022.4 |
| Total | 357,307.3 | (5,173.2) | (26,141.6) | 325,992.5 |
| | | | | |
| Shares in the form of CPOs | 296,023.0 | (5,173.2) | (20,004.2) | 270,845.6 |
| Shares not in the form of CPOs | 61,284.3 | — | (6,137.4) | 55,146.9 |
| Total | 357,307.3 | (5,173.2) | (26,141.6) | 325,992.5 |
| | | | | |
| CPOs | 2,530.1 | (44.2) | (171.0) | 2,314.9 |

[1] As of December 31, 2020, the authorized and issued capital stock amounted to Ps.4,907,765 (nominal Ps.2,459,154).

[2] In 2020 and 2019, the Company repurchased, 616.0 million shares and 4,557.2 million shares, respectively, in the form of 5.3 million CPOs and 38.9 million CPOs, respectively, in the amount of Ps.195,597 and Ps.1,385,750, respectively, in connection with a share repurchase program that was approved by the Company's stockholders and is exercised at the discretion of management.

[3] In connection with the Company's LTRP described below.

A reconciliation of the number of shares and CPOs outstanding for the years ended December 31, 2020 and 2019, is presented as follows (in millions):

| | Series "A" Shares | Series "B" Shares | Series "D" Shares | Series "L" Shares | Shares Outstanding | CPOs Outstanding |
|---|---|---|---|---|---|---|
| As of January 1, 2019 | 116,207.2 | 53,116.1 | 84,502.9 | 84,502.9 | 338,329.1 | 2,414.4 |
| Repurchased [1] | (973.7) | (856.9) | (1,363.3) | (1,363.3) | (4,557.2) | (38.9) |
| Acquired [2] | (65.6) | (57.7) | (91.9) | (91.9) | (307.1) | (2.7) |
| Released [2] | 1,056.0 | 651.3 | 1,036.1 | 1,036.1 | 3,779.5 | 29.6 |
| As of December 31, 2019 | 116,223.9 | 52,852.8 | 84,083.8 | 84,083.8 | 337,244.3 | 2,402.4 |
| Repurchased [1] | (131.6) | (115.8) | (184.3) | (184.3) | (616.0) | (5.3) |
| Cancelled and forfeited [2] | (3,097.4) | (1,830.0) | (2,911.3) | (2,911.3) | (10,750.0) | (83.2) |
| Acquired [2] | (86.0) | (75.6) | (120.3) | (120.3) | (402.2) | (3.4) |
| Released [2] | 110.3 | 97.1 | 154.5 | 154.5 | 516.4 | 4.4 |
| **As of December 31, 2020** | **113,019.2** | **50,928.5** | **81,022.4** | **81,022.4** | **325,992.5** | **2,314.9** |

[1] In connection with a share repurchase program.

[2] By a Company's trust in connection with the Company's Long-Term Retention Plan described below.

Under the Company's bylaws, the Company's Board of Directors consists of 20 members, of which the holders of Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares, each voting as a class, are entitled to elect eleven members, five members, two members and two members, respectively.

Holders of Series "D" Shares are entitled to receive a preferred dividend equal to 5% of the nominal capital attributable to those Shares (nominal Ps.0.00034412306528 per share) before any dividends are payable in respect of Series "A" Shares, Series "B" Shares or Series "L" Shares. Holders of Series "A" Shares, Series "B" Shares and Series "L" Shares are entitled to receive the same dividends as holders of Series "D" Shares if stockholders declare dividends in addition to the preferred dividend that holders of Series "D" Shares are entitled to. If the Company is liquidated, Series "D" Shares are entitled to a liquidation preference equal to the nominal capital attributable to those Shares nominal Ps.0.00688246130560 per share before any distribution is made in respect of Series "A" Shares, Series "B" Shares and Series "L" Shares.

At December 31, 2020, the restated for inflation tax value of the Company's common stock was Ps.52,488,665. In the event of any capital reduction in excess of the tax value of the Company's common stock, such excess will be treated as dividends for income tax purposes (see Note 18).

**Long-Term Retention Plan**

The Company has adopted a LTRP for the conditional sale of the Company's capital stock to key Group officers and employees under a special purpose trust.

At the Company's annual general ordinary stockholders' meeting held on April 2, 2013, the Company's stockholders approved that the number of CPOs that may be granted annually under the LTRP shall be up to 1.5% of the capital of the Company. As of December 31, 2020, approximately 10.0 million CPOs or CPO equivalents that were transferred to LTRP participants were sold in the open market during 2018 and 2019. Additional sales will continue to take place during or after 2021.

The special purpose trust created to implement the LTRP as of December 31, 2020 had approximately 223.4 million CPOs or CPO equivalents. This figure is net of approximately 34.3, 32.3 and 4.4 million CPOs or CPO equivalents vested in 2018, 2019 and 2020 respectively. Of the 223.4 million CPOs or CPO equivalents approximately 76.5% are in the form of CPOs and the remaining 23.5% are in the form of Series "A", Series "B", Series "D" and Series "L" Shares, not in the form of CPO units. As of December 31, 2020, approximately 137.0 million CPOs or CPO equivalents are held by a company trust and will become vested between 2021 and 2023 at prices ranging from Ps.52.05 to Ps.1.60 per CPO which may be reduced by dividends, a liquidity discount and the growth of the consolidated or relevant segment Operating Income Before Depreciation and Amortization, or OIBDA (including OIBDA affected by acquisitions) between the date of award and the vesting date, among others.

In the fourth-quarter of 2019, the Company agreed to: (i) cancel 9,490.5 million shares that were conditionally sold to our officers and employees in 2015, 2016 and 2017, which conditions had not been complied with in full yet; and (ii) conditionally sell 4,745.3 million shares to the same officers and employees at a lower price and additional vesting periods of two and three years. In connection with these events, the Company recognized an additional expense that is included in the cost for the year ended December 31, 2019 (see Note 2 (y)).

During the first half of 2020, the trust for the LTRP increased the number of shares and CPOs held for the purposes of this Plan in the amount of: (i) 5,526.3 million shares of the Company in the form of 47.2 million CPOs, and 666.9 million Series "A" Shares, not in the form of CPO units, in connection with the cancellation of these shares in the fourth quarter of 2019, which were conditionally sold to certain of the Company's officers and employees in 2015 and 2016 and (ii) 1,009.7 million shares in the form of 8.6 million CPOs, in connection with forfeited rights under this Plan.

In the fourth quarter of 2020, the trust for the LTRP increased the number of shares and CPOs held for the purposes of this Plan in the amount of: 3,196.1 million shares in the form of 27.4 million CPOs, and 351.0 million Series "A" Shares, not in the form of CPO units, in connection with forfeited rights under this Plan.

In the third quarter of 2020, the Company recognized as a decrease to the balance of shares repurchased as a result of a refund in the amount of Ps.100,000, which was made to the Company in 2019 by the trust for the LTRP. In the fourth quarter of 2020, the Company made a funding to the trust for the LTRP for acquisition of shares in the aggregate amount of Ps.197,000.

As of December 31, 2020, the designated Retention Plan trust owned approximately 0.8 million CPOs or CPOs equivalents, which have been reserved to a group of employees, and may be sold at a price at least of Ps.36.52 per CPO, subject to certain conditions, in vesting periods between 2021 and 2023.

The Group has determined its share-based compensation expense (see Note 2 (y)) by using the BSPM at the date on which the stock was conditionally sold to personnel under the Company's LTRP, on the following arrangements and weighted-average assumptions:

| | Long-Term Retention Plan | | | | |
|---|---|---|---|---|---|
| **Arrangements:** | | | | | |
| Year of grant | 2016 | 2017 | 2018 | 2019 | 2020 |
| Number of CPOs or CPOs equivalent granted | 39,000 | 37,000 | 32,500 | 72,558 | 39,200 |
| Contractual life | 3 years | 3 years | 3 years | 2.67 years | 3 years |
| **Assumptions:** | | | | | |
| Dividend yield | 0.38% | 0.38% | 0.55% | 0.82% | 1.38% |
| Expected volatility [(1)] | 27.60% | 24.58% | 25.38% | 30.47% | 35.13% |
| Risk-free interest rate | 4.83% | 7.04% | 7.17% | 6.88% | 5.74% |
| Expected average life of awards | 3.00 years | 2.96 years | 3.00 years | 2.67 years | 3.00 years |

[(1)] Volatility was determined by reference to historically observed prices of the Company's CPOs.

A summary of the stock conditionally sold to employees as of December 31, is presented below (in Mexican pesos and thousands of CPOs):

| | 2020 | | 2019 | |
|---|---|---|---|---|
| | CPOs or CPOs Equivalent | Weighted-Average Exercise Price | CPOs or CPOs Equivalent | Weighted-Average Exercise Price |
| Long-Term Retention Plan: | | | | |
| Outstanding at beginning of year | **243,472** | **65.19** | 179,051 | 75.77 |
| Conditionally sold | **39,200** | **6.84** | 72,558 | 38.50 |
| Paid by employees | — | — | (3,107) | 33.75 |
| Forfeited | **(122,307)** | **81.36** | (5,030) | 73.20 |
| Outstanding at end of year | **160,365** | **39.36** | 243,472 | 65.19 |
| To be paid by employees at end of year | **23,361** | **80.72** | 110,828 | 81.26 |

As of December 31, 2020 and 2019, the weighted-average remaining contractual life of the stock conditionally sold to employees under the LTRP is 1.38 years and 1.70 years respectively.

## 18. Retained Earnings and Accumulated Other Comprehensive Income

### (a) Retained Earnings:

| | Legal Reserve | Unappropriated Earnings | Net Income for the Year | Retained Earnings |
|---|---|---|---|---|
| Balance at January 1, 2019 | Ps. 2,139,007 | Ps. 70,583,488 | Ps. 6,009,414 | Ps. 78,731,909 |
| Appropriation of net income relating to 2018 | — | 6,009,414 | (6,009,414) | — |
| Acquisition of non-controlling interests | — | 766 | — | 766 |
| Dividends paid relating to 2018 | — | (1,066,187) | — | (1,066,187) |
| Net gain on partial disposition of Open-Ended Fund | — | 837,520 | — | 837,520 |
| Sale of repurchased shares | — | (1,585,963) | — | (1,585,963) |
| Share—based compensation | — | 1,108,094 | — | 1,108,094 |
| Net income for the year 2019 | — | — | 4,626,139 | 4,626,139 |
| Balance at December 31, 2019 | 2,139,007 | 75,887,132 | 4,626,139 | 82,652,278 |
| Appropriation of net income relating to 2019 | — | 4,626,139 | (4,626,139) | — |
| Recognized share of income of OCEN (see Note 10) | — | 147,975 | — | 147,975 |
| Sale of repurchased shares | — | (997,174) | — | (997,174) |
| Cancellation of sale of shares | — | 2,764,854 | — | 2,764,854 |
| Share—based compensation | — | 962,806 | — | 962,806 |
| Net income for the year 2020 | — | — | (1,250,342) | (1,250,342) |
| **Balance at December 31, 2020** | **Ps. 2,139,007** | **Ps. 83,391,732** | **Ps. (1,250,342)** | **Ps. 84,280,397** |

In accordance with Mexican law, the legal reserve must be increased by 5% of annual net profits until it reaches 20% of the capital stock amount. As of December 31, 2020 and 2019, the Company's legal reserve amounted to Ps.2,139,007 for both years, respectively and was classified into retained earnings in consolidated equity. As the legal reserve reached 20% of the capital stock amount, no additional increases were required in 2020, 2019 and 2018. This reserve is not available for dividends, but may be used to reduce a deficit or may be transferred to stated capital. Other appropriations of profits require the vote of the Company's stockholders.

In April 2018, the Company's stockholders approved for the payment of a dividend of Ps.0.35 per CPO and Ps.0.002991452991 per share of Series "A", "B", "D" and "L" Shares, not in the form of a CPO, which was paid in May 2018 in the aggregate amount of Ps.1,068,868 (see Note 17).

In April 2019, the Company's stockholders approved for the payment of a dividend of Ps.0.35 per CPO and Ps.0.002991452991 per share of Series "A," "B," "D" and "L" Shares, not in the form of a CPO, which was paid in May 2019 in the aggregate amount of Ps.1,066,187 (see Note 17).

In April 2020, to further maximize liquidity and as a precautionary measure, the Company's Board of Directors did not propose the payment of a 2020 dividend for approval of the Company's general stockholders' meeting held on April 28, 2020.

In 2020 the Group identified that it had overstated Ps.221,000 of a contingent payout obligation, which was presented as a component of consolidated other current liabilities as of December 31, 2019. This inmaterial correction of prior period financial statements had no impact to the consolidated statements of income and comprehensive income. The Company corrected the overstatement retrospectively for prior periods in the accompanying consolidated statements of financial position as of December 31, 2019, and of changes in stockholders equity as January 1, 2018.

In February 2021, the Company's Board of Directors approved a proposal for a dividend of Ps.0.35 per CPO payable in the second quarter of 2021, subject to approval of the Company's stockholders.

Dividends, either in cash or in other forms, paid by the Mexican companies in the Group will be subject to income tax if the dividends are paid from earnings that have not been subject to Mexican income tax computed on an individual company basis under the provisions of the Mexican Income Tax Law. In this case, dividends will be taxable by multiplying such dividends by a 1.4286 factor and applying to the resulting amount the income tax rate of 30%. This income tax will be paid by the company paying the dividends.

In addition, the entities that distribute dividends to its stockholders who are individuals or foreign residents must withhold 10% thereof for income tax purposes, which will be paid in Mexico. The foregoing will not be applicable when distributed dividends arise from the "taxed net earnings account" computed on an individual company basis generated through December 31, 2013.

As of December 31, 2020, cumulative earnings that have been subject to income tax and can be distributed by the Company free of Mexican income tax amounted to Ps.73,188,085.

**(b) Accumulated Other Comprehensive Income**

| Changes | Open-Ended Fund | Other Equity Instruments | Other Financial Assets | Warrants Exercisable for Common Stock of UHI | Exchange Differences on Translating Foreign Operations | Remeasurement of Post-Employment Benefit Obligations | Derivative Financial Instruments Cash Flow Hedges | Share of Income (Loss) of Associates and Joint Ventures | Income Tax | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Accumulated at January 1, 2019 | Ps. 3,966,615 | Ps.1,786,526 | Ps. (111) | Ps. (1,960,362) | Ps. 814,307 | Ps. (763,835) | Ps. 976,549 | Ps. 160,744 | Ps. (552,946) | Ps. 4,427,487 |
| Partial disposition of Open-Ended Fund | (1,186,130) | — | — | — | — | — | — | — | 348,610 | (837,520) |
| Remeasurement of post-employment benefit obligations of assets held for sale | — | — | — | — | — | (1,721) | — | — | 516 | (1,205) |
| Changes in other comprehensive income | (351,202) | (794,624) | 111 | 257,306 | (79,631) | (244,576) | (1,521,912) | (236,159) | 702,376 | (2,268,311) |
| Accumulated at December 31, 2019 | 2,429,283 | 991,902 | — | (1,703,056) | 734,676 | (1,010,132) | (545,363) | (75,415) | 498,556 | 1,320,451 |
| Changes in other comprehensive income | (904,423) | (353,496) | — | (21,899,164) | 115,565 | (340,319) | (1,370,145) | (61,033) | 7,935,716 | (16,877,299) |
| **Accumulated at December 31, 2020** | **Ps. 1,524,860** | **Ps. 638,406** | **Ps. —** | **Ps.(23,602,220)** | **Ps. 850,241** | **Ps. (1,350,451)** | **Ps. (1,915,508)** | **Ps. (136,448)** | **Ps.8,434,272** | **Ps.(15,556,848)** |

**19. Non-controlling Interests**

Non-controlling interests as of December 31, 2020 and 2019, consisted of:

| | 2020 | 2019 |
|---|---|---|
| Capital stock | **Ps. 1,102,334** | Ps. 1,155,998 |
| Additional paid-in capital | **2,986,360** | 3,001,681 |
| Legal reserve | **216,071** | 164,832 |
| Retained earnings from prior years (1) (2) (3) | **8,483,413** | 8,930,063 |
| Net income for the year | **1,553,166** | 1,480,674 |
| Accumulated other comprehensive income (loss): | | |
| Cumulative result from foreign currency translation | **166,275** | 148,318 |
| Remeasurement of post-employment benefit obligations on defined benefit plans | **(10,595)** | (7,799) |
| | **Ps. 14,497,024** | Ps. 14,873,767 |

(1) In 2020, 2019 and 2018, the holding companies of the Sky segment paid a dividend to its equity owners in the aggregate amount of Ps.2,750,000, Ps.3,800,000 and Ps.3,000,000, respectively, of which Ps.1,134,808, Ps.1,570,659 and Ps.1,240,002, respectively, were paid to its non-controlling interests.

(2) In 2020, the stockholders of Pantelion approved the payment of a dividend in the amount of Ps.394,269, of which Ps.193,192, were for its non-controlling interests.

(3) In 2020, the stockholders of Radiopolis approved the payment of a dividend in the amount of Ps.656,346, of which Ps.325,173, were for its non-controlling interests, and of which only Ps.285,669 were paid.

Amounts of consolidated current assets, non-current assets, current liabilities and non-current liabilities of Empresas Cablevisión and Sky as of December 31, 2020 and 2019, are set forth as follows:

| | Empresas Cablevisión | | Sky | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| **Assets:** | | | | |
| Current assets | **Ps. 6,046,592** | Ps. 5,035,670 | **Ps. 6,632,763** | Ps. 9,891,514 |
| Non-current assets | **22,499,913** | 19,371,687 | **18,515,500** | 17,930,006 |
| Total assets | **28,546,505** | 24,407,357 | **25,148,263** | 27,821,520 |
| **Liabilities:** | | | | |
| Current liabilities | **5,267,184** | 5,565,268 | **5,182,302** | 3,586,272 |
| Non-current liabilities | **3,943,909** | 1,326,812 | **5,967,680** | 9,319,812 |
| Total liabilities | **9,211,093** | 6,892,080 | **11,149,982** | 12,906,084 |
| Net assets | **Ps. 19,335,412** | Ps. 17,515,277 | **Ps. 13,998,281** | Ps. 14,915,436 |

Amounts of consolidated net sales, net income and total comprehensive income of Empresas Cablevisión and Sky for the years ended December 31, 2020 and 2019, are set forth as follows:

| | Empresas Cablevisión | | Sky | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Net sales | **Ps. 15,906,914** | Ps. 14,465,512 | **Ps. 22,134,943** | Ps. 21,347,241 |
| Non-income | **1,828,000** | 1,085,880 | **1,848,374** | 1,880,607 |
| Total comprehensive income | **1,820,135** | 1,084,162 | **1,864,408** | 1,850,735 |

As of December 31, 2020, the Group did not have dividends payable.

Amounts of consolidated summarized cash flows of Sky and Empresas Cablevisión for the years ended December 31, 2020 and 2019, are set forth as follows:

| | Empresas Cablevisión | | Sky | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Cash flows from operating activities | **Ps. 3,959,679** | Ps. 3,756,935 | **Ps. 8,645,025** | Ps. 8,118,541 |
| Cash flows used in investing activities | **(5,824,827)** | (3,301,043) | **(5,547,152)** | (4,006,732) |
| Cash flows from (used in) financing activities | **2,104,416** | (1,855,636) | **(6,392,614)** | (5,172,976) |
| Net increase (decrease) in cash and cash equivalents | **Ps. 239,268** | Ps. (1,399,744) | **Ps. (3,294,741)** | Ps. (1,061,167) |

## 20. Transactions with Related Parties

The principal transactions carried out by the Group with affiliated companies, including equity investees, stockholders and entities in which stockholders have an equity interest, for the years ended December 31, 2020, 2019 and 2018, were as follows:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| **Revenues, other income and interest income:** | | | |
| Royalties (Univision) [(a)] | **Ps. 8,155,338** | Ps. 7,527,364 | Ps. 7,383,540 |
| Programming production and transmission rights [(b)] | **707,247** | 485,157 | 960,052 |
| Telecom services [(c)] | **97,754** | 71,979 | 17,951 |
| Administrative services [(d)] | **13,561** | 20,598 | 34,653 |
| Advertising [(e)] | **36,385** | 151,296 | 44,625 |
| Interest income [(f)] | **64,809** | 83,625 | 84,987 |
| | **Ps. 9,075,094** | Ps. 8,340,019 | Ps. 8,525,808 |
| | | | |
| **Costs and expenses:** | | | |
| Donations | **Ps. 26,729** | Ps. 26,285 | Ps. 32,111 |
| Administrative services [(d)] | **1,529** | 24,899 | 20,403 |
| Technical services [(g)] | **459,960** | 465,250 | 138,262 |
| Programming production, transmission rights and telecom [(h)] | **674,270** | 666,312 | 1,298,197 |
| | **Ps. 1,162,488** | Ps. 1,182,746 | Ps. 1,488,973 |

[(a)] The Group receives royalties from Univision for programming provided pursuant to an amended PLA, pursuant to which Univision has the right to broadcast certain Televisa content in the United States for a term that commenced on January 1, 2011 and ends 7.5 years after the Group has sold two-thirds of its initial investment in UHI made in December 2010. The amended PLA includes a provision for certain yearly minimum guaranteed advertising, with a value of U.S.$42.6 million (Ps.909,159), U.S.$32.3 million (Ps.625,410) and U.S.$46.6 million (Ps.891,990), for the fiscal years 2020, 2019 and 2018, respectively, to be provided by Univision, at no cost, for the promotion of certain Group businesses. This advertising does not have commercial substance for the Group, as it is related to activities that are considered ancillary to Group's normal operations in the United States (see Notes 3, 9 and 10).

(b) Services rendered to Univision in 2020, 2019 and 2018.

(c) Services rendered to a subsidiary of AT&T, Inc. ("AT&T") in 2020, 2019 and 2018, and Univision in 2018.

(d) The Group receives revenue from and is charged by affiliates for various services, such as: equipment rental, security and other services, at rates which are negotiated. The Group provides management services to affiliates, which reimburse the Group for the incurred payroll and related expenses.

(e) Advertising services rendered to OCEN and Univision in 2020, OCEN, Univision and Editorial Clío, Libros y Videos, S.A. de C.V. ("Editorial Clío") in 2019 and 2018.

(f) Includes mainly interest income from GTAC.

(g) In 2020, 2019 and 2018, Sky received services from a subsidiary of AT&T, Inc. for play-out, uplink and downlink of signals.

(h) Paid mainly to Univision and GTAC in 2020, 2019 and 2018. The Group pays royalties to Univision for programming provided pursuant to a Mexico License Agreement, under which the Group has the right to broadcast certain Univision's content in Mexico for the same term as that of the PLA (see Notes 3, 9 and 10). It also includes payments by telecom services to GTAC in 2020, 2019 and 2018. In 2018 includes payments by transmission rights to AT&T.

Other transactions with related parties carried out by the Group in the normal course of business include the following:

(1) A consulting firm controlled by a relative of one of the Company's directors, has provided consulting services and research in connection with the effects of the Group's programming on its viewing audience. Total fees for such services during 2020, 2019 and 2018 amounted to Ps.19,433, Ps.19,758 and Ps.15,414, respectively.

(2) From time to time, two Mexican banks have made loans to the Group, on terms substantially similar to those offered by the banks to third parties. Some members of the Company's Board serve as Board members of these banks.

(3) Several other current members of the Company's Board serve as members of the Boards and/or are stockholders of other companies, some of which purchased advertising services from the Group in connection with the promotion of their respective products and services, paying rates applicable to third-party advertisers for these advertising services.

(4) During 2020, 2019 and 2018, a professional services firm in which the current Secretary of the Company´s Board maintains an interest, provided legal advisory services to the Group in connection with various corporate matters. Total fees for such services amounted to Ps.52,848, Ps.34,603 and Ps.26,547, respectively.

(5) During 2020, 2019 and 2018, a professional services firm in which two current directors of the Company maintain an interest provided finance advisory services to the Group in connection with various corporate matters. Total fees for such services amounted to Ps.121,789, Ps.20,554 and Ps.19,431, respectively.

(6) In 2020, 2019 and 2018, the Group entered into contracts leasing office space directly or indirectly from certain of our directors and officers for an aggregate annual amount of Ps.32,784, Ps.29,613 and Ps.28,155, respectively.

During 2020, 2019 and 2018, the Group paid to its directors, alternate directors and officers an aggregate compensation of Ps.936,794, Ps.869,556 and Ps.568,347, respectively, for services in all capacities. This compensation included certain amounts related to the use of assets and services of the Group, as well as travel expenses reimbursed to directors and officers. Projected benefit obligations related to the Group's directors, alternate directors and officers amounted to Ps.196,584, Ps.170,856 and Ps.148,651 as of December 31, 2020, 2019 and 2018, respectively. Cumulative contributions made by the Group to the pension and seniority premium plans on behalf of these directors and officers amounted to Ps.71,744, Ps.82,768 and Ps.90,901 as of December 31, 2020, 2019 and 2018, respectively. In addition, the Group has made conditional sales of the Company's CPOs to its directors and officers under the LTRP.

In 2015, the Group established a deferred compensation plan for certain officers of its Cable segment, which is payable in the event that certain revenue and EBITDA targets (as defined) of a five-year plan are met. The present value of this long-term employee benefit obligation as of December 31, 2020 and 2019 amounted to Ps.1,486,708 and Ps.1,258,013, respectively, and the related service net cost for the years ended December 31, 2020, 2019 and 2018, amounted to Ps.225,804, Ps.199,195 and Ps.251,787, respectively. In 2020, 2019 and 2018, the Group made contributions to a trust (plan assets) for funding this deferred compensation in the aggregate amount of Ps.435,500, Ps.700,000 and Ps.350,000, respectively. In 2020, the Group paid an amount of Ps.470,000, related to this deferred compensation plan. The deferred compensation liability, net of related plan assets, amounted to Ps.1,208 and Ps.199,726 as of December 31, 2020 and 2019, respectively, and was presented in other current liabilities and other long-term liabilities in the Group's consolidated statements of financial position as of those dates, respectively. The related expense was classified in other expense in the Group's consolidated statements of income (see Note 22). In March 2021, the Group made a final payment of Ps.1,106,525, related to this deferred compensation plan, which amount was funded by plan assets.

The balances of receivables and payables between the Group and related parties as of December 31, 2020 and 2019, were as follows:

| | 2020 | 2019 |
|---|---|---|
| **Current receivables:** | | |
| UHI, including Univision [1] | **Ps. 692,282** | Ps. 748,844 |
| OCEN | **34,137** | 3,968 |
| Editorial Clío | **2,308** | 2,933 |
| Other | **58,225** | 58,682 |
| | **Ps. 786,952** | Ps. 814,427 |
| | | |
| **Current payables:** | | |
| UHI, including Univision [1] | **Ps. —** | Ps. 594,254 |
| AT&T | **32,310** | 25,447 |
| Other | **50,697** | 24,550 |
| | **Ps. 83,007** | Ps. 644,251 |

(1) As of December 31, 2020 and 2019, receivables from UHI related primarily to the PLA amounted to Ps.692,282 and Ps.748,844, respectively. Through December 29, 2020, the Group recognized a provision associated with a consulting arrangement entered into by the Group, UHI and an entity controlled by the former chairman of the Board of Directors of UHI, by which upon consummation of a qualified initial public offering of the shares of UHI or an alternative exit plan for the main current investors in UHI, the Group would pay the entity a portion of a defined appreciation in excess of certain preferred returns and performance thresholds of UHI. In connection with the sale of shares by the former control stockholders of UHI, which was concluded on December 29, 2020, and the dissolution of the special-purpose entity for this arrangement, the Company cancelled this provision on that date, and recognized a non-cash other income in the amount of Ps.691,221 in the statement of income for the year ended December 31, 2020 (see Note 22).

All significant account balances included in amounts due from affiliates bear interest. In 2020 and 2019, average interest rates of 6.9% and 9.6% were charged, respectively. Advances and receivables are short-term in nature; however, these accounts do not have specific due dates.

Customer deposits and advances as of December 31, 2020 and 2019, included deposits and advances from affiliates and other related parties, in an aggregate amount of Ps.119,736 and Ps.144,672, respectively, which were primarily made by UHI, including Univision.

In 2012, a subsidiary of the Company entered into an amended lease contract with GTAC for the right to use certain capacity in a telecommunication network. This amended lease agreement contemplates annual payments to GTAC in the amount of Ps.41,400 through 2029, with an annual interest rate of the lower of TIIE plus 122 basis points or 6% (see Notes 10, 11 and 14).

**21. Cost of Sales, Selling Expenses and Administrative Expenses**

Cost of sales represents primarily the production cost of programming, acquired programming and transmission rights at the moment of broadcasting or at the time the produced programs are sold and became available for broadcast (see Note 8). Such cost of sales also includes benefits to employees and post-employment benefits, network maintenance and interconnections, satellite links, paper and printing, depreciation of property, plant and equipment, leases of real estate property, and amortization of intangible assets.

Selling expenses and administrative expenses include primarily benefits to employees, sale commissions, postemployment benefits, share-based compensation to employees, depreciation of property, plant and equipment, leases of real estate property, and amortization of intangibles.

The amounts of depreciation, amortization and other amortization included in cost of sales, selling expenses and administrative expenses for the years ended December 31, 2020, 2019 and 2018, were as follows:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Cost of sales | **Ps. 16,775,214** | Ps. 16,035,227 | Ps. 14,147,169 |
| Selling expenses | **1,473,940** | 1,695,616 | 1,694,966 |
| Administrative expenses | **3,392,496** | 3,809,379 | 4,436,746 |
| | **Ps. 21,641,650** | Ps. 21,540,222 | Ps. 20,278,881 |

The amounts of expenses related to IFRS 16 included in cost of sales, selling expenses and administrative expenses for the year ended December 31, 2020, were as follows:

| | 2020 |
|---|---|
| Expenses relating to variable lease payment not included in the measurement of the lease liability | **Ps. 103,340** |
| Expenses relating to short-term leases and leases of low-value assets | **234,673** |
| Total | **Ps. 338,013** |

Expenses related to short-term employee benefits, share-based compensation and post-employment benefits and incurred by the Group for the years ended December 31, 2020, 2019 and 2018, were as follows:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Short-term employee benefits | **Ps. 17,921,266** | Ps. 16,821,651 | Ps. 16,000,255 |
| Other short-term employee benefits | **1,396,804** | 1,210,671 | 949,294 |
| Share-based compensation | **984,356** | 1,129,644 | 1,327,549 |
| Post-employment benefits | **292,026** | 259,064 | 171,156 |
| | **Ps. 20,594,452** | Ps. 19,421,030 | Ps. 18,448,254 |

**22. Other Income or Expense, Net**

Other income (expense) for the years ended December 31, 2020, 2019 and 2018, is analyzed as follows:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Net gain on disposition of Radiópolis (see Note 3) | **Ps. 932,449** | Ps. — | Ps. — |
| Net gain on disposition of investments [1] | **—** | 627 | 3,553,463 |
| Donations (see Note 20) | **(62,155)** | (27,786) | (56,019) |
| Legal, financial, and accounting advisory and professional services [2] | **(534,448)** | (353,937) | (212,527) |
| Gain (loss) on disposition of property and equipment | **57,949** | (158,658) | (268,532) |
| Impairment adjustments [3] | **(40,803)** | (67,574) | (135,750) |
| Deferred compensation (see Note 20) | **(225,804)** | (199,195) | (251,787) |
| Dismissal severance expense [4] | **(273,281)** | (533,233) | (530,560) |
| Income for cash reimbursement received from Imagina [5] | **167,619** | — | — |
| Other taxes paid by Sky in Central America | **—** | — | (148,271) |
| Interest income for recovered Asset Tax from prior years | **—** | 139,995 | — |
| Other, net [6] | **212,102** | (116,826) | (387,733) |
| | **Ps. 233,628** | Ps. (1,316,587) | Ps. 1,562,284 |

(1) In 2018, included a gain of Ps.3,513,829 on disposition of the Group's equity stake in Imagina, and a gain of Ps.85,000 on disposition of the Group's 50% equity in Televisa CJ Grand, a joint venture for a home shopping channel in Mexico (see Note 3).

(2) Includes primarily advisory and professional services in connection with certain litigation and other matters (see Notes 3 and 20).

(3) Includes impairment adjustments in connection with trademarks in the Group's Publishing business (see Note 13).

(4) Includes severance expense in connection with the dismissals of personnel, as a part of a continued cost reduction plan. In 2019 includes Ps.150,000 related to an accrual for restructuring certain administrative areas in the first quarter of 2020.

(5) In the second quarter of 2020, the Company received a cash reimbursement from Imagina Media Audiovisual, S.L. ("Imagina"), in connection with a legal outcome that was favorable to Imagina, a former associated company.

(6) In 2018, included a loss on disposition of obsolete infrastructure in the Group´s Cable segment, in the amount of Ps.249,688.

**23. Finance Expense, Net**

Finance (expense) income, net, for the years ended December 31, 2020, 2019 and 2018, included:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Interest expense [1] | **Ps. (10,482,168)** | Ps. (10,402,021) | Ps. (9,707,324) |
| Other finance expense, net [3] | **—** | (873,177) | (859,642) |
| Finance expense | **(10,482,168)** | (11,275,198) | (10,566,966) |
| Interest income [4] | **1,132,935** | 1,529,112 | 1,567,100 |
| Foreign exchange gain, net [2] | **3,004,934** | 935,291 | 220,149 |
| Other finance income, net [3] | **89,323** | — | — |
| Finance income | **4,227,192** | 2,464,403 | 1,787,249 |
| Finance expense, net | **Ps. (6,254,976)** | Ps. (8,810,795) | Ps. (8,779,717) |

(1) In 2020 and 2019, interest expense included interest in the aggregate amount of Ps.426,672 and Ps.426,541, respectively, related to additional lease liabilities recognized beginning on January 1, 2019, in connection with the adoption of IFRS 16, which became effective on that date (see Notes 2 and 14).

(2) In 2020, 2019 and 2018, foreign exchange gain, net, included: (i) foreign exchange gain or loss resulted primarily from the appreciation or depreciation of the Mexican peso against the U.S. dollar on the Group's U.S. dollar-denominated monetary liability position, excluding long-term debt designated as hedging instrument of the Group's investments in UHI and Open-Ended Fund, during the years ended December 31, 2020, 2019 and 2018; and (ii) foreign exchange gain or loss resulted primarily from the appreciation or depreciation of the Mexican peso against the U.S. dollar on the Group's U.S. dollar-denominated monetary asset position during the years ended December 31, 2020, 2019 and 2018 (see Notes 2 (e), 4 and 14). The exchange rate of the Mexican peso against the U.S. dollar as of December 31, 2020, 2019 and 2018 was of Ps.19.9493, Ps.18.8838 and Ps.19.6730, respectively.

(3) In 2020, 2019 and 2018, other finance income or expense, net, included gain or loss from derivative financial instruments (see Note 15) and a loss from changes on fair value in other financial instruments in 2019.

(4) In 2020, 2019 and 2018, included primarily interest income from cash equivalents. In 2018 included primarily interest income from temporary investments.

**24. Income Taxes**

The income tax expense (benefit) for the years ended December 31, 2020, 2019 and 2018 was comprised of:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Income taxes, current [1] | **Ps. 6,802,510** | Ps. 5,267,157 | Ps. 6,448,961 |
| Income taxes, deferred | **(1,574,610)** | (2,598,712) | (2,058,457) |
| | **Ps. 5,227,900** | Ps. 2,668,445 | Ps. 4,390,504 |

(1) The current income tax of Mexican companies payable in Mexico represented 93%, 95% and 91% of total current income taxes in 2020, 2019 and 2018, respectively.

The Mexican corporate income tax rate was 30% in 2020, 2019 and 2018, and will be 30% in 2021.

**2014 Tax Reform**

As a result of a 2014 Mexican Tax Reform (the "2014 Tax Reform"), which included the elimination of the tax consolidation regime allowed for Mexican controlling companies, beginning on January 1, 2014, the Company is no longer allowed to consolidate income or loss of its Mexican subsidiaries for income tax purposes and: (i) accounted for an additional income tax liability for the elimination of the tax consolidation regime in the aggregate amount of Ps.6,813,595 as of December 31, 2013; (ii) recognized a benefit from tax loss carryforwards of Mexican companies in the Group in the aggregate amount of Ps.7,936,044 as of December 31, 2013; and (iii) adjusted the carrying amount of deferred income taxes from temporary differences by recognizing such effects on a separate company basis by using the enacted corporate income tax rate as of December 31, 2013.

The income tax payable as of December 31, 2020 and 2019, in connection with the 2014 Tax Reform, is as follows:

| | | 2020 | | 2019 |
|---|---|---|---|---|
| Tax losses of subsidiaries, net | **Ps.** | **1,759,301** | Ps. | 3,230,248 |
| Less: Current portion [(a)] | | **992,186** | | 1,470,529 |
| Non-current portion [(b)] | **Ps.** | **767,115** | Ps. | 1,759,719 |

[(a)] Accounted for as current income taxes payable in the consolidated statement of financial position as of December 31, 2020 and 2019.

[(b)] Accounted for as non-current income taxes payable in the consolidated statement of financial position as of December 31, 2020 and 2019.

Maturities of income tax payable as of December 31, 2020, in connection with the 2014 Mexican Tax Reform, are as follows:

| | | |
|---|---|---|
| 2021 | Ps. | 992,186 |
| 2022 | | 643,171 |
| 2023 | | 123,944 |
| | Ps. | 1,759,301 |

The following items represent the principal differences between income taxes computed at the statutory rate and the Group's provision for income taxes.

| | % 2020 | % 2019 | % 2018 |
|---|---|---|---|
| Statutory income tax rate | **30** | 30 | 30 |
| Differences between accounting and tax bases, including tax inflation gain that is not recognized for accounting purposes | **25** | 5 | 5 |
| Asset tax | **—** | (2) | — |
| Tax loss carryforwards | **7** | (13) | (4) |
| 2014 Tax Reform | **—** | 1 | 2 |
| Foreign operations | **(2)** | 8 | 3 |
| Disposition of investments | **—** | 3 | 2 |
| Disposition of Radiópolis | **3** | — | — |
| Share of income in associates and joint ventures, net | **2** | (2) | (1) |
| Impairment loss in investment in shares of UHI | **30** | — | — |
| Effective income tax rate | **95** | 30 | 37 |

The Group has recognized the benefits from tax loss carryforwards of Mexican companies in the Group as of December 31, 2020 and 2019. The years of expiration of tax loss carryforwards as of December 31, 2020, are as follows:

| Year of Expiration | Tax Loss Carryforwards for Which Deferred Taxes Were Recognized |
|---|---|
| 2021 | Ps. 157,193 |
| 2022 | 396,066 |
| 2023 | 117,080 |
| 2024 | 230,772 |
| 2025 | 8,706,619 |
| Thereafter | 12,328,495 |
| | Ps. 21,936,225 |

As of December 31, 2020, tax loss carryforwards of Mexican companies in the Group for which deferred tax assets were not recognized amounted to Ps.3,644,289, and will expire between 2021 and 2028.

During 2020, 2019 and 2018, certain Mexican subsidiaries utilized operating tax loss carryforwards in the amounts of Ps.6,160,740, Ps.6,457,550 and Ps.14,072,331, respectively.

In addition to the tax loss carryforwards of Mexican companies in the Group referred as of December 31, 2020, the Group has tax loss carryforwards derived from the disposal in 2014 of its former investment in GSF Telecom Holdings, S.A.P.I. de C.V. ("GSF") in the amount of Ps.15,562,391. As of December 31, 2020, tax loss carryforwards derived from this disposal for which deferred taxes were recognized amounted to Ps.15,562,391, and will expire in 2025.

As of December 31, 2020, tax loss carryforwards of subsidiaries in South America, the United States, and Europe amounted to Ps.3,034,191, and will expire between 2021 and 2037.

The deferred income taxes as of December 31, 2020 and 2019, were principally derived from the following temporary differences and tax loss carryforwards:

| | 2020 | 2019 |
|---|---|---|
| **Assets:** | | |
| Accrued liabilities | **Ps. 6,219,312** | Ps. 4,352,021 |
| Loss allowance | **1,235,658** | 1,550,482 |
| Customer advances | **1,600,334** | 1,499,462 |
| Derivative financial instruments | **972,991** | 273,210 |
| Property, plant and equipment, net | **2,084,550** | 1,650,860 |
| Prepaid expenses and other items | **5,868,717** | 3,700,673 |
| Tax loss carryforwards: | | |
| Operating | **5,481,738** | 7,433,425 |
| Capital[(1)] | **5,767,847** | 5,591,581 |
| | | |
| **Liabilities:** | | |
| Investments | **(729,910)** | (6,676,401) |
| Derivative financial instruments | **—** | — |
| Intangible assets and transmission rights | **(2,549,784)** | (2,406,145) |
| Deferred income tax assets of Mexican companies | **25,951,453** | 16,969,168 |
| Deferred income tax assets of certain foreign subsidiaries | **261,929** | 163,747 |
| Deferred income tax assets, net | **Ps. 26,213,382** | Ps. 17,132,915 |

(1) Net of the benefit from tax loss carryforwards derived from the disposal in 2014 of the Group's investment in GSF, in the amount of Ps.4,668,717 and Ps.4,526,042 in 2020 and 2019, respectively.

The deferred tax assets are in tax jurisdictions in which the Group considers that based on financial projections of its cash flows, results of operations and synergies between subsidiaries, will generate taxable income in subsequent periods.

The gross rollforward of deferred income tax assets, net, is as follows:

| | 2020 | 2019 |
|---|---|---|
| At January 1 | **Ps. 17,132,915** | Ps. 13,791,257 |
| Statement of income credit | **1,574,610** | 2,598,712 |
| Other comprehensive income ("OCI") credit | **7,528,693** | 1,154,097 |
| Retained earnings charge | **—** | (342,420) |
| Disposed operations | **(22,836)** | (68,731) |
| At December 31 | **Ps. 26,213,382** | Ps. 17,132,915 |

The rollforward of deferred income tax assets and liabilities for the year 2020, was as follows:

| | At January 1, 2020 | Credit (Charge) to Consolidated Statement of Income | Credit (Charge) to OCI and Retained Earnings | Disposed Operations | At December 31, 2020 |
|---|---|---|---|---|---|
| **Assets:** | | | | | |
| Accrued liabilities | Ps. 4,352,021 | Ps. 1,867,291 | Ps. — | Ps. — | **Ps. 6,219,312** |
| Loss allowance | 1,550,482 | (314,824) | — | — | **1,235,658** |
| Customer advances | 1,499,462 | 100,872 | — | — | **1,600,334** |
| Derivative financial instruments | 273,210 | 288,737 | 411,044 | — | **972,991** |
| Property, plant and equipment, net | 1,650,860 | 433,690 | — | — | **2,084,550** |
| Prepaid expenses and other items | 3,700,673 | 2,087,586 | 103,294 | (22,836) | **5,868,717** |
| Tax loss carryforwards | 13,025,006 | (1,516,219) | (259,202) | — | **11,249,585** |
| Deferred income tax assets of foreign subsidiaries | 163,747 | 98,182 | — | — | **261,929** |
| **Liabilities:** | | | | | |
| Investments | (6,676,401) | (1,327,066) | 7,273,557 | — | **(729,910)** |
| Derivative financial instruments | — | — | — | — | **—** |
| Intangible assets and transmission rights | (2,406,145) | (143,639) | — | — | **(2,549,784)** |
| Deferred income tax assets, net | Ps. 17,132,915 | Ps. 1,574,610 | Ps. 7,528,693 | Ps. (22,836) | **Ps. 26,213,382** |

The rollforward of deferred income tax assets and liabilities for the year 2019, was as follows:

| | At January 1, 2019 | Credit (Charge) to Consolidated Statement of Income | Credit (Charge) to OCI and Retained Earnings | Reclassification to Current Assets (Liabilities) Held for Sale | At December 31, 2019 |
|---|---|---|---|---|---|
| **Assets:** | | | | | |
| Accrued liabilities | Ps. 3,619,288 | Ps. 732,733 | Ps. — | Ps. — | Ps. 4,352,021 |
| Loss allowance | 1,344,425 | 206,057 | — | — | 1,550,482 |
| Customer advances | 1,799,330 | (299,868) | — | — | 1,499,462 |
| Derivative financial instruments | — | (183,364) | 456,574 | — | 273,210 |
| Property, plant and equipment, net | 1,570,890 | 79,970 | — | — | 1,650,860 |
| Prepaid expenses and other items | 1,125,387 | 2,586,763 | 57,254 | (68,731) | 3,700,673 |
| Tax loss carryforwards | 13,015,397 | 334,122 | (324,513) | — | 13,025,006 |
| Deferred income tax assets of foreign subsidiaries | 221,392 | (57,645) | — | — | 163,747 |
| **Liabilities:** | | | | | |
| Investments | (7,812,896) | 514,133 | 622,362 | — | (6,676,401) |
| Derivative financial instruments | (248,547) | 248,547 | — | — | — |
| Intangible assets and transmission rights | (843,409) | (1,562,736) | — | — | (2,406,145) |
| Deferred income tax assets, net | Ps. 13,791,257 | Ps. 2,598,712 | Ps. 811,677 | Ps. (68,731) | Ps. 17,132,915 |

The tax (charge) credit relating to components of other comprehensive income is as follows:

| | 2020 | | |
|---|---|---|---|
| | Before Tax | Tax (Charge) Credit | After Tax |
| Remeasurement of post-employment benefit obligations | **Ps. (344,313)** | **Ps. 103,294** | **Ps. (241,019)** |
| Exchange differences on translating foreign operations | **133,522** | **408,221** | **541,743** |
| Derivative financial instruments cash flow hedges | **(1,370,145)** | **411,044** | **(959,101)** |
| Warrants exercised for common stock of UHI | **(21,899,164)** | **6,639,400** | **(15,259,764)** |
| Open-Ended Fund | **(904,423)** | **268,906** | **(635,517)** |
| Other equity instruments | **(353,496)** | **106,049** | **(247,447)** |
| Share of loss of associates and joint ventures | **(61,033)** | **—** | **(61,033)** |
| Other comprehensive loss | **Ps. (24,799,052)** | **Ps. 7,936,914** | **Ps. (16,862,138)** |
| Current tax | | **Ps. 408,221** | |
| Deferred tax | | **7,528,693** | |
| | | **Ps. 7,936,914** | |

| | 2019 | | |
|---|---|---|---|
| | Before Tax | Tax (Charge) Credit | After Tax |
| Remeasurement of post-employment benefit obligations | Ps. (247,092) | Ps. 74,128 | Ps. (172,964) |
| Remeasurement of post-employment benefit obligations of assets held for sale | (3,445) | 1,033 | (2,412) |
| Exchange differences on translating foreign operations | (98,422) | (101,323) | (199,745) |
| Derivative financial instruments cash flow hedges | (1,521,912) | 456,574 | (1,065,338) |
| Warrants exercisable for common stock of UHI | 257,306 | (77,192) | 180,114 |
| Open-Ended Fund | (351,202) | 112,590 | (238,612) |
| Other equity instruments | (794,624) | 238,387 | (556,237) |
| Other financial assets | 111 | (33) | 78 |
| Share of loss of associates and joint ventures | (236,159) | — | (236,159) |
| Other comprehensive loss | Ps. (2,995,439) | Ps. 704,164 | Ps. (2,291,275) |
| Current tax | | Ps. (449,933) | |
| Deferred tax | | 1,154,097 | |
| | | Ps. 704,164 | |

| | 2018 | | |
|---|---|---|---|
| | Before Tax | Tax (Charge) Credit | After Tax |
| Remeasurement of post-employment benefit obligations [1] | Ps. (97,086) | Ps. 230,623 | Ps. 133,537 |
| Exchange differences on translating foreign operations | (859,032) | (587) | (859,619) |
| Derivative financial instruments cash flow hedges | 174,532 | (52,359) | 122,173 |
| Warrants exercisable for common stock of UHI | (1,347,698) | 404,309 | (943,389) |
| Open-Ended Fund | 215,957 | (64,787) | 151,170 |
| Other equity instruments | 603,766 | (181,130) | 422,636 |
| Other financial assets | (111) | 33 | (78) |
| Share of loss of associates and joint ventures | (47,313) | — | (47,313) |
| Other comprehensive loss | Ps. (1,356,985) | Ps. 336,102 | Ps. (1,020,883) |
| Current tax | | Ps. (587) | |
| Deferred tax | | 336,689 | |
| | | Ps. 336,102 | |

(1) During 2018, the Group recognized a deferred income tax benefit of Ps.201,497, related to remeasurement of post-employment benefit obligations of prior years.

The Group does not recognize deferred income tax liabilities related to its investments in certain associates and joint ventures, as either i) the Group is able to control the timing of the reversal of temporary differences arising from these investments, and it is probable that these temporary differences will not reverse in the foreseeable future or ii) no temporary difference arises due to the application of Mexican income tax law. As of December 31, 2020 and 2019, the deferred tax liabilities in connection with the Group's investments in these associates and joint ventures amounted to an aggregate of Ps.44,820 and Ps.1,029,209, respectively. In 2019 included primarily the investment in UHI. As of December 31, 2020, this investment had ceased to generate a deferred income tax liability, because of the Group's excercise of the warrants and the resulting temporary difference becoming a deductible temporary difference which is unrecognized in the consolidated financial position.

In December 2018, the Mexican Federal Congress approved reforms to the Economic Plan for 2019, which did not include relevant changes in the Mexican tax legislation, except for the limitation to use overpayments of taxes against the same kind of tax (Value Added Taxes ("VAT") against VAT), and some incentives for taxpayers operating in the Northern border region of Mexico. Until December 2018, taxpayers were able to offset overpayments of different type of taxes against each other and against taxes withheld. With the tax reform, this ability was eliminated, and taxpayers are only allowed to offset tax overpayments that derive from the same tax. This limitation may affect some of our subsidiaries that recurrently have VAT or Income Tax overpayments but could offset those overpayments against each other (i.e. VAT against Income Tax). Beginning on January 1, 2019, they will only be able to: (i) to request a refund of the overpayment or (ii) to offset tax overpayments against the same tax.

In December 2019, the Mexican Federal Congress approved reforms to the Economic Plan for 2020. These tax reforms included amendments to the Mexican Income Tax Law, Value Added Tax Law, Special Tax on Production and Services Law, and Federal Tax Code, and they became effective as of January 1, 2020. Some of the most relevant changes to the Mexican tax legislation incorporated some of the Actions included in the Base Erosion and Profit Shifting Final Report (BEPS) published by the OCDE in February 2013, such as: (i) limitations to the deduction of net interest paid by companies as well as to some other deductions, (ii) update of the Controlled Foreign Corporation (CFC) Rules, (iii) new provisions to tax transparent entities, (iv) modification of the definition of permanent establishment, and (v) incorporation of new rules to tax digital economy. Some other relevant amendments to avoid tax evasion included: (i) a new obligation of tax advisors and taxpayers to disclose reportable schemes, and (ii) inclusion of general anti-avoidance rule.

In December 2020, the Mexican Federal Congress approved minimum amendments to the Income Tax Law, Value Added Tax Law and Federal Tax Code as part of the Economic Plan for 2021. Regarding the Income Tax Law several changes were made to the general regime applicable to Tax-Exempt Organizations, that aimed to control and restrict the application of such regime to ensure that only the companies that perform non-for-profit activities benefit from the dispositions of such Regime. Another important amendment was the decrease of the rate of annual withholding tax applicable to the capital that produces interest paid by the financial system, which changed from 1.45% to 0.97%. In terms of value added tax, derived from the entry into force of the digital economy dispositions, some more dispositions were included to specify the way to comply with those obligations, as well as penalties to ensure such compliance.

## 25. Earnings per CPO/Share

At December 31, 2020 and 2019, the weighted average of outstanding total shares, CPOs and Series “A”, Series “B”, Series “D” and Series “L” Shares (not in the form of CPO units), was as follows (in thousands):

| | 2020 | 2019 |
|---|---|---|
| Total Shares | **330,685,559** | 338,375,192 |
| CPOs | **2,351,464** | 2,412,794 |
| Shares not in the form of CPO units: | | |
| Series “A” Shares | **55,563,596** | 56,077,584 |
| Series “B” Shares | **187** | 187 |
| Series “D” Shares | **239** | 239 |
| Series “L” Shares | **239** | 239 |

Basic earnings per CPO and per each Series “A”, Series “B”, Series “D” and Series “L” Share (not in the form of a CPO unit) for the years ended December 31, 2020, 2019 and 2018, are presented as follows:

| | 2020 | | 2019 | | 2018 | |
|---|---|---|---|---|---|---|
| | Per CPO | Per Share (*) | Per CPO | Per Share (*) | Per CPO | Per Share (*) |
| Net income attributable to stockholders of the Company | **Ps. (0.44)** | **Ps. 0.00** | Ps. 1.60 | Ps. 0.01 | Ps. 2.07 | Ps. 0.02 |

(*) Series “A”, “B”, “D” and “L” Shares not in the form of CPO units.

Diluted earnings per CPO and per Share attributable to stockholders of the Company calculated in connection with CPOs and shares in the LTRP, are as follows:

| | 2020 | 2019 |
|---|---|---|
| Total Shares | **352,237,926** | 354,827,433 |
| CPOs | **2,486,783** | 2,508,916 |
| Shares not in the form of CPO units: | | |
| Series “A” Shares | **58,926,613** | 58,926,613 |
| Series “B” Shares | **2,357,208** | 2,357,208 |
| Series “D” Shares | **239** | 239 |
| Series “L” Shares | **239** | 239 |

Diluted earnings per CPO and per each Series “A”, Series “B”, Series “D” and Series “L” Share (not in the form of a CPO unit) for the years ended December 31, 2020, 2019 and 2018, are presented as follows:

| | 2020 | | 2019 | | 2018 | |
|---|---|---|---|---|---|---|
| | Per CPO | Per Share (*) | Per CPO | Per Share (*) | Per CPO | Per Share (*) |
| Net income attributable to stockholders of the Company | **Ps. (0.41)** | **Ps. 0.00** | Ps. 1.53 | Ps. 0.01 | Ps. 1.96 | Ps. 0.02 |

(*) Series “A”, “B”, “D” and “L” Shares not in the form of CPO units.

**26. Segment Information**

Reportable segments are those that are based on the Group’s method of internal reporting.

The Group is organized on the basis of services and products. The Group’s segments are strategic business units that offer different entertainment services and products. The Group’s reportable segments are as follows:

**Cable**

The Cable segment includes the operation of cable multiple systems covering the Mexico City metropolitan area, Monterrey and suburban areas, and over 200 other cities of Mexico; and the operation of telecommunication facilities through a fiber-optic network that covers the most important cities and economic regions of Mexico and the cities of San Antonio and San Diego in the United States (Bestel).

The cable multiple system businesses derive revenues from cable subscribers, principally from basic and premium television services subscription, pay- per-view fees, installation fees, Internet services subscription, telephone and mobile services subscription as well as from local and national advertising sales.

The telecommunication facilities business derives revenues from providing data and long-distance services solutions to carriers and other telecommunications service providers through its fiber-optic network.

**Sky**

The Sky segment includes DTH broadcast satellite pay television services in Mexico, Central America and the Dominican Republic. Sky revenues are primarily derived from program services, installation fees and equipment rental to subscribers, and national advertising sales.

**Content**

The Content segment categorizes the Group's sources of content revenue as follows: (a) Advertising; (b) Network Subscription Revenue; and (c) Licensing and Syndication. Given the cost structure of the Group's Content business, operating segment income is reported as a single line item.

The Advertising revenue is derived primarily from the sale of advertising time on the Group's television broadcast operations, which include the production of television programming and broadcasting of Channels 2, 4, 5 and 9 ("television networks"), as well as the sale of advertising time on programs provided to pay television companies in Mexico and advertising revenue in the Group's Internet business and the production of television programming and broadcasting for local television stations in Mexico. The broadcasting of television networks is performed by television repeater stations in Mexico, which are wholly-owned, majority-owned or minority-owned by the Group or otherwise affiliated with the Group's networks.

The Network Subscription revenue is derived from domestic and international programming services provided to independent cable television systems in Mexico and the Group's direct-to-home ("DTH") satellite and cable television businesses. These programming services for cable and pay- per-view television companies are provided in Mexico, other countries in Latin America, the United States and Europe. The programming services consist of both programming produced by the Group and programming produced by others.

The Licensing and Syndication revenue is derived from international program licensing and syndication fees. The Group's television programming is licensed and syndicated to customers abroad, including Univision.

**Other Businesses**

The Other Businesses segment includes the Group's domestic operations in sports and show business promotion, soccer, feature film production and distribution, gaming, publishing and publishing distribution. Through the third quarter of 2019, the Radio business was classified in the Group's Other Businesses segment. Beginning in the fourth quarter of 2019, the Radio operating results were classified as held-for-sale operations through June 30, 2020, and as disposed operations following the disposition of this business in July 2020 (see Notes 2 (b) and 3).

The table below presents information by segment and a reconciliation to consolidated total for the years ended December 31, 2020, 2019 and 2018:

| | Total Revenues | Intersegment Revenues | Consolidated Revenues | Segment Income |
|---|---|---|---|---|
| **2020:** | | | | |
| Cable | **Ps. 45,367,108** | **Ps. 710,357** | **Ps. 44,656,751** | **Ps. 18,898,301** |
| Sky | **22,134,701** | **581,270** | **21,553,431** | **9,135,346** |
| Content | **32,613,007** | **4,679,805** | **27,933,202** | **12,360,797** |
| Other Businesses | **4,276,074** | **1,281,096** | **2,994,978** | **116,480** |
| Segment totals | **104,390,890** | **7,252,528** | **97,138,362** | **40,510,924** |
| Reconciliation to consolidated amounts: | | | | |
| Disposed operations (see Note 3) | **223,272** | **—** | **223,272** | **(3,991)** |
| Eliminations and corporate expenses | **(7,252,528)** | **(7,252,528)** | **—** | **(1,954,406)** |
| Depreciation and amortization expense | **—** | **—** | **—** | **(21,260,787)** |
| Consolidated net sales and income before other income | **97,361,634** | **—** | **97,361,634** | **17,291,740**(1) |
| Other income, net | **—** | **—** | **—** | **233,628** |
| Consolidated net sales and operating income | **Ps. 97,361,634** | **Ps. —** | **Ps. 97,361,634** | **Ps. 17,525,368**(2) |

| | Total Revenues | Intersegment Revenues | Consolidated Revenues | Segment Income |
|---|---|---|---|---|
| 2019: | | | | |
| Cable | Ps. 41,701,982 | Ps. 591,618 | Ps. 41,110,364 | Ps. 17,797,571 |
| Sky | 21,347,078 | 437,275 | 20,909,803 | 9,121,221 |
| Content | 35,060,534 | 3,589,407 | 31,471,127 | 12,649,135 |
| Other Businesses | 8,200,212 | 772,793 | 7,427,419 | 1,464,249 |
| Segment totals | 106,309,806 | 5,391,093 | 100,918,713 | 41,032,176 |
| Reconciliation to consolidated amounts: | | | | |
| Disposed operations (see Note 3) | 841,437 | 2,969 | 838,468 | 258,885 |
| Eliminations and corporate expenses | (5,394,062) | (5,394,062) | — | (1,960,648) |
| Depreciation and amortization expense | — | — | — | (21,008,796) |
| Consolidated net sales and income before other expense | 101,757,181 | — | 101,757,181 | 18,321,617(1) |
| Other expense, net | — | — | — | (1,316,587) |
| Consolidated net sales and operating income | Ps. 101,757,181 | Ps. — | Ps. 101,757,181 | Ps. 17,005,030(2) |

| | Total Revenues | Intersegment Revenues | Consolidated Revenues | Segment Income |
|---|---|---|---|---|
| 2018: | | | | |
| Cable | Ps. 36,233,042 | Ps. 560,186 | Ps. 35,672,856 | Ps. 15,302,500 |
| Sky | 22,002,216 | 420,979 | 21,581,237 | 9,767,329 |
| Content | 39,223,668 | 3,162,091 | 36,061,577 | 14,855,109 |
| Other Businesses (3) | 7,715,489 | 661,422 | 7,054,067 | 410,486 |
| Segment totals | 105,174,415 | 4,804,678 | 100,369,737 | 40,335,424 |
| Reconciliation to consolidated amounts: | | | | |
| Disposed operations (see Note 3) | 920,009 | 7,413 | 912,596 | 343,799 |
| Eliminations and corporate expenses | (4,812,091) | (4,812,091) | — | (2,154,747) |
| Depreciation and amortization expense | — | — | — | (19,834,202) |
| Consolidated net sales and income before other income | 101,282,333 | — | 101,282,333 | 18,690,274(1) |
| Other income, net | — | — | — | 1,562,284 |
| Consolidated net sales and operating income | Ps. 101,282,333 | Ps. — | Ps. 101,282,333 | Ps. 20,252,558(2) |

(1) This amount represents income before other income or expense, net.

(2) This amount represents consolidated operating income.

(3) In 2018, the Radio operations were previously reported as part of the Other Businesses segment. In 2020, the Radio operations for 2019 and 2018, were classified as disposed operations for comparison purposes.

**Accounting Policies**

The accounting policies of the segments are the same as those described in the Group's summary of significant accounting policies (see Note 2). The Group evaluates the performance of its segments and allocates resources to them based on operating income before depreciation and amortization.

**Intersegment Revenue**

Intersegment revenue consists of revenues derived from each of the segments principal activities as provided to other segments.

The Group accounts for intersegment revenues as if the revenues were from third parties, that is, at current market prices.

**Allocation of Corporate Expenses**

Non-allocated corporate expenses primarily include share-based compensation expense for certain key officers and employees in connection with the Company's LTRP, as well as other general expenses that because of their nature and characteristics are not subject to be allocated within the Group's business segments.

The table below presents segment information about assets, liabilities, and additions to property, plant and equipment as of and for the years ended December 31, 2020, 2019 and 2018:

| | Segment Assets at Year-End | Segment Liabilities at Year-End | Additions to Property, Plant and Equipment |
|---|---|---|---|
| **2020:** | | | |
| Continuing operations: | | | |
| Cable | **Ps. 112,478,015** | **Ps. 22,295,808** | **Ps. 14,182,848** |
| Sky | **26,423,707** | **10,696,397** | **5,361,494** |
| Content | **80,237,558** | **27,427,941** | **479,731** |
| Other Businesses | **8,177,183** | **3,936,289** | **107,665** |
| Total | **Ps. 227,316,463** | **Ps. 64,356,435** | **Ps. 20,131,738** |
| 2019: | | | |
| Continuing operations: | | | |
| Cable | Ps. 105,841,104 | Ps. 21,637,395 | Ps. 12,995,448 |
| Sky | 27,755,967 | 12,902,845 | 4,039,020 |
| Content | 78,336,679 | 31,555,070 | 1,690,805 |
| Other Businesses | 10,268,185 | 4,530,712 | 383,011 |
| Total | Ps. 222,201,935 | Ps. 70,626,022 | Ps. 19,108,284 |
| 2018: | | | |
| Continuing operations: | | | |
| Cable | Ps. 99,678,509 | Ps. 21,294,108 | Ps. 12,835,918 |
| Sky | 30,350,221 | 13,680,854 | 4,020,405 |
| Content | 83,525,004 | 39,960,653 | 1,349,954 |
| Other Businesses | 9,753,075 | 3,564,429 | 502,214 |
| Total | Ps. 223,306,809 | Ps. 78,500,044 | Ps. 18,708,491 |

Segment assets reconcile to total assets as of December 31, 2020 and 2019, as follows:

| | 2020 | 2019 |
|---|---|---|
| Segment assets | **Ps. 227,316,463** | Ps. 222,201,935 |
| Investments attributable to: | | |
| Cable | **515,002** | 567,435 |
| Content [(1)] | **29,096,777** | 53,264,422 |
| Other Businesses | **204,464** | 196,474 |
| Goodwill attributable to: | | |
| Cable | **13,794,684** | 13,794,684 |
| Content | **241,973** | 241,973 |
| Other Businesses | **76,969** | 76,969 |
| Total assets | **Ps. 271,246,332** | Ps. 290,343,892 |

[(1)] Includes goodwill attributable to equity investments of Ps.359,613 in 2020 and 2019 (see Note 10).

Equity method loss recognized in income for the years ended December 31, 2020, 2019 and 2018 attributable to equity investments in Cable, was Ps.7,826, Ps.62,329 and Ps.47,024, respectively.

Equity method (loss) gain recognized in income for the years ended December 31, 2020, 2019 and 2018 attributable to equity investments in Content, was Ps.(5,739,833), Ps.642,768 and Ps.564,226, respectively.

Equity method gain recognized in income for the years ended December 31, 2020, 2019 and 2018 attributable to equity investments in Other Businesses, was Ps.7,991, Ps.584 and Ps.15,731, respectively.

Segment liabilities reconcile to total liabilities as of December 31, 2020 and 2019, as follows:

| | 2020 | 2019 |
|---|---|---|
| Segment liabilities | **Ps. 64,356,435** | Ps. 70,626,022 |
| Debt not allocated to segments | **118,950,864** | 114,092,637 |
| Total liabilities | **Ps. 183,307,299** | Ps. 184,718,659 |

Geographical segment information:

| | Total Net Sales | Segment Assets at Year-End | Additions to Property, Plant and Equipment |
|---|---|---|---|
| **2020:** | | | |
| Mexico | **Ps. 84,664,293** | **Ps. 215,395,954** | **Ps. 19,707,436** |
| Other countries [1] | **12,697,341** | **11,920,509** | **424,302** |
| | **Ps. 97,361,634** | **Ps. 227,316,463** | **Ps. 20,131,738** |
| 2019: | | | |
| Mexico | Ps. 88,388,569 | Ps. 211,592,987 | Ps. 18,804,629 |
| Other countries [1] | 13,368,612 | 10,608,948 | 303,655 |
| | Ps. 101,757,181 | Ps. 222,201,935 | Ps. 19,108,284 |
| 2018: | | | |
| Mexico | Ps. 85,011,567 | Ps. 216,146,757 | Ps. 18,696,116 |
| Other countries [1] | 16,270,766 | 7,160,052 | 12,375 |
| | Ps. 101,282,333 | Ps. 223,306,809 | Ps. 18,708,491 |

[1] The United States is the largest country from which revenue is derived.

Net sales are attributed to geographical segment based on the location of customers.

**Disaggregation of Total Revenues**

The table below present total revenues for each reportable segment disaggregated by major service/product lines and primary geographical market for the years ended December 31, 2020, 2019 and 2018:

| | Domestic | Export | Abroad | Total |
|---|---|---|---|---|
| **2020:** | | | | |
| Cable: | | | | |
| Digital TV Service [a] | **Ps. 16,549,458** | **Ps. —** | **Ps. —** | **Ps. 16,549,458** |
| Advertising | **1,633,201** | **—** | **—** | **1,633,201** |
| Broadband Services [a] | **16,540,687** | **—** | **—** | **16,540,687** |
| Telephony [a] | **4,382,964** | **—** | **—** | **4,382,964** |
| Other Services | **702,023** | **—** | **—** | **702,023** |
| Enterprise Operations | **5,245,443** | **—** | **313,332** | **5,558,775** |
| | | | | |
| Sky: | | | | |
| DTH Broadcast Satellite TV [a] | **19,398,285** | **—** | **1,569,999** | **20,968,284** |
| Advertising | **1,112,662** | **—** | **—** | **1,112,662** |
| Pay-Per-View | **42,291** | **—** | **11,464** | **53,755** |
| | | | | |
| Content: | | | | |
| Advertising | **16,180,397** | **169,362** | **—** | **16,349,759** |
| Network Subscription Revenue | **4,322,535** | **1,143,657** | **—** | **5,466,192** |
| Licensing and Syndication | **1,572,659** | **9,224,397** | **—** | **10,797,056** |
| | | | | |
| Other Businesses: | | | | |
| Gaming | **959,985** | **—** | **—** | **959,985** |
| Soccer, Sports and Show Business Promotion | **1,382,708** | **146,324** | **—** | **1,529,032** |
| Publishing - Magazines | **269,768** | **—** | **942** | **270,710** |
| Publishing - Advertising | **173,645** | **—** | **—** | **173,645** |
| Publishing Distribution | **309,673** | **—** | **—** | **309,673** |
| Feature Film Production and Distribution | **915,165** | **—** | **117,864** | **1,033,029** |
| Segment total | **91,693,549** | **10,683,740** | **2,013,601** | **104,390,890** |
| Disposed operations: Radio - Advertising (see Note 3) | **223,272** | **—** | **—** | **223,272** |
| Intersegment eliminations | **(7,252,528)** | **—** | **—** | **(7,252,528)** |
| Consolidated total revenues | **Ps. 84,664,293** | **Ps. 10,683,740** | **Ps. 2,013,601** | **Ps. 97,361,634** |

| | Domestic | Export | Abroad | Total |
|---|---|---|---|---|
| 2019: | | | | |
| Cable: | | | | |
| Digital TV Service [a] | Ps. 16,298,079 | Ps. — | Ps. — | Ps. 16,298,079 |
| Advertising | 1,507,831 | — | — | 1,507,831 |
| Broadband Services [a] | 14,544,473 | — | — | 14,544,473 |
| Telephony [a] | 3,658,121 | — | — | 3,658,121 |
| Other Services | 801,937 | — | — | 801,937 |
| Enterprise Operations | 4,626,396 | — | 265,145 | 4,891,541 |
| Sky: | | | | |
| DTH Broadcast Satellite TV [a] | 18,918,077 | — | 1,359,079 | 20,277,156 |
| Advertising | 953,634 | — | — | 953,634 |
| Pay-Per-View | 98,539 | — | 17,749 | 116,288 |
| Content: | | | | |
| Advertising | 19,236,014 | 223,434 | — | 19,459,448 |
| Network Subscription Revenue | 3,832,716 | 1,160,459 | — | 4,993,175 |
| Licensing and Syndication | 1,794,636 | 8,813,275 | — | 10,607,911 |
| Other Businesses: | | | | |
| Gaming | 2,974,284 | — | — | 2,974,284 |
| Soccer, Sports and Show Business Promotion | 1,821,605 | 1,182,972 | — | 3,004,577 |
| Publishing - Magazines | 393,763 | — | 18,076 | 411,839 |
| Publishing - Advertising | 246,309 | — | 23,461 | 269,770 |
| Publishing Distribution | 337,685 | — | — | 337,685 |
| Feature Film Production and Distribution | 890,927 | 787 | 310,343 | 1,202,057 |
| Segment total | 92,935,026 | 11,380,927 | 1,993,853 | 106,309,806 |
| Disposed operations: Radio - Advertising (see Note 3) | 841,437 | — | — | 841,437 |
| Intersegment eliminations | (5,387,894) | — | (6,168) | (5,394,062) |
| Consolidated total revenues | Ps. 88,388,569 | Ps. 11,380,927 | Ps. 1,987,685 | Ps. 101,757,181 |

| | Domestic | Export | Abroad | Total |
|---|---|---|---|---|
| 2018: | | | | |
| Cable: | | | | |
| Digital TV Service [a] | Ps. 14,281,536 | Ps. — | Ps. — | Ps. 14,281,536 |
| Advertising | 1,260,117 | — | — | 1,260,117 |
| Broadband Services [a] | 13,034,172 | — | — | 13,034,172 |
| Telephony [a] | 2,588,767 | — | — | 2,588,767 |
| Other Services | 544,347 | — | — | 544,347 |
| Telecommunications Networks | 4,361,586 | — | 162,517 | 4,524,103 |
| Sky: | | | | |
| DTH Broadcast Satellite TV [a] | 19,478,307 | — | 1,374,849 | 20,853,156 |
| Advertising | 968,853 | — | — | 968,853 |
| Pay-Per-View | 152,129 | — | 28,078 | 180,207 |
| Content: | | | | |
| Advertising | 20,932,533 | 222,369 | — | 21,154,902 |
| Network Subscription Revenue | 3,500,375 | 1,313,907 | — | 4,814,282 |
| Licensing and Syndication | 1,437,081 | 11,817,403 | — | 13,254,484 |
| Other Businesses: | | | | |
| Gaming | 2,676,384 | — | — | 2,676,384 |
| Soccer, Sports and Show Business Promotion | 1,639,073 | 145,462 | — | 1,784,535 |
| Publishing - Magazines | 550,777 | — | 104,281 | 655,058 |
| Publishing - Advertising | 482,943 | — | 181,514 | 664,457 |
| Publishing Distribution | 270,624 | — | 40,148 | 310,772 |
| Feature Film Production and Distribution | 735,928 | 3,569 | 884,786 | 1,624,283 |
| Segment total | 88,895,532 | 13,502,710 | 2,776,173 | 105,174,415 |
| Disposed operations: Radio - Advertising (see Note 3) | 920,009 | — | — | 920,009 |
| Intersegment eliminations | (4,803,974) | — | (8,117) | (4,812,091) |
| Consolidated total revenues | Ps. 85,011,567 | Ps. 13,502,710 | Ps. 2,768,056 | Ps. 101,282,333 |

(a) Digital TV Service revenues include revenue from leasing set-top equipment to subscribers in the Cable segment in the amount of Ps.5,514,984, Ps.5,289,996 and Ps.4,577,513, for the years ended December 31, 2020, 2019 and 2018, respectively. DTH Broadcast Satellite TV revenues include revenue from leasing set-top equipment to subscribers in the Sky segment in the amount of Ps.9,212,317, Ps.9,232,152 and Ps.9,971,318, for the years ended December 31, 2020, 2019 and 2018, respectively. Revenue from leasing set-top equipment to subscribers is recognized when services are rendered to such subscribers. Set-top equipment is part of the Group's property, plant and equipment and is leased to subscribers through operating lease contracts.

Net sales from external customers for the years ended December 31, 2020, 2019 and 2018 are presented by sale source, as follows:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Services | **Ps. 71,745,105** | Ps. 75,988,820 | Ps. 72,737,313 |
| Royalties | **9,907,313** | 10,005,977 | 12,600,061 |
| Goods | **805,690** | 932,198 | 1,163,836 |
| Leases (1) | **14,903,526** | 14,830,186 | 14,781,123 |
| Total | **Ps. 97,361,634** | Ps. 101,757,181 | Ps. 101,282,333 |

(1) This line includes primarily revenue from leasing set-top equipment to subscribers in the Cable and Sky segments, which is recognized when services are rendered to such subscribers. Set-top equipment is part of the Group's property and equipment and is leased to subscribers through operating lease contracts.

## 27. Commitments and Contingencies

### Commitments

As of December 31, 2020, the Group had commitments for programming and transmission rights to be acquired or licensed from third party producers and suppliers, mainly related to special events, in the aggregate amount of U.S.$82.2 million (Ps.1,639,297) and U.S.$818.9 million (Ps.16,337,216), respectively, with various payment commitments to be made between 2021 and 2030.

As of December 31, 2020 the Group had third party commitments for transmission rights to be sublicensed by the Group in the aggregate amount of U.S.$88.7 million (Ps.1,769,602) with various cash payments to be received by the Group between 2021 and 2030.

At December 31, 2020, the Group had commitments in an aggregate amount of Ps.1,732,382, of which Ps.10,086, were commitments related to gaming operations, Ps.120,956, were commitments to acquire television technical equipment, Ps.390,080, were commitments for the acquisition of software and related services, and Ps.1,211,260, were construction commitments for building improvements and technical facilities.

In connection with a long-term credit facility, the Group expects to provide financing to GTAC in 2021 in the principal amount of Ps.49,000 and U.S.$4.0 million (Ps.79,797) (see Note 10).

At December 31, 2020, the Group had the following aggregate minimum annual commitments (undiscounted) for the use of satellite transponders:

| | Thousands of U.S. Dollars | |
|---|---|---|
| 2021 | U.S.$ | 6,410 |
| 2022 | | 4,163 |
| 2023 | | 2,988 |
| 2024 and thereafter | | 2,914 |
| | U.S.$ | 16,475 |

A reconciliation of the non-cancellable lease commitments as of December 31, 2018 and the initial measurement of the lease liabilities under IFRS 16 were as follow:

| | | |
|---|---|---|
| Operating lease commitments disclosed under IAS 17 in the Group's consolidated financial statements as of December 31, 2018 | Ps. | 7,160,431 |
| Discounted using the incremental borrowing rate at January 1, 2019 | | (2,669,751) |
| Finance lease liabilities recognized at December 31, 2018 | | 5,317,944 |
| Adjustments as a result of a different treatment of extension, termination options and short-term and low-value exemptions | | 306,632 |
| Lease liabilities recognized at January 1, 2019 | Ps. | 10,115,256 |

***Preponderant Economic Agent***

On March 6, 2014, the IFT issued a decision whereby it determined that the Company, together with certain subsidiaries with concessions that provide broadcast television, are preponderant economic agents in the broadcasting sector in Mexico (together, the "Preponderant Economic Agent"). The preponderance decision imposes on the Preponderant Economic Agent various measures, terms, conditions and restrictive obligations, some of which may adversely affect the activities and businesses of the Group's broadcasting businesses, as well as their results of operations and financial condition. Among these measures, terms, conditions and restrictive obligations are included the following:

Infrastructure sharing – The Preponderant Economic Agent must make its passive broadcasting infrastructure (as defined in the preponderance decision) available to third-party concessionaries of broadcast television (as defined in the preponderance decision) for commercial purposes in a non-discriminatory and non-exclusive manner, with the exception of broadcasters that, at the time the measures enter into force, have 12 MHz or more of radio-electric spectrum in the geographic area concerned.

Advertising sales – The Preponderant Economic Agent must deliver to IFT and publish the terms and conditions of certain broadcast advertising services and fee structures, including, without limitation, commercials, packages, bonuses and discount plans and any other commercial practice, and publish them on its webpage.

Prohibition on acquiring certain exclusive content – The Preponderant Economic Agent may not acquire transmission rights, on an exclusive basis, for any location within Mexico with respect to certain relevant content, determined by IFT in the Ruling whereby IFT identifies the relevant audiovisual contents in terms and for the purposes of the fourth measure and the second transitory article of the fourth attachment whereby the Preponderant Economic Agent in the telecommunication sector was resolved and the eighteenth and thirteenth transitory articles of the first attachment of the resolution whereby the Preponderant Economic Agent in the broadcasting sector as resolved (the "Relevant Content Ruling"), which may be updated every two years by IFT.

Over-the-air channels – When the Preponderant Economic Agent offers any of its over-the-air channels, or channels that have at least 50% of the programming broadcasted between 6:00 a.m. and midnight on such channels in the same day, to its affiliates, subsidiaries, related partiers and third parties, for distribution through a different technological platform than over-the-air-broadcast television, the Preponderant Economic Agent must offer these channels to any other person that asks for distribution over the same platform as the Preponderant Economic Agent has offered, on the same terms and conditions.

Prohibition on participating in "buyers' clubs" or syndicates to acquire audiovisual content, without IFT's prior approval - The Preponderant Economic Agent may not enter into or remain in any "buyers' club" or syndicates of audiovisual content unless it has received the prior approval of IFT.

There are currently no resolutions from the IFT, judgments or orders that would require the Group to divest any of the assets as a result of being declared a Preponderant Economic Agent in the broadcasting sector.

On February 27, 2017, as part of a biennial review of the broadcasting sector preponderance rules, the IFT issued a ruling that amended some of the existing preponderance rules in broadcasting and included some additional obligations on the Company and some of its subsidiaries (the "New Preponderance Measures"), as follows:

Infrastructure sharing – In addition to the previously imposed obligations regarding the sharing of passive infrastructure, the New Preponderance Measures have included the service of signal emissions only in the event that no passive infrastructure exists on the requested site. In addition, the New Preponderance Measures strengthen the supervision of the infrastructure services provided by the Group, including certain rules relating to the publicity of its tariffs. In addition, more specifications for the Electronic Management System as part of the new measures are included. Likewise, the IFT determined specific tariffs for our infrastructure offer.

Prohibition to acquire certain exclusive content for broadcasting – This measure has been modified by enabling the Group to acquire relevant content under certain circumstances, as long as it obtains the right to sublicense such transmission rights to the other broadcasters in Mexico on non-discriminatory terms. In December 2018, the Relevant Content Ruling was updated.

Advertising sales – IFT modified this measure mainly by including specific requirements to the Group in its provision of over-the-air advertising services, particularly, to telecommunications companies. Such requirements include, among others: a) publishing and delivering to IFT specific information regarding tariffs, discount plans, contracting and sales terms and conditions, contract forms and other relevant practices; and b) terms and conditions that prohibit discrimination or refusal to deal, conditioned sales and other conditions that inhibit competition. The Group began the process of providing very detailed information to IFT on a recurrent basis of over the air advertising services related to telecommunications companies.

Accounting separation – The Group, as Preponderant Economic Agent, is required to implement an accounting separation methodology under the criteria defined by IFT, published in the Official Gazette of the Federation on December 29, 2017, as amended.

On March 28, 2014, the Company, together with its subsidiaries determined to be the Preponderant Economic Agent in the broadcasting sector, filed an *amparo* proceeding challenging the constitutionality of the Preponderance Decision. The Supreme Court resolved the *amparo* proceeding, resolving the constitutionality of the Preponderance Resolution and therefore, it is still valid.

Additionally, on March 31, 2017, the Company, together with its subsidiaries, filed an *amparo* proceeding challenging the constitutionality of the New Preponderance Measures. On November 21, 2019 the Second Court of the Supreme Court granted the amparo and revoked the New Preponderance Measures. Consequently, the valid and applicable measures in force are the resolved in accordance with the Preponderance Resolution.

The earliest bi-annual review of the preponderance measures for broadcasting sector that began in 2019 was concluded as a result of the amparo resolution.

The Company will continue to assess the extent and impact of the various measures, terms, conditions and restrictive obligations in connection with its designation by IFT as Preponderant Economic Agent, including the New Preponderance Measures, and will analyze carefully any actions and/or remedies (legal, business and otherwise) that the Company should take and/or implement regarding these matters.

***Substantial Power Economic Agent***

On November 26, 2020, the Company was declared by IFT to be an economic agent with substantial power in the market of restricted television and audio services in certain municipalities. The ruling does not imply that the Company entered into any anticompetitive practices. The IFT will now begin a new proceeding to determine if any asymmetric measures will be necessary, and the Company will be heard in this proceeding. The Company considers that IFT's ruling is inconsistent with resolutions previously issued by such institute in other investigations regarding substantial power in the same market. Therefore, it will consider all options in its defense.

**Contingencies**

On March 5, 2018, a purported stockholder class action lawsuit was filed in the United States District Court for the Southern District of New York alleging securities law violations in connection with allegedly misleading statements and/or omissions in the Company's public disclosures. The lawsuit alleges that the Company and two of its executives failed to disclose alleged involvement in bribery activities relating to certain executives of Fédération Internationale de Football Association ("FIFA"), and wrongfully failed to disclose weaknesses in the Company's internal control over its financial reporting as of December 31, 2016. On May 17, 2018, the Court appointed a lead plaintiff for the putative stockholder class. On August 6, 2018, the lead plaintiff filed an amended complaint. The Company thereupon filed a motion to dismiss the amended complaint. On March 25, 2019, the court issued a decision denying the Company's motion to dismiss, holding that plaintiff's allegations, if true, were sufficient to support a claim. The parties began to exchange discovery materials, and the discovery process has continued into 2021. On June 8, 2020, the court issued a decision denying class certification based on the inadequacy of the proposed class representative. On June 29, 2020, the court issued a decision granting class certification to a new class representative. The Company sought permission for leave to appeal the District Court's order. On October 6, 2020, the United States Court of Appeals for the Second Circuit denied Televisa's request for leave to appeal the District Court's class certification order. The Company continues to believe that the lawsuit, and the material allegations and claims therein, are without merit and intends to vigorously defend against the lawsuit. With regard to plaintiff's allegations regarding FIFA, outside counsel long previously investigated the circumstances surrounding the Company's acquisition of the Latin American media rights for the Canada, Mexico and USA 2026 FIFA World Cup and 2030 FIFA World Cup and uncovered no credible evidence that would form the basis for liability for the Company or for any executive, employee, agent or subsidiary thereof. In particular, the Company itself made no payment to any FIFA person and in no way knew of, or condoned, any payment by any third party to any FIFA person. The Company also notes that no proceedings have been initiated against it by any governmental agency.

On April 27, 2017, the tax authorities, initiated a tax audit to the Company, with the purpose of verifying compliance with tax provisions for the fiscal period from January 1 to December 31, 2011, regarding federal taxes as direct subject of Income Tax (Impuesto sobre la Renta or ISR), Flat tax (Impuesto Empresarial a Tasa Única) and Value Added Tax (Impuesto al Valor Agregado). On April 25, 2018, the authorities informed the observations determined as a result of such audit, that could entail a default on the payment of the abovementioned taxes. On May 25, 2018, by a document submitted before the authority, the Company asserted arguments and offered evidence to undermine the authority's observations. On June 27, 2019, the Company was notified of the outcome of the audit, in which a tax liability was determined for an amount of Ps.682 million for ISR, penalties, surcharges and inflation adjustments. On August 22, 2019, the Company filed an administrative proceeding (*recurso de revocación*) against such tax liability, before the Legal area of the Tax Authorities, which is in the process of being resolved. As of the date of this report, there are no elements to determine if the outcome would be adverse to the Company's interests.

On June 1, 2016, the tax authority initiated a tax audit to a Company's indirect subsidiary that carries out operations in the Gaming business, which is presented in the Other Businesses segment, with the purpose of verifying compliance with tax provisions for the period from January 1, to December 31, 2014, regarding federal taxes as direct subject, as well as withholder. On April 24, 2017, the authorities informed the facts and omissions detected during the development of the verification process, that could entail a default on the payment of the abovementioned taxes. On May 30, 2017, by a document submitted before the authorities, the Company's subsidiary asserted arguments and offered evidence to undermine the facts and omissions included in the authority's last partial record. On June 21, 2019, such entity was notified of the outcome of the audit, in which a tax liability was determined for an amount of Ps.1,334 million, essentially related to IEPS (Impuesto Especial sobre Producción y Servicios or Excise Tax); on August 16, 2019, an administrative proceeding (*recurso de revocación*) was filed before the Legal area of the Tax Authorities. On January 7, 2021, the resolution to the administrative proceeding was notified, in which the appealed resolution was confirmed. On February 19, 2021 a claim (juicio de nulidad) against the resolution issued in the reffered administrative proceeding was filed in the Second Regional Court of Puebla of the Federal Court of Administrative Justice (Tribunal Federal de Justicia Administrativa), which is still pending of resolution. As of the date of this report, there are no elements to determine if the outcome would be adverse to the Company's interests.

On August 12, 2019 the tax authority initiated a Foreign Trade Audit of one of the Company's indirect subsidiaries (Cablebox. S.A. de C.V.), with the purpose of verifying the correct payment of the contributions and levies on the import of the merchandise, as well as compliance with non-customs regulations and restrictions applicable to 26 foreign trade operations carried out during fiscal year 2016. On April 30, 2020, the tax authority released the observations determined as a result of the aforementioned review, which could lead to non-compliance with the payment of the referred contributions. On April 30, 2020 the tax authority informed the facts and omissions detected during the development of the verification process, that could entail a default on several provisions of the Customs Act (Ley Aduanera). On June 2 and 29, 2020, by several documents submitted before the authorities, the Company's subsidiary asserted arguments and offered evidence to undermine the facts and omissions included in the tax authority's last partial record. On July 16 such entity was notified of the outcome of the audit, in which a tax liability was determined for an amount of Ps.289,821 for a fine consisting on 70% of the commercial value of the merchandise subject to review, due to the alleged failure to comply with the Norma Oficial Mexicana, or Official Mexican Standards (NOM-019-SCFI-1998), as well as on the amount of the commercial value of the merchandise due to the material impossibility of the merchandise becoming property of the Federal Treasury. On August 27, 2020 an administrative proceeding (*recurso de revocación*) was filed before the Legal department of the Tax Authority, which is in the process of being resolved. As of the date of this report, it is not possible to determine if the outcome would be adverse or favorable to the Company's interests.

The matters discussed in the three paragraphs referred to above did not require the recognition of a provision as of December 31, 2020.

There are several legal actions and claims pending against the Group, which are filed in the ordinary course of business. In the opinion of the Company's management, none of these actions and claims is expected now to have a material adverse effect on the Group's financial statements as a whole; however, the Company's management is unable to predict the outcome of any of these legal actions and claims.

**28. Changes in Accounting Policies Required by the Initial Application of IFRS 9, IFRS 15 and IFRS 16**

**(a) IFRS 9**

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at amortized cost and those measured at fair value, with changes in fair value either through income or loss, or through other comprehensive income or loss. The determination is made at initial recognition. The basis of classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the financial assets. For financial liabilities, this IFRS Standard retained most of the IAS 39 *Financial Instruments: Recognition and Measurement* requirements. IFRS 9 considers under a new impairment approach that is no longer necessary for a credit event to have occurred before credit losses are recognized, instead, an entity always accounts for expected credit losses, and change in those expected losses to profit or loss; in respect to hedging activities, IFRS 9 aligns hedge accounting more closely with an entity's risk management through a principles-based approach, by means of which the range from 0.8 to 1.25 to declare a maintaining hedge is eliminated an in its place, an effective hedging instrument will be declared only if it supports the entity's risk management strategy and maintain an effective hedge, and in lieu thereof, an instrument of effective hedge could be deemed this way if it is aligned with the entity's management risks strategy; IFRS 9 establishes that an entity making an irrevocable election to present in other comprehensive income changes in fair value of an investment in an equity instrument that is not held for trading, should not transfer to profit or loss any amounts presented in other comprehensive income, but may transfer the cumulative gain or loss within equity. The Company's management used the retrospective cumulative effect, which consists in recognizing any cumulative adjustment resulting from the new standard at the date of initial adoption in consolidated equity.

In connection with the initial adoption of IFRS 9 in the first quarter of 2018, and based on the Group's exist in financial instruments, related contracts on hedge relationships as of December 31, 2017, the implementation of the new standard did not have a material impact on the Group's consolidated financial statements upon adoption.

**(i) Recognition of certain cumulative adjustments**

The adoption of IFRS 9 *Financial Instruments* from January 1, 2018 resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements. The new accounting policies are set out in Note 2 (i) and (w) above.

In connection with expected credit losses of trade notes and accounts receivable, in conformity with the guidelines provided by IFRS 9, the Group applied the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables, and the Group recognized cumulative adjustments that decreased consolidated retained earnings as of January 1, 2018, as follows:

| | | Earnings (Losses) | | Income Tax Benefit | | Net |
|---|---|---|---|---|---|---|
| Controlling interest | Ps. | (234,129) | Ps. | 67,101 | Ps. | (167,028) |
| Non-controlling interests | | (47,465) | | 12,029 | | (35,436) |
| Effect on equity at January 1, 2018 | Ps. | (281,594) | Ps. | 79,130 | Ps. | (202,464) |

In connection with the initial adoption of IFRS 9 which became effective on January 1, 2018, the Company classified financial assets as current temporary investments with changes in fair value through income or loss. Beginning on January 1, 2018, the Company classified these financial assets as non-current financial instruments with changes in fair value through other comprehensive income, based on its business model for managing financial assets and the contractual cash flow characteristics of these financial assets. In accordance with IFRS 9, this new classification the Group recognized cumulative adjustments in consolidated retained earnings as of January 1, 2018, as follows:

| | Earnings (Losses) | Income Tax Benefit | Net |
|---|---|---|---|
| Effect on equity at January 1, 2018 | Ps. (1,182,760) | Ps. 354,828 | Ps. (827,932) |

**(ii) Classification and measurement of financial instruments**

On January 1, 2018 (the date of initial application of IFRS 9), the Group's management assessed which business models applied to the financial assets held by the Group and classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this reclassification were as follows:

| | Measurement Category | | Carrying Amount | | |
|---|---|---|---|---|---|
| | Original (IAS 39) | New (IFRS 9) | Original (IAS 39) | New (IFRS 9) | Difference |
| **Current assets** | | | | | |
| Cash and cash equivalents: | | | | | |
| Cash and bank accounts | | | Ps. 1,761,260 | Ps. 1,761,260 | Ps. — |
| Short-term investments | FVIL | FVIL | 37,021,338 | 37,021,338 | — |
| Other financial assets (classified as non-current financial assets) | FVIL | FVOCIL | 5,942,500 | 5,942,500 | — |
| Current maturities of non-current financial assets | Amortized cost | Amortized cost | 23,529 | 23,529 | — |
| Trade notes and accounts receivable: | | | | | |
| Trade notes and accounts receivable | Amortized cost | Amortized cost | 24,727,073 | 24,727,073 | — |
| Derivative financial instruments: | | | | | |
| TVI's options | FVIL | FVIL | 100,700 | 100,700 | — |
| Empresas Cablevisión' options | FVIL | FVIL | 110,137 | 110,137 | — |
| Options | FVIL | FVIL | 795,010 | 795,010 | — |
| Forward | FVIL | FVIL | 397,037 | 397,037 | — |
| **Non-current assets** | | | | | |
| Derivative financial instruments: | | | | | |
| TVI's interest rate swaps | Hedge accounting | Hedge accounting | 84,109 | 84,109 | — |
| Interest rate swaps | Hedge accounting | Hedge accounting | 664,724 | 664,724 | — |
| Forward | Hedge accounting | Hedge accounting | 112,157 | 112,157 | — |
| Investments in financial instruments: | | | | | |
| Warrants issued by UHI | FVOCIL | FVOCIL | 36,395,183 | 36,395,183 | — |
| Open-Ended Fund | FVOCIL | FVOCIL | 7,297,577 | 7,297,577 | — |
| Financial assets held to maturity | Amortized cost | Amortized cost | 287,605 | 287,605 | — |
| Other | | | 16,487 | 16,487 | — |
| **Current liabilities** | | | | | |
| Debt, lease liabilities and other notes payable: | | | | | |
| Current portion of long-term debt | Amortized cost | Amortized cost | 2,103,870 | 2,103,870 | — |
| **Non-current liabilities** | | | | | |
| Debt, lease liabilities and other notes payable: | | | | | |
| Long-term debt | Amortized cost | Amortized cost | 121,993,128 | 121,993,128 | — |

**(b) IFRS 15**

IFRS 15 provides a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. This IFRS Standard contains principles that an entity applies to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity recognizes revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

In connection with the initial adoption of IFRS 15 in the first quarter of 2018, the Company's management: (i) reviewed significant revenue streams and identified certain effects on the Group's revenue recognition in the Cable and Sky segments; (ii) used the retrospective cumulative effect, which consists in recognizing any cumulative adjustment resulting from the new standard at the date of initial adoption in consolidated equity; and (iii) did not restate the comparative information for the years ended December 31, 2017 and 2016, which was reported under the financial reporting standards in effect in those periods. Based on the Group's existing customer contracts and relationships, the implementation of the new standard did not have a material impact on the Group's consolidated financial statements upon adoption. The more significant effects to the Group's revenue recognition are described as follows:

**(i) Recognition of certain cumulative adjustments**

**Cable**

Beginning on January 1, 2018, in accordance with the new standard, incremental costs of obtaining contracts with customers, primarily commissions, are recognized as assets in the Group's consolidated statement of financial position and amortized in the expected life of contracts with customers. In the telecommunications business of this segment, as required by the new standard, the Company's management reviewed the terms and conditions of the most significant contracts on an individual basis, and concluded that the effects of applying IFRS 15 were not significant at the adoption date.

**Sky**

Beginning on January 1, 2018, in accordance with the new standard, incremental costs of obtaining contracts with customers, primarily commissions, are recognized as assets in the Group´s consolidated statement of financial position and amortized in the expected life of contracts with customers.

**Content**

The Group recognizes customer deposits and advance agreements for advertising services in the consolidated statement of financial position when these agreements are executed either with a consideration in cash paid by customers or with short-term non-interest bearing notes received from customers in connection with annual ("upfront basis") and from time to time ("scatter basis") prepayments. In connection with the initial adoption of IFRS 15, customer deposits and advances agreements are presented by the Group as a contract liability in the consolidated statement of financial position when a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers advertising services to the customer. Under the guidelines of IFRS 15, a contract liability is a Group's obligation to transfer services or goods to a customer for which the Group has received consideration, or an amount of consideration is due, from the customer. The Company's management has consistently recognized that an amount of consideration is due, for legal, finance and accounting purposes, when a short-term non- interest bearing note is received from a customer in connection with a deposit or advance agreement entered into with the customer for advertising services to be rendered by the Group in the short term. Accordingly, there was no effect in the recognition of a contract liability for deposits and advances agreements with customers in the Group's consolidated statement of financial position at the adoption date of IFRS 15.

The Group has recognized assets from incremental costs of obtaining a contract with customers, primarily commissions, which are classified as current and non-current other assets in its consolidated financial statements as of January 1 and December 31, 2020 and 2019, as follows:

| | Cable | Sky | Total |
|---|---|---|---|
| **Contract costs:** | | | |
| At January 1, 2020 | Ps. 1,436,758 | Ps. 2,254,479 | Ps. 3,691,237 |
| Additions | 1,163,038 | 1,335,300 | 2,498,338 |
| Amortization | (572,105) | (1,075,913) | (1,648,018) |
| Total Contract Costs at **December 31, 2020** | **2,027,691** | **2,513,866** | **4,541,557** |
| Less: | | | |
| Current Contract Costs | 640,656 | 957,792 | 1,598,447 |
| Total Non-current Contract Costs | Ps. 1,387,035 | Ps. 1,556,074 | Ps. 2,943,110 |

| | Cable | Sky | Total |
|---|---|---|---|
| **Contract costs:** | | | |
| At January 1, 2019 | Ps. 1,133,727 | Ps. 2,236,932 | Ps. 3,370,659 |
| Additions | 753,473 | 1,017,006 | 1,770,479 |
| Amortization | (450,442) | (999,459) | (1,449,901) |
| Total Contract Costs at December 31, 2019 | 1,436,758 | 2,254,479 | 3,691,237 |
| Less: | | | |
| Current Contract Costs | 477,167 | 902,233 | 1,379,400 |
| Total Non-current Contract Costs | Ps. 959,591 | Ps. 1,352,246 | Ps. 2,311,837 |

In connection with the assets from incremental costs of obtaining a contract with customers referred to above and the initial adoption of IFRS 15, the Group recognized cumulative adjustments that increased consolidated retained earnings as of January 1, 2018, as follows:

| | Retained Earnings | Income Taxes | Net |
|---|---|---|---|
| Controlling interest | Ps. 2,272,350 | Ps. (672,898) | Ps. 1,599,452 |
| Non-controlling interests | 1,112,854 | (327,651) | 785,203 |
| Effect on equity at January 1, 2018 | Ps. 3,385,204 | Ps. (1,000,549) | Ps. 2,384,655 |

**(c) IFRS 16**

IFRS 16 *Leases* was issued in January 2016, replaced IAS 17, and became effective on January 1, 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the former IFRS Standard: lessors continue to classify leases as finance or operating leases.

Beginning in the first quarter of 2019, the Group adopted the guidelines of IFRS 16 by using the retrospective cumulative effect, which consists of recognizing any cumulative adjustment due to the new IFRS Standard at the date of initial adoption in consolidated assets and liabilities. Accordingly, as a lessee, the Group recognized lease liabilities as of January 1, 2019, for leases classified as operating leases through December 31, 2018, and measured these lease liabilities at the present value of the remaining lease payments, discounted using the incremental borrowing rate as of January 1, 2019. The carrying amounts of leases classified as a finance leases through December 31, 2018, became the initial carrying amounts of right-of-use assets and lease liabilities under the guidelines of IFRS 16 beginning on January 1, 2019.

The initial impact of recording lease liabilities, and the corresponding right-of-use assets in accordance with the guidelines of IFRS 16, increased the Group's consolidated total assets and liabilities as of January 1, 2019, as described below. Also, as a result of the adoption of IFRS 16, the Group recognizes a depreciation of rights-of-use assets for long-term lease agreements, and a finance expense for interest from related lease liabilities, instead of affecting consolidated operating costs and expenses for lease payments made, as they were recognized through December 31, 2018, under the guidelines of the former IFRS Standard.

The Company's management has concluded the analysis and assessment of any changes to be made in the Group's accounting policies for long-term lease agreements as a lessee, including the implementation of controls over financial reporting in the different business segments of the Group, in connection with the measurement and disclosures required by IFRS 16.

As a result of the adoption of IFRS 16, the Group recognized as right-of-use assets and lease liabilities in its consolidated statements of financial position as of December 31, 2020, December 31 and January 1, 2019, long-term lease agreements that were recognized as operating leases through December 31, 2018, as follows:

| Long-term Lease Agreements | December 31, 2020 Assets (Liabilities) | December 31, 2019 Assets (Liabilities) | January 1, 2019 Assets (Liabilities) |
|---|---|---|---|
| Right-of-use assets, net | **Ps. 4,392,420** | Ps. 4,502,590 | Ps. 4,797,312 |
| Lease liabilities [1] | **(4,745,292)** | (4,641,705) | (4,797,312) |
| Net effect | **Ps. (352,872)** | Ps. (139,115) | Ps. — |

[1] Current portion of lease liabilities as of December 31, 2020, December 31 and January 1, 2019, amounted to Ps.524,458, Ps.533,260 and Ps.462,513, respectively.

Depreciation of right-of-use assets referred to in the table above and charged to income for the year ended December 31, 2020 and 2019, amounted to Ps.670,749 and Ps.651,675, respectively.

The Group also classified as right-of-use assets and lease liabilities in its consolidated statements of financial position as of December 31, 2020, December 31 and January 1, 2019, property and equipment and obligations under long-term lease agreements that were recognized as finance leases through December 31, 2018, as follows:

| Long-term Lease Agreements | December 31, 2020 Assets (Liabilities) | December 31, 2019 Assets (Liabilities) | January 1, 2019 Assets (Liabilities) |
|---|---|---|---|
| Right-of-use assets, net | **Ps. 2,819,745** | Ps. 3,050,462 | Ps. 3,402,869 |
| Lease liabilities [1] | **(4,547,059)** | (4,721,815) | (5,317,944) |
| Net effect | **Ps. (1,727,314)** | Ps. (1,671,353) | Ps. (1,915,075) |

[1] Current portion of lease liabilities as of December 31, 2020, December 31 and January 1, 2019, amounted to Ps.753,296, Ps.754,506 and Ps.651,800, respectively.

Depreciation of right-of-use assets referred to in the table above and charged to income for the years ended December 31, 2020 and 2019, amounted to Ps.426,025 and Ps.418,675, respectively.

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at January 1, 2019
- Accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases
- Excluding initial direct cost for the measurement of the right-of-use asset at the date of initial application, and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease.*

**29. Impact of COVID-19**

On March 11, 2020, the World Health Organization declared the outbreak of Coronavirus ("COVID-19") as a pandemic. Most governments in the world have been implementing different restrictive measures to contain the spread of this pandemic. This situation is significantly affecting the global economy, including Mexico, due to the disruption or slowdown of supply chains and the increase in economic uncertainty, as evidenced by the increase in volatility of asset prices, exchange rates and decreases in long-term interest rates. During 2020, the Company's management made an assessment of potential adverse impacts of COVID-19 in its business segments, primarily in connection with impairment indicators and testing of significant long-lived assets, expected credit losses for accounts receivable, recovery of deferred income tax assets and workforce considerations. The Company's management will continue to assess the potential adverse impacts of COVID-19, including the monitoring of impairment indicators and testing, forecasts and budgets, fair values and/or estimated future cash flows related to the recoverability of significant financial and non-financial assets of its business segments. As of the authorization date of these consolidated financial statements, the Company's management cannot predict the adverse impact of COVID-19 in the Group's consolidated financial statements for the year ending December 31, 2021.

The Company´s management cannot guarantee that conditions in the bank lending, capital and other financial markets will not continue to deteriorate as a result of the pandemic, or that its access to capital and other sources of funding will not become constrained, which could adversely affect the availability and terms of future borrowings, renewals or refinancings. In addition, the deterioration of global economic conditions as a result of the pandemic may ultimately reduce the demand for the Group´s products across its segments, as its clients and customers reduce or defer their spending.

The Mexican Government is still implementing the plan to reactivate economic activities in accordance with color-based phases determined on a weekly basis in every state of the country. Most non-essential economic activities are open with some limitations, mainly with reduced capacity and hours of operation. However, a significant part of the population is still implementing social distancing and shelter-in-place policies. As a result, during the quarter ended December 31, 2020, this has affected, and is still affecting the ability of the Group´s employees, suppliers and customers to conduct their functions and businesses in their typical manner.

As of this date given that they are considered essential economic activities, the Group has continued operating its media and telecommunications businesses uninterrupted to continue benefiting the country with connectivity, entertainment and information, and during the quarter ended December 31, 2020, the Group continued producing of new content following the requirements and health guidelines imposed by the Mexican Government. During the quarter ended December 31, 2020, the Group´s Content segment recovered in relation to the previous quarters during the pandemic as a result of the easing of lockdown restrictions in some jurisdictions in which its customers are located. Notwithstanding the foregoing, we are partially dependent on the demand for advertising from consumer-focused companies, and the COVID-19 pandemic has caused, and could further cause, advertisers to reduce or postpone their advertisement spending on its platforms.

In the Group´s Other Businesses segment, sporting and other entertainment events for which it has broadcast rights, or which it organizes, promotes and/or is located in venues it owns, has started to operate again with some limitations and taking the corresponding sanitary measures, and to date most of its casinos have resumed operations with reduced capacity and hours of operation. When local authorities approve the re-opening of these venues that are still not operating, rules may be enacted including limitations on capacity and operating hours; these may affect the results of its Other Businesses segment in the following months.

Notwithstanding the foregoing, the authorities may impose restrictions on non-essential activities, including but not limited to temporary shutdowns or additional guidelines which could be expensive or burdensome to implement, which may affect the Group´s operations.

The magnitude of the impact on the Group's businesses will depend on the duration and extent of the COVID-19 pandemic and the impact of federal, state, local and foreign governmental actions, including continued or future social distancing, and consumer behavior in response to the COVID-19 pandemic and such governmental actions. Due to the evolving and uncertain nature of this situation, the Company´s management is not able to estimate the full extent of the impact of the COVID-19 pandemic, but it may continue affecting the Group´s businesses, financial position and results of operations over the near, medium or long-term.

**30. Events after the Reporting Period**

***Transaction announced on April 13, 2021***

On April 13, 2021, the Group and UHI announced a definitive transaction agreement in which the Group's content and media assets will be combined with UHI to create the largest Spanish-language media company in the world.

The Group will continue to participate in UHI's growth potential by remaining the largest shareholder in UHI, with an equity stake of approximately 45% following the transaction. The Group will also retain ownership of its Cable, Sky and Other Businesses segments, as well as the main real estate associated with the production facilities, the broadcasting concessions and transmission infrastructure in Mexico.

The Group will contribute the assets specified in the Transaction Agreement, including, subject to certain exceptions, its Content business included in its Content business segment to UHI for U.S.$4.5 billion in a combination of cash (U.S.$3.0 billion) and U.S.$1.5 billion of common and preferred shares of UHI.

In connection with the transaction, UHI will receive all assets, IP and library related to the News division of the Group's Content business, but will outsource production of news content for Mexico to a company owned by the Azcárraga family.

The Boards of Directors of the Company and UHI have approved the combination. The transaction is expected to close in 2021, subject to customary closing conditions, including receipt of regulatory approvals in the United States, Mexico and Colombia, among others, and approval of the Company's shareholders.

As a result of the transaction, the Group expects that its cash and cash equivalents will increase by U.S.$3,000 million, and its investment in common and preferred shares of UHI will increase by U.S.$1,500 million when the transaction is completed. The Group expects to recognize a net gain on disposition of discontinued operations in its consolidated statement of income in connection with the disposition of its Content business segment and the related assets specified in the Transaction Agreement. Additionally, after the transaction is completed, the Group expects increases in its consolidated share of income in associates derived from a larger ownership in UHI and in consolidated finance income derived from the returns from its investments in preferred shares issued by UHI to the Group in the transaction. These expected effects will be partially offset in the Group's consolidated statement of income by a reduction in its consolidated operating income resulting primarily from the disposal of its Content business segment. The Group will continue to consolidate the results of its Content business segment until the Group ceases to have control of this business segment, in accordance with the terms of the Transaction Agreement.

***Company´s stockholder approvals***

On April 28, 2021, the Company's stockholders approved, among other resolutions, (i) the audited consolidated financial statements of the Company as of December 31, 2020, and for the year ended on that date; (ii) the payment of a dividend of Ps.0.35 per CPO and Ps.0.002991452991 per share of Series "A," "B," "D," and "L" Shares, not in the form of a CPO, which will be paid in May 2021; and (iii) the cancellation in May 2021 of 5,173.2 million shares of the Company's capital stock in the form of 44.2 million CPOs, which were repurchased by the Company in 2019 and 2020.

**Exhibit 2.17**

**DESCRIPTION OF THE RIGHTS OF EACH CLASS OF SECURITIES REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT**

The following summary is a brief description of the securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") of Grupo Televisa S.A.B., a limited liability public stock corporation *(sociedad anónima bursátil*) organized under the laws of the United Mexican States. Unless the context requires otherwise, references to "we," "us," "our" or "Company" refer to Grupo Televisa, S.A.B. and, where the context requires, its consolidated entities. "Group" refers to Grupo Televisa, S.A.B. and its consolidated entities. Capitalized terms used and not defined herein have the meaning ascribed to them in our annual report on Form 20-F for the fiscal year ended December 31, 2020, to which this description of securities is an exhibit (the "Form 20-F").

The following description sets forth certain material provisions of these securities. The following summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the applicable provisions of (i) the Company's Amended and Restated Bylaws (the "Bylaws"); and (ii) the Deposit Agreement between the Company, The Bank of New York, as depositary and all holders and beneficial owners of the GDSs, evidenced by Global Depositary Receipts ("GDRs"). We encourage you to refer to the Bylaws and the Deposit Agreement, as applicable, for additional information.

**Capital Stock**

We have four classes of capital stock: Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares. Our shares are publicly traded in Mexico in the form of certificados de participacion ordinarios ("CPOs"), each representing 117 shares--25 Series "A" Shares, 22 Series "B" Shares, 35 Series "D" Shares and 35 Series "L" Shares, which are held in the CPO Trust. Our shares also are publicly traded in the United States in the form of global depositary shares ("GDSs"), each of which represents five CPOs.

The Series "A" Shares and the Series "B" Shares are common or ordinary shares, with no par value, no dividend preference and no preference upon liquidation. The Series "D" Shares are limited-voting and preferred shares, with no par value, with the limited voting rights as described under "Voting Rights and Shareholders' Meetings— Holders of Series "D" Shares and Series "L" Shares" below, and the dividend preference and liquidation preference described under "Preferential Rights of Series "D" Shares" below.

The L Shares are limited-voting shares, with no par value, no dividend preference, no preference upon liquidation and limited voting rights, as described under "Voting Rights and Shareholders' Meetings—Holders of Series "D" Shares and Series "L" Shares" below.

As of December 31, 2020, our outstanding capital stock consisted of 113,019,216,542 Series "A" Shares, 50,928,412,611 Series "B" Shares, 81,022,416,386 Series "D" Shares and 81,022,416,386 Series "L" Shares.

**Major Shareholders**

The Azcárraga Trust, a trust for the benefit of Emilio Azcárraga Jean, currently holds 43.8% of the outstanding Series "A" Shares, 0.1% of the outstanding Series "B" shares, 0.1% of the outstanding Series "D" Shares and 0.1% of the outstanding Series "L" Shares of the Company. As a result, Emilio Azcárraga Jean currently controls the vote of such shares through the Azcárraga Trust. The Series "A" Shares held through the Azcárraga Trust constitute a majority of the Series "A" Shares whose holders are entitled to vote because non-Mexican holders of CPOs and GDSs are not permitted to vote the underlying Series "A" Shares in accordance with the trust agreement governing the CPOs and the Company's bylaws. Accordingly, and so long as non-Mexicans own more than a minimal number of Series "A" Shares, Emilio Azcárraga Jean will have the ability to direct the election of 11 out of 20 members of our Board of Directors, as well as prevent certain actions by the stockholders, including dividend payments, mergers, spin-offs, changes in corporate purpose, changes of nationality and amendments to the anti-takeover provisions of our bylaws.

Pursuant to our bylaws, holders of Series "B" Shares are entitled to elect five out of 20 members of our Board of Directors.

Because the Azcárraga Trust only holds a limited number of Series "B" Shares, there can be no assurance that individuals nominated by the Azcárraga Trust appointees will be elected to our Board.

We believe that as of March 31, 2020, approximately 320.4 million of GDSs were held of record by 68 persons with U.S. addresses. Those GDSs represent 33.1% of the outstanding Series "A" Shares, 61.8% of the outstanding Series "B" Shares, 64.4% of the outstanding Series "D" Shares and 64.4% of the outstanding Series "L" Shares of the Company.

**Voting Rights and Stockholders' Meetings**

*Holders of Series "A" Shares.* Holders of Series "A" Shares have the right to vote on all matters subject to stockholder approval at any general stockholders' meeting and have the right, voting as a class, to appoint 11 members of our Board of Directors and the corresponding alternate directors. In addition to requiring approval by a majority of all Shares entitled to vote together on a particular corporate matter, certain corporate matters must be approved by a majority of the holders of Series "A" Shares voting separately. These matters include mergers, dividend payments, spin-offs, changes in corporate purpose, changes of nationality and amendments to the anti-takeover provisions of our bylaws.

*Holders of Series "B" Shares.* Holders of Series "B" Shares have the right to vote on all matters subject to stockholder approval at any general stockholders' meeting and have the right, voting as a class, to appoint five members of our Board of Directors and the corresponding alternate directors. The five directors and corresponding alternate directors elected by the holders of the Series "B" Shares will be elected at a stockholders' meeting that must be held within the first four months after the end of each year.

*Holders of Series "D" Shares and Series "L" Shares.* Holders of Series "D" Shares, voting as a class, are entitled to vote at special meetings to elect two of the members of our Board of Directors and the corresponding alternate directors, each of which must be an independent director. In addition, holders of Series "D" Shares are entitled to vote on the following matters at extraordinary general meetings:

- our transformation from one type of company to another;
- any merger (even if we are the surviving entity);
- extension of our existence beyond our prescribed duration;
- our dissolution before our prescribed duration (which is currently 99 years from January 30, 2007);
- a change in our corporate purpose;
- a change in our nationality; and
- the cancellation from registration of the Series "D" Shares or the securities which represent the Series "D" Shares with the securities or special section of the NRS and with any other Mexican or foreign stock exchange in which such shares or securities are registered.

Holders of Series "L" Shares, voting as a class, are entitled to vote at special meetings to elect two of the members of our Board of Directors and the corresponding alternate directors, each of which must be an independent director. Holders of Series "L" Shares are also entitled to vote at extraordinary general meetings on the following matters:

- our transformation from one type of company to another;
- any merger in which we are not the surviving entity; and

- the cancellation from registration of the Series "L" Shares or the securities that represent the Series "L" Shares with the special section of the NRS.

The two directors and corresponding alternate directors elected by each of the holders of the Series "D" Shares and the Series "L" Shares are elected annually at a special meeting of those holders. Special meetings of holders of Series "D" Shares and Series "L" Shares must also be held to approve the cancellation from registration of the Series "D" Shares or Series "L" Shares or the securities representing any of such shares with the NRS, as the case may be, and in the case of Series "D" Shares, with any other Mexican or foreign stock exchange in which such shares or securities are registered. Except as otherwise required by law, all other matters on which holders of Series "L" Shares or Series "D" Shares are entitled to vote must be considered at an extraordinary general meeting. Holders of Series "L" Shares and Series "D" Shares are not entitled to attend or to address meetings of stockholders at which they are not entitled to vote. Under Mexican law, holders of Series "L" Shares and Series "D" Shares are entitled to exercise certain minority protections. See " Other Provisions — Appraisal Rights and Other Minority Protections" below.

Minority shareholders holding at least ten percent of the capital stock represented by Series "A" Shares, will be entitled to appoint one director and its corresponding alternate for each such ten percent. Minority shareholders holding at least ten percent of the capital stock represented by Series "B" Shares, will be entitled to appoint one director and its corresponding alternate for each such ten percent. Minority shareholders holding at least ten percent of the capital stock represented by Series "D" Shares or Series "L" Shares, will be entitled to appoint one directors and its corresponding alternate for each such ten percent. Any such appointments by minority shareholders will be counted towards the number of directors that the holders of each such Series is entitled to appoint.

*Other Rights of Stockholders*. Under Mexican law, holders of shares of any series are also entitled to vote as a class in a special meeting governed by the same rules that apply to extraordinary general meetings, as described below, on any action that would prejudice the rights of holders of shares of such series, but not rights of holders of shares of other series, and a holder of shares of such series would be entitled to judicial relief against any such action taken without such a vote. Generally, the determination of whether a particular stockholder action requires a class vote on these grounds could initially be made by the Board of Directors or other party calling for stockholder action. In some cases, under the Mexican Securities Market Law and the Mexican Companies Law, the Board of Directors, the Audit Committee, the Corporate Practices Committee, or a Mexican court on behalf of those stockholders representing 10% of our capital stock can call a special meeting. A negative determination would be subject to judicial challenge by an affected stockholder, and the necessity for a class vote would ultimately be determined by a court. There are no other procedures for determining whether a particular proposed stockholder action requires a class vote, and Mexican law does not provide extensive guidance on the criteria to be applied in making such a determination.

General stockholders' meetings may be ordinary general meetings or extraordinary general meetings. Extraordinary general meetings are those called to consider specific matters specified in Article 182 of the Mexican Companies Law and our bylaws, including, among others, amendments to our bylaws, our dissolution, liquidation or split-up, our merger and transformation from one form of company to another, increases and reductions in our capital stock, the approval of certain acquisitions of shares, including a change of control, as set forth in the antitakeover provisions in our bylaws and any action for civil liabilities against the members of our Board of Directors, its Secretary, or members of our Audit Committee or Corporate Practices Committee. In addition, our bylaws require an extraordinary general meeting to consider the cancellation of registration of the Series "D" Shares or Series "L" Shares or the securities representing these Shares with the NRS, as the case may be, and in the case of Series "D" Shares, with any other Mexican or foreign stock exchange in which such Shares or securities are registered. General meetings called to consider all other matters are ordinary meetings which are held at least once each year within four months following the end of each fiscal year. Stockholders may be represented at any stockholders' meeting by completing a form of proxy provided by us, which proxy is available within fifteen days prior to such meeting, and designating a representative to vote on their behalf. The form of proxy must comply with certain content requirements as set forth in the Mexican Securities Market Law and in our bylaws.

*Holders of CPOs*. Holders of CPOs who are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their shares are entitled to exercise voting rights with respect to the Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares underlying their CPOs. The CPO Trustee will vote such shares as directed by Mexican holders of CPOs, which must provide evidence of Mexican nationality. Non-Mexican holders of CPOs may only vote the Series "L" Shares held in the CPO Trust and are not entitled to exercise any voting rights with respect to the Series "A" Shares, Series "B" Shares and Series "D" Shares held in the CPO Trust. Voting rights in respect of these Series "A" Shares, Series "B" Shares and Series "D" Shares may only be exercised by the CPO Trustee. Series "A" Shares, Series "B" Shares and Series "D" Shares underlying the CPOs of non-Mexican holders or holders that do not give timely instructions as to voting of such Shares, will be voted by this individuals designated by the CPO Trust's Technical Committee (which consists of members of the Board of Directors and/or Executive Committee, who must be Mexican nationals), and at any general shareholders meeting where such series has the right to vote in the same manner as the majority of the outstanding Series "A" Shares held by Mexican nationals or Mexican corporations (directly, or through the CPO Trust, as the case may be) are voted at the relevant meeting. Series "L" Shares underlying the CPOs of any holders that do not give timely instructions as to the voting of such Shares will be voted by individuals designated by the CPO Trust's Technical Committee (which consists of members of the Board of Directors and/or Executive Committee, who must be Mexican nationals), as instructed by such Technical Committee of the CPO Trust. The CPO Trustee must receive voting instructions five business days prior to the stockholders' meeting. Holders of CPOs that are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their Shares also must provide evidence of nationality, such as a copy of a valid Mexican passport or birth certificate, for individuals, or a copy of the bylaws, for corporations.

As described in "Major Stockholders" above, Series "A" Shares held through the Azcárraga Trust constitute a majority of the Series "A" Shares whose holders are entitled to vote, because non-Mexican holders of CPOs and GDSs are not permitted to vote the underlying Series "A" Shares. Accordingly, the vote of Series "A" Shares held through the Azcárraga Trust generally will determine how the Series "A" Shares underlying our CPOs are voted.

*Holders of GDRs*. Global Depositary Receipts, or GDRs, evidencing GDSs are issued by The Bank of New York Mellon, the Depositary, pursuant to the Deposit Agreement we entered into with the Depositary and all holders from time to time of GDSs. A GDR may represent any number of GDSs. Only persons in whose names GDRs are registered on the books of the Depositary will be treated by us and the Depositary as owners and holders of GDRs. Each GDS represents the right to receive five CPOs which will be credited to the account of Banco Inbursa, S.A., the Custodian, maintained with Indeval for such purpose. Each CPO represents financial interests in, and limited voting rights with respect to, 25 Series "A" Shares, 22 Series "B" Shares, 35 Series "L" Shares and 35 Series "D" Shares held pursuant to the CPO Trust.

The Depositary will mail information on stockholders' meetings to all holders of GDRs. At least six business days prior to the relevant stockholders' meeting, GDR holders may instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the CPOs represented by their GDSs, and the underlying Shares. Since the CPO Trustee must also receive voting instructions five business days prior to the stockholders' meeting, the Depositary may be unable to vote the CPOs and underlying Shares in accordance with any written instructions. Holders of GDSs that are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their Shares are entitled to exercise voting rights with respect to the Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares underlying the CPOs represented by their GDSs. Such Mexican holders also must provide evidence of nationality, such as a copy of a valid Mexican passport or birth certificate, for individuals, or a copy of the bylaws, for corporations.

Non-Mexican holders may exercise voting rights only with respect to Series "L" Shares underlying the CPOs represented by their GDSs. They may not direct the CPO Trustee as to how to vote the Series "A" Shares, Series "B" Shares or Series "D" Shares represented by CPOs or attend stockholders' meetings. Under the terms of the CPO Trust Agreement, the CPO Trustee will vote the Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares represented by CPOs held by non-Mexican holders (including holders of GDRs) as described under "— Holders of CPOs". If the Depositary does not timely receive instructions from a Mexican or non-Mexican holder of GDRs as to the exercise of voting rights relating to the Series "A" Shares, Series "B" Shares, Series "D" Shares or Series "L" Shares underlying the CPOs, as the case may be, in the relevant stockholders' meeting then, if requested in writing by us, the Depositary will give a discretionary proxy to a person designated by us to vote the Shares. If no such written request is made by us, the Depositary will not represent or vote, attempt to represent or vote any right that attaches to, or instruct the CPO Trustee to represent or vote, the Shares underlying the CPOs in the relevant stockholders' meeting and, as a result, the underlying shares will be voted in the same manner described under "— Holders of CPOs" with respect to shares for which timely instructions as to voting are not given.

If the Depositary does not timely receive instructions from a Mexican or non-Mexican holder of GDRs as to the exercise of voting rights relating to the underlying CPOs in the relevant CPO holders' meeting, the Depositary and the Custodian will take such actions as are necessary to cause such CPOs to be counted for purposes of satisfying applicable quorum requirements and, unless we in our sole discretion have given prior written notice to the Depositary and the Custodian to the contrary, vote them in the same manner as the majority of the CPOs are voted at the relevant CPOs holders' meeting.

Under the terms of the CPO Trust, beginning in December 2008, a non-Mexican holder of CPOs or GDSs may instruct the CPO Trustee to request that we issue and deliver certificates representing each of the Shares underlying its CPOs so that the CPO Trustee may sell, to a third party entitled to hold the Shares, all of those Shares and deliver to the holder any proceeds derived from the sale.

*Limitation on Appointment of Directors.* Our bylaws prohibit the appointment of individuals to our Board of Directors: who (i) are members of the board of directors or other management boards of a company (other than the Company or its subsidiaries) that has one or more concessions to operate telecommunication networks in Mexico; or (ii) directly or indirectly, are shareholders or partners of companies (other than the Company or its subsidiaries), that have one or more concessions to operate telecommunication networks in Mexico, with the exception of ownership stakes that do not allow such individuals to appoint one or more members of the management board or any other operation or decision making board.

**Dividend Rights**

At our annual ordinary general stockholders' meeting, our Board of Directors is required to submit our financial statements from the previous fiscal year to the holders of our Series "A" Shares and Series "B" Shares. Once our stockholders approve these financial statements, they must then allocate our net profits for the previous fiscal year. Under Mexican law, at least 5% of our net profits must be allocated to a legal reserve, until the amount of this reserve equals 20% of our paid-in capital stock. Thereafter, our stockholders may allocate our net profits to any special reserve, including a reserve for share repurchases. After this allocation, the remainder of our net profits will be available for distribution as dividends. The vote of the majority of the Series "A" Shares and Series "B" Shares is necessary to approve dividend payments. As described below, in the event that dividends are declared, holders of Series "D" Shares will have preferential rights to dividends as compared to holders of Series "A" Shares, Series "B" Shares and Series "L" Shares. Holders of Series "A" Shares, Series "B" Shares and Series "L" Shares have the same financial or economic rights, including the participation in any of our profits.

**Preferential Rights of Series "D" Shares**

Holders of Series "D" Shares are entitled to receive a preferred annual dividend in the amount of Ps.0.00034412306528 per Series "D" Share before any dividends are payable in respect of Series "A" Shares, Series "B" Shares and Series "L" Shares. If we pay any dividends in addition to the Series "D" Share fixed preferred dividend, then such dividends shall be allocated as follows:

- first, to the payment of dividends with respect to the Series "A" Shares, the Series "B" Shares and the Series "L" Shares, in an equal amount per share, up to the amount of the Series "D" Share fixed preferred dividend; and

- second, to the payment of dividends with respect to the Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares, such that the dividend per share is equal.

Upon any dissolution or liquidation of our company, holders of Series "D" Shares are entitled to a liquidation preference equal to:

- accrued but unpaid dividends in respect of their Series "D" Shares; plus

- the theoretical value of their Series "D" Shares as set forth in our bylaws. See "Other Provisions — Dissolution or Liquidation" below.

**Limitation on Capital Increases**

Our bylaws provide that, in the event shares of a given series are issued as a result of a capital increase (in respect of a cash capital contribution), each holder of shares of that series will have a preferential right to subscribe to new shares of that series, in proportion to the number of such holder's existing Shares of that series. In addition, primary issuances of Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares in the form of CPOs may be limited under the Mexican Securities Market Law. However, in the case of primary issuances of additional Series "A" Shares, Series "B" Shares, Series "L" Shares and Series "D" Shares in the form of CPOs, any new Series "L" Shares and Series "D" Shares may be required to be converted into Series "A" Shares or other voting stock within a term specified by the CNBV, which in no event shall exceed five years. Moreover, under the Mexican Securities Market Law, the aggregate amount of shares of an issuer with limited or non-voting rights may not exceed 25% of the total shares held by public investors. The vote of the holders of a majority of the Series "A" Shares is necessary to approve capital increases. As a result of grandfathering provisions, our existing CPO structure will not be affected by such limitations.

**Preemptive Rights**

In the event of a capital increase, a holder of existing shares of a given series has a preferential right to subscribe to a sufficient number of shares of the same series in order to maintain the holder's existing proportionate holdings of shares of that series. Stockholders must exercise their preemptive rights within the time period fixed by our stockholders at the meeting approving the issuance of additional shares. This period must continue for at least fifteen days following the publication of notice of the issuance in the Official Gazette of the Federation and in a newspaper of general circulation in Mexico City. Under Mexican law, stockholders cannot waive their preemptive rights in advance or be represented by an instrument that is negotiable separately from the corresponding share.

U.S. holders of GDSs may exercise preemptive rights only if we register any newly issued shares under the Securities Act of 1933, as amended, or qualify for an exemption from registration. We intend to evaluate at the time of any offering of preemptive rights the costs and potential liabilities associated with registering additional shares. In addition, if our stockholders' meeting approves the issuance of shares of a particular series, holders of shares of other series may be offered shares of that particular series.

**Limitations on Share Ownership**

Ownership by non-Mexicans of shares of Mexican enterprises is regulated by the Foreign Investment Law and the accompanying Foreign Investment Regulations. The Economics Ministry and the Foreign Investment Commission are responsible for the administration of the Foreign Investment Law and the Foreign Investment Regulations. The Foreign Investment Law reserves certain economic activities exclusively for the Mexican State, certain other activities exclusively for Mexican individuals or Mexican corporations, and limits the participation of non-Mexican investors to certain percentages in regard to other enterprises engaged in activities specified therein. Foreign investors may freely participate in up to 100% of the capital stock of Mexican companies or entities except for those existing companies engaged in specific activities, as described below and those with assets exceeding specified amounts established annually by the Foreign Investment Commission, in which case an approval from the Foreign Investment Commission will be necessary in order for foreign investment to exceed 49% of the capital stock. Non-Mexican ownership of shares of Mexican enterprises is restricted in some economic sectors, including broadcast television, and radio. As a result of the Telecom Reform, the participation of foreign investors can be up to 49% in free to air radio and television, subject to reciprocity requirements, and up to 100% in telecommunications services and satellite communications. Such amendments are reflected in the LFTR and Mexico's Ley de Inversión Extranjera, or Foreign Investment Law, and the Reglamento de la Ley de Inversión Extranjera y del Registro Nacional de Inversiones Extranjeras, or the Regulation of the Foreign Investment Law and the Foreign Investment National Registry.

Through our bylaws and the trust governing the CPOs, we have limited the ownership of our Series "A" Shares and Series "B" Shares to Mexican individuals, Mexican companies whose charters contain a foreign exclusion clause, credit institutions acting as trustees (such as the CPO Trustee) in accordance with the Foreign Investment Law and the Foreign Investment Law Regulations, and trusts or stock purchase, investment and retirement plans for Mexican employees. A holder that acquires Series "A" Shares or Series "B" Shares in violation of the restrictions in our bylaws regarding non-Mexican ownership will have none of the rights of a stockholder with respect to those Series "A" Shares or Series "B" Shares. The Series "D" Shares are subject to the same restrictions on ownership as the Series "A" Shares and Series "B" Shares. However, the foregoing limitations do not affect the ability of non-Mexican investors to hold Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares through CPOs, or Series "L" Shares directly. The sum of the total outstanding number of Series "A" Shares and Series "B" Shares is required to exceed at all times the sum of the total outstanding Series "L" Shares and Series "D" Shares.

Non-Mexican states and governments are prohibited under our bylaws and the Telecommunications and Broadcasting Federal Law ("LFTR") from owning Shares of Televisa and are, therefore, prohibited from being the beneficial or record owners of Series "A" Shares, Series "B" Shares, Series "D" Shares, Series "L" Shares, CPOs and GDSs. We have been advised by our Mexican counsel, Mijares, Angoitia, Cortés y Fuentes, S.C., that ownership of Series "A" Shares, Series "B" Shares, Series "D" Shares, Series "L" Shares, CPOs and GDSs by pension or retirement funds organized for the benefit of employees of non-Mexican state, municipal or other governmental agencies will not be considered as ownership by non-Mexican states or governments for the purpose of our bylaws or the LFTR.

The LFTR eliminated the restrictions on foreign investment in telecommunications services and satellite communication and increased the maximum permitted foreign-ownership in broadcasting (television and radio) to 49% subject to reciprocity.

**Ownership Restrictions**

We may restrict transfers or, to the extent permitted under applicable law, cause the mandatory sale or disposition of CPOs and GDRs where such transfer or ownership, as the case may be, might result in ownership of CPOs or GDRs exceeding the limits under applicable law or our bylaws, the CPO Trust Agreement or the CPO indenture. Non-Mexican states and governments are prohibited under our bylaws and the LFTR from owning our Shares and are, therefore, prohibited from being beneficial or record owners of GDRs.

**Other Provisions**

*Forfeiture of Shares.* As required by Mexican law, our bylaws provide that for Series "L" Shares and CPOs, our non-Mexican stockholders formally agree with the Foreign Affairs Ministry:

- to be considered as Mexicans with respect to the Series "L" Shares and CPOs that they acquire or hold, as well as to the property, rights, concessions, participations or interests owned by us or to the rights and obligations derived from any agreements we have with the Mexican government; and
- not to invoke the protection of their own governments with respect to their ownership of Series "L" Shares and CPOs.

Failure to comply is subject to a penalty of forfeiture of such a stockholder's capital interests in favor of Mexico. In the opinion of Mijares, Angoitia, Cortés y Fuentes, S.C., our Mexican counsel, under this provision a non-Mexican stockholder is deemed to have agreed not to invoke the protection of its own government by asking such government to interpose a diplomatic claim against the Mexican government with respect to the stockholder's rights as a stockholder, but is not deemed to have waived any other rights it may have, including any rights under the U.S. securities laws, with respect to its investment in Televisa. If the stockholder should invoke governmental protection in violation of this agreement, its shares could be forfeited to the Mexican government.

*Exclusive Jurisdiction.* Our bylaws provide that legal action relating to the execution, interpretation or performance of the bylaws shall be brought only in federal courts located in Mexico City.

*Duration.* Our corporate existence under our bylaws continues until 2106.

*Dissolution or Liquidation.* Upon any dissolution or liquidation of our company, our stockholders will appoint one or more liquidators at an extraordinary general stockholders' meeting to wind up our affairs. The approval of holders of the majority of the Series "A" Shares is necessary to appoint or remove any liquidator. Upon a dissolution or liquidation, holders of Series "D" Shares will be entitled to both accrued but unpaid dividends in respect of their Series "D" Shares, plus the theoretical value of their Series "D" Shares (as set forth in our bylaws). The theoretical value of our Series "D" Shares is Ps.0.00688246130560 per share. Thereafter, a payment per share will be made to each of the holders of Series "A" Shares, Series "B" Shares and Series "L" Shares equivalent to the payment received by each of the holders of Series "D" Shares. The remainder will be distributed equally among all stockholders in proportion to their number of Shares and amount paid.

*Redemption.* Our bylaws provide that we may redeem our Shares with distributable profits without reducing our capital stock by way of a stockholder resolution at an extraordinary stockholders' meeting. In accordance with Mexican law and our bylaws:

- any redemption shall be made on a pro-rata basis among all of our stockholders;
- to the extent that a redemption is effected through a public tender offer on the Mexican Stock Exchange, the stockholders' resolution approving the redemption may empower our Board to specify the number of shares to be redeemed and appoint the related intermediary or purchase agent; and
- any redeemed shares must be cancelled.

*Share Repurchases.* As provided by Mexican law, our bylaws allow us to repurchase our Shares on the Mexican Stock Exchange at then prevailing market prices. The amount of capital stock allocated to share repurchases and the amount of the corresponding reserve created for this purpose is determined annually by our stockholders at an ordinary general stockholders' meeting. The aggregate amount of resources allocated to share repurchases in any given year cannot exceed the total amount of our net profits in any given year, including retained earnings. Share repurchases must be charged to either our net worth if the repurchased Shares remain in our possession or our capital stock if the repurchased Shares are converted into treasury shares, in which case our capital stock is reduced automatically in an amount equal to the theoretical value of any repurchased Shares, if any. Any surplus is charged to the reserve for share repurchases. If the purchase price of the Shares is less than the theoretical value of the repurchased Shares, our capital stock account will be affected by an amount equal to the theoretical value of the repurchased Shares. Under Mexican law, we are not required to create a special reserve for the repurchase of shares, nor do we need the approval of our Board to effect share repurchases. In addition, any repurchased Shares cannot be represented at any stockholders' meeting.

*Conflicts of Interest.* Under the Mexican Securities Market Law, any stockholder that votes on a transaction in which his, her or its interests conflict with our interests may be liable for damages, but only if the transaction would not have been approved without his, her or its vote. In addition, any member of the Board of Directors that votes on a transaction in which his, her or its interests conflict with our interests may be liable for damages. The Mexican Securities Market Law also imposes a duty of care and a duty of loyalty on directors as described in "Directors, Senior Management and Employees — Our Board of Directors — Duty of Care and Duty of Loyalty" in the Form 20-F. In addition, pursuant to the Mexican Securities Market Law, the Board of Directors, with input from the Corporate Practices Committee, must review and approve transactions and arrangements with related parties.

*Appraisal Rights and Other Minority Protections.* Whenever our stockholders approve a change in our corporate purpose or jurisdiction of organization or our transformation from one type of company to another, any stockholder entitled to vote that did not vote in favor of these matters has the right to receive payment for its Series "A" Shares, Series "B" Shares, Series "D" Shares or Series "L" Shares in an amount calculated in accordance with Mexican law. However, stockholders must exercise their appraisal rights within fifteen days after the stockholders' meeting at which the matter was approved. Because the holders of Series "L" Shares and Series "D" Shares may only vote in limited circumstances, appraisal rights are generally not available to them. See "Voting Rights and Stockholders' Meetings" above.

Because the CPO Trustee must vote at a general stockholders' meeting, the Series "A" Shares, Series "B" Shares and Series "D" Shares held by non-Mexicans through the CPO Trust will be voted by individuals appointed by the Technical Committee of the CPO Trust, in the same manner as the majority of the Series "A" Shares held by Mexican nationals (directly, or through the CPO Trust, as the case may be). As a result, the Series "A" Shares, Series "B" Shares and Series "D" Shares underlying CPOs held by non-Mexicans will not be voted against any change that triggers the appraisal rights of the holders of these Shares. Therefore, these appraisal rights will not be available to holders of CPOs (or GDRs) with respect to Series "A" Shares, Series "B" Shares or Series "D" Shares.

The Mexican Securities Market Law and our bylaws include provisions that permit:

- holders of at least 10% of our outstanding capital stock to request our Chairman of the Board or of the Audit Committee or Corporate Practices Committee to call a stockholders' meeting in which they are entitled to vote;
- subject to the satisfaction of certain requirements under Mexican law, holders of at least 5% of our outstanding capital stock to bring an action for civil liabilities against our directors;
- holders of at least 10% of our Shares that are entitled to vote and are represented at a stockholders' meeting to request postponement of resolutions with respect to any matter on which they were not sufficiently informed; and
- subject to the satisfaction of certain requirements under Mexican law, holders of at least 20% of our outstanding capital stock to contest and suspend any stockholder resolution.

In addition, in accordance with the Mexican Securities Market Law, we are also subject to certain corporate governance requirements, including the requirement to maintain an audit committee and a corporate practices committee, and to elect independent directors. The protections afforded to minority stockholders under Mexican law are generally different from those in the U.S. and many other jurisdictions. Substantive Mexican law concerning fiduciary duties of directors has not been the subject of extensive judicial interpretation in Mexico, unlike many states in the U.S. where duties of care and loyalty elaborated by judicial decisions help to shape the rights of minority stockholders. Furthermore, despite the fact that recent amendments to the Mexican Federal Code of Civil Procedures have provided for certain types of class actions, these actions are limited to subject matters related to the use of goods or the provision of public or private services, as well as environmental matters. Therefore, Mexican civil procedure does not contemplate class actions or stockholder derivative actions, which permit stockholders in U.S. courts to bring actions on behalf of other stockholders or to enforce rights of the corporation itself. Stockholders in Mexico also cannot challenge corporate actions taken at stockholders' meetings unless they meet stringent procedural requirements. See "Voting Rights and Stockholders' Meetings" above. As a result of these factors, it is generally more difficult for our minority stockholders to enforce rights against us or our directors or Major Stockholders than it is for stockholders of a corporation established under the laws of a state of the U.S. In addition, under U.S. securities laws, as a foreign private issuer we are exempt from certain rules that apply to domestic U.S. issuers with equity securities registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, including the proxy solicitation rules. We are also exempt from many of the corporate governance requirements of the New York Stock Exchange.

**Antitakeover Protections**

*General.* Our bylaws provide that, subject to certain exceptions: (i) any person, entity or group of persons and/or entities that intends to acquire beneficial ownership of ordinary Shares (as defined below) which, when coupled with ordinary Shares previously beneficially owned by such persons or their affiliates, represent 10% or more of our outstanding ordinary Shares; (ii) any competitor, or group including one or more competitors, that intends to acquire beneficial ownership of ordinary Shares which, when coupled with Shares previously beneficially owned by such competitor, group or their affiliates, represent 5% or more of our outstanding capital stock; (iii) any person, entity or group of persons and/or entities that wishes to acquire beneficial ownership of ordinary Shares representing 10% or more of our outstanding ordinary Shares; and (iv) any competitor, or group including one or more competitors, that intends to acquire beneficial ownership of ordinary Shares representing 5% or more of our capital stock, must obtain the prior approval of our Board of Directors and/or of our stockholders, as the case may be, subject to certain exceptions summarized below. Holders that acquire Shares in violation of these requirements will not be registered in our stock registry. Accordingly, these holders will not be able to vote such Shares or receive any dividends, distributions or other rights in respect of these Shares. In addition, pursuant to our bylaws, these holders will be obligated to pay us a penalty in an amount equal to the market value of the Shares so acquired. Pursuant to our bylaws, "Shares" are defined as the shares (of any class or series) representing our capital stock, and any instruments or securities that represent such shares or that grant any right with respect to or are convertible into those shares, expressly including CPOs; our Series "A" Shares and Series "B" Shares are our ordinary Shares.

Pursuant to our bylaws, a "competitor" is generally defined as any person or entity dedicated, directly or indirectly, to any of the following businesses or activities: television production and broadcasting, pay-TV production, program licensing, direct-to-home satellite services, publishing (newspaper and/or magazine), publishing distribution, music recording, cable television, the transmission of programming and/or other content by any other means known or to be known, radio broadcasting and production, the promotion of professional sports and other entertainment events, paging services, production, feature film/motion picture production and distribution, dubbing and/or the operation of an Internet portal. A "competitor" is also defined to include any person, entity and/or group that is engaged in any type of business or activity in which we may be engaged from time to time and from which we derive 5% or more of our consolidated income.

*Board Notices, Meetings, Quorum Requirements and Approvals*. To obtain the prior approval of our Board, a potential acquiror must properly deliver a written notice that states, among other things: (i) the number and class/type of our Shares it beneficially owns; (ii) the percentage of Shares it beneficially owns with respect to both our outstanding capital stock and the respective class/type of our Shares; (iii) the number and class/type of Shares it intends to acquire; (iv) the number and class/type of Shares it intends to grant or share a common interest or right; (v) its identity, or in the case of an acquiror which is a corporation, trust or legal entity, its stockholders or beneficiaries as well as the identity and nationality of each person effectively controlling such corporation, trust or legal entity; (vi) its ability to acquire our Shares in accordance with our bylaws and Mexican law, (vii) its source of financing the intended acquisition; (viii) if it has obtained any financing from one of its related parties for the payment of the Shares; (ix) the purpose of the intended acquisition; (x) if it intends to acquire additional common Shares in the future; which coupled with the current intended acquisition of common Shares and the common Shares previously beneficially owned by the potential acquiror, would result in ownership of 20% or more of our common Shares; (xi) if it intends to acquire control of us in the future; (xii) if the acquiror is our competitor or if it has any direct or indirect economic interest in or family relationship with one of our competitors; and (xiii) the identity of the financial institution, if any, that will act as the underwriter or broker in connection with any tender offer.

Either the Chairman, the Secretary or the Alternate Secretary of our Board of Directors must call a Board meeting within 10 calendar days following the receipt of the written notice and the Board meeting must be held within 45 calendar days following the call. Action by written consent is not permitted. With the exception of acquisitions that must be approved by the general extraordinary stockholders' meeting as described below in "Stockholder Notices, Meetings, Quorum Requirements and Approvals," in order to proceed with any acquisition of Shares that require Board authorization as set forth in our bylaws, such acquisition must be approved by at least the majority of the members of our Board present at a meeting at which at least 75% of the members of our Board are present. Such acquisitions must be acted upon by our Board within 60 calendar days following the receipt of the written notice described above, unless the Board determines that it does not have sufficient information upon which to base its decision. In such case, the Board shall deliver a written request to the potential acquiror for any additional information that it deems necessary to make its determination. The 60 calendar days referred to above will commence following the receipt of the additional information from the potential acquiror to render its decision.

*Stockholder Notices, Meetings, Quorum Requirements and Approvals.* In the event: (i) of a proposed acquisition of Shares that would result in a "change of control,"; (ii) that our Board cannot hold a Board meeting for any reason; (iii) of a proposed acquisition by a competitor and having certain characteristics; or (iv) that the Board determines that the proposed acquisition must be approved by our stockholders at a general extraordinary stockholders' meeting, among others, then the proposed acquisition must be approved by the holders of at least 75% of our outstanding common Shares at a general extraordinary stockholders' meeting (both in the case of first and subsequent calls) at which the holders of at least 85% of our outstanding common Shares are present. In addition, any proposed merger, spin-off, or capital increase or decrease which results in a change of control must also be approved by the holders of at least 75% of our outstanding common Shares at a general extraordinary stockholders' meeting (both in the case of first and subsequent calls) at which the holders of at least 85% of our outstanding common Shares are present. Pursuant to our bylaws, a "change of control" is defined as the occurrence of any of the following: (i) the acquisition or transfer of ownership of a majority of our outstanding common Shares; (ii) the ability of a person, entity or group, other than the person who currently has the ability to, directly or indirectly, elect a majority of the members of our Board of Directors, to elect a majority of the members of our Board of Directors; or (iii) the ability of a person, entity or group, other than the person who currently has the ability to, directly or indirectly, determine our administrative decisions or policies, to determine our administrative decisions or policies. In the event that the general extraordinary stockholders' meeting must approve the proposed acquisition, either the Chairman, the Secretary or the Alternate Secretary of our Board of Directors must publish a call for a general extraordinary stockholders' meeting in the Official Gazette of the Federation and two other newspapers of general circulation in Mexico City at least 30 calendar days prior to such meeting (both in the case of first and subsequent calls). Once the call for the general extraordinary stockholders' meeting has been published, all information related to the agenda for the meeting must be available for review by the holders of common Shares at the offices of our Secretary.

*Mandatory Tender Offers in the Case of Certain Acquisitions*. If either our Board of Directors or our stockholders at a general extraordinary stockholders' meeting, as the case may be, authorize an acquisition of common Shares which increases the acquiror's ownership to 20% or more, but not more than 50%, of our outstanding common Shares, without such acquisition resulting in a change of control, then the acquiror must effect its acquisition by way of a cash tender offer for a specified number of Shares equal to the greater of (x) the percentage of common Shares intended to be acquired or (y) 10% of our outstanding capital stock. In the event that our stockholders approve an acquisition that would result in a change of control, the acquiror must effect its acquisition by way of a cash tender offer for 100% of our total outstanding capital stock at a price which cannot be lower than the highest of the following: (i) the book value of the common Shares and CPOs as reported on the last quarterly income statement approved by the Board of Directors, (ii) the highest closing price of the common Shares, on any stock exchange during any of the three hundred-sixty-five (365) days preceding the date of the stockholders' resolution approving the acquisition; or (iii) the highest price paid for any Shares, at any time by the acquiror. All tender offers must be made in Mexico and the U.S. within 60 days following the date on which the acquisition was approved by our Board of Directors or stockholders' meeting, as the case may be. All holders must be paid the same price for their common Shares. The provisions of our bylaws summarized above regarding mandatory tender offers in the case of certain acquisitions are generally more stringent than those provided for under the Mexican Securities Market Law. In accordance with the Mexican Securities Market Law, bylaw provisions regarding mandatory tender offers in the case of certain acquisitions may differ from the requirements set forth in such law, provided that those provisions are more protective to minority stockholders than those afforded by law. In these cases, the relevant bylaw provisions, and not the relevant provisions of the Mexican Securities Market Law, will apply to certain acquisitions specified therein.

*Exceptions*. The provisions of our bylaws summarized above will not apply to (i) transfers of common Shares and/or CPOs by operation of the laws of inheritance, (ii) acquisitions of common Shares and/or CPOs by any person who, directly or indirectly, is entitled to appoint the greatest number of members to our Board of Directors, as well as by (A) entities controlled by such person, (B) affiliates of such person, (C) the estate of such person, (D) certain family members of such person, and (E) such person, when such person acquires any common Shares and/or CPOs from any entity, affiliate, person or family member referred to in (A), (B) and (D) above, and (iii) acquisitions or transfers of common Shares and/or CPOs by us, our subsidiaries or affiliates, or any trust created by us or any of our subsidiaries.

*Amendments to the Antitakeover Provisions*. Any amendments to these antitakeover provisions must be authorized by the CNBV and registered before the Public Registry of Commerce at our corporate domicile.

**Exhibit 4.11**

EXECUTION VERSION

GRUPO TELEVISA, S.A.B.
Avenida Vasco de Quiroga 2000
Colonia Santa Fe Zedec
01210 Mexico, D.F.

December 29, 2020

Univision Communications Inc.
605 Third Avenue, 12th Floor
New York, New York 10158
Attn: General Counsel
Email: jschwartz@univision.net

Dear Sir or Madam:

Reference is made to that certain Second Amended and Restated 2011 Program License Agreement (the "PLA"), entered into as of July 1, 2015 and effective as of January 1, 2015, by and between Televisa, S.A. de C.V., and subsequently assigned to Grupo Televisa, S.A.B. ("Li-censor"), and Univision Communications Inc., a Delaware corporation (" Licensee"). Capitalized terms used but not defined herein shall have the meanings set forth in the PLA.

In connection with the termination of the Amended and Restated Stockholders Agreement by and among BMPI, Broadcast Media Partners Holdings, Inc., Licensee and certain stockholders of BMPI dated as of December 20, 2010, as amended from time to time (the "Old Stockholders Agreement") and the effectiveness of the Stockholders Agreement by and among BMPI (n/k/a Univision Holdings, Inc.), Broadcast Media Partners Holdings, Inc., Licensee, and certain stock-holders of BMPI, dated as of even date herewith (the "Stockholders Agreement"), Licensor and Licensee hereby agree as follows:

1. The definition of "Stockholders Agreement" in Annex A of the PLA is hereby amended as follows: "'Stockholders Agreement' means that certain Stockholders Agreement by and among BMPI, Broadcast Media Partners Holdings, Inc., Licen-see, and certain stockholders of BMPI, dated as of December 29, 2020."

2. The definition of "Televisa Sell-Down" in Annex A of the PLA is hereby amended as follows: "'Televisa Sell-Down' means a Governance Fall-Away Event (as defined in the Stockholders Agreement) for Televisa (as defined in the Stockholders Agreement)."

3. The defined term "Televisa Closing" and its definition are deleted from Annex A of the PLA.

4. It is acknowledged and agreed that no Qualified Public Offering, whether defined as set forth in the Old Stockholders Agreement or the Stockholders Agreement, occurred on or prior to July 1, 2019.

Except as expressly provided herein, nothing contained in this letter agreement is in-tended to, or should be deemed to, modify, impair or otherwise affect the rights, obligations or remedies of Licensor or Licensee under the PLA. This letter agreement shall terminate automati-cally upon the termination of the PLA.

This Agreement and the negotiation, execution, performance or nonperformance, inter-pretation, termination, construction and all matters based upon, arising out of or related to this Agreement, whether arising in law or in equity, shall be subject to the provisions of Article 15 of the PLA.

Any notices to be delivered to Licensor or Licensee under this letter agreement shall be delivered in accordance with Section 20.5 of the PLA.

This letter agreement may not be amended or modified except in a writing executed by each party hereto. No provision of this letter agreement may be waived except in a writing exe-cuted by the party or parties against whom such waiver is to be enforced. This letter agreement may not be assigned or delegated by either party without the consent of the other party, except that Licensor or Licensee may assign its rights and delegate its duties under this letter agreement to a third party to the extent that such person assigns its rights or delegates its duties to such third party under the PLA as permitted by the terms of the PLA.

*[Remainder of page intentionally left blank]*

If you are in agreement with the foregoing, please countersign as provided for below. This letter agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. Signatures delivered by email or telecopy shall have the same effect as the manual original signatures.

Sincerely,

GRUPO TELEVISA, S.A.B.

By: /s/ Jorge Augustín Lutteroth Echogoyen
Name: Jorge Augustín Lutteroth Echogoyen
Title: Attorney in Fact

By: /s/ José Antonio Lara del Olmo
Name: José Antonio Lara del Olmo
Title: Attorney in Fact

[*Signature Page to 2020 PLA Amendment*]

Agreed to and accepted as of the date first written above:

UNIVISION COMMUNICATION, INC.

By: /s/ Jonathan Schwartz
Name: Jonathan Schwartz
Title: Chief Legal & Corporate Affairs Officer

**Exhibit 4.17**

***CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS AGREEMENT BECAUSE IT BOTH (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

***EXECUTION VERSION***

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STOCKHOLDERS AGREEMENT

by and among

Univision Holdings, Inc.

Broadcast Media Partners Holdings, Inc.

Univision Communications Inc.

and

Certain Stockholders of Univision Holdings, Inc.

Dated as of December 29, 2020

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**STOCKHOLDERS AGREEMENT**

This Stockholders Agreement (the "Agreement") is made as of December 29, 2020 by and among:

(i) Univision Holdings, Inc., a Delaware corporation (f/k/a Broadcasting Media Partners, Inc. and together with its successors and permitted assigns, the "Company");

(ii) Broadcast Media Partners Holdings, Inc., a Delaware corporation (together with its successors and permitted assigns, "Midco");

(iii) Univision Communications Inc., a Delaware corporation (together with its successors and permitted assigns, "UCI");

(iv) ForgeLight Univision Holdings LLC, a Delaware limited liability company ("Forgelight");

(v) Searchlight III UTD, L.P., a limited partnership organized under the laws of the Cayman Islands ("Searchlight");

(vi) Multimedia Telecom, S.A. de C.V., a corporation organized under the laws of Mexico ("Televisa");

(vii) Liberty Global Ventures Limited (formerly known as Liberty Global Incorporated Limited), a private limited company organized under the laws of England and Wales ("Liberty Ventures"); and

(viii) each Person executing this Agreement as a Manager and such other Persons, if any, that from time to time become party hereto as Managers (collectively, the "Managers"); and

(ix) such other holders of Shares that from time to time become party hereto as Other Stockholders (collectively the "Other Stockholders", and together with Forgelight, Searchlight, Televisa, Liberty Ventures and the Managers, the "Stockholders").

**RECITALS**

1. On December 20, 2010, the Company, Midco, UCI, and the stockholders of the Company named therein entered into an Amended and Restated Stockholders Agreement, as subsequently amended February 28, 2011 and January 30, 2014 (the "2010 Stockholders Agreement").

2. On December 29, 2020, pursuant to that certain Stock Purchase Agreement, dated as of February 24, 2020 (the "Purchase Agreement"), all of the outstanding Shares other than (a) shares of Class C Common Stock, par value $.001 per share, of the Company ("Class C Common Stock") and/or shares of Class D Common Stock, par value $.001 per share, of the Company ("Class D Common Stock") and warrants to acquire shares of Class C Common Stock or Class D Common Stock, in each case, held by Televisa and (b) equity awards providing for the issuance of shares of Class A Common Stock in certain circumstances, but not vested on or prior to the Closing Date (as defined in the Purchase Agreement), held by Managers were transferred to Searchlight and Forgelight and/or redeemed by the Company (the "2020 Stock Purchase"). In connection with the consummation of the 2020 Stock Purchase and pursuant to that certain Omnibus Material Affiliate Contract Termination Agreement, dated as of November 20, 2020, by and among the Company and the other parties thereto, the 2010 Stockholders Agreement and certain other Material Affiliate Contracts (as defined in the Purchase Agreement) then in effect are being terminated in accordance with, and subject to the exceptions provided in, such Omnibus Material Affiliate Contract Termination Agreement.

3. In connection with the consummation of the 2020 Stock Purchase, (a) the Company (i) amended and restated its certificate of incorporation (the "Charter") to, among other things, reflect certain terms agreed among the parties hereto consistent with this Agreement and to reclassify all Class C Common Stock into Class A Common Stock and all Class D Common Stock into Class B Common Stock and (ii) filed a certificate of designations to authorize and define the terms of the Series A Preferred Stock of the Company ("Series A Preferred Stock"), and (b) the Company and Televisa amended and restated the TV Warrants (the transactions described in clauses (a) and (b), the "2020 Reclassification").

4. Immediately after the 2020 Reclassification, pursuant to that certain Subscription Agreement, dated as of December 29, 2020, between the Company and Liberty Ventures (the "Subscription Agreement"), Liberty Ventures subscribed for and purchased Series A Preferred Stock having an aggregate liquidation preference of $100,000,000 (such issuance, together with the 2020 Stock Purchase and the 2020 Reclassification, the "2020 Transaction").

5. As of immediately following the consummation of the 2020 Transaction (the "Effective Time"), the sole stockholders of the Company are the stockholders set forth on Schedule I hereto, each of which owns, beneficially and of record, the Shares set forth opposite its name on Schedule I hereto, which are the sole outstanding Shares of the Company.

6. The Company, Midco, UCI and the Stockholders now wish to enter into this Stockholders Agreement, to be effective from and after the Effective Time.

**AGREEMENT**

Therefore, the parties hereto hereby agree as follows:

**1. BOARD OF DIRECTORS**

1.1 Composition of the Board; Voting Agreement; Proxy.

1.1.1 *Board Designees*. Each Stockholder hereby agrees to vote, or cause to be voted, all Shares which have voting rights over which such Stockholder has the power to vote or direct the voting (including, in the case of the Major Investors, pursuant to a proxy granted under Section 1.1.2 (Proxy)), and will take all necessary or desirable actions within such Stockholder's control, and each of the Company and the Board will take all necessary or desirable actions within its control, to cause the authorized number of directors to be established at nine (9) directors or such other number approved by each of the Major Investors, and to elect or appoint or cause to be elected or appointed to the Board and cause to be continued in office (including, if necessary, by appointing in order to fill vacancies):

(a) A number of directors nominated by Forgelight equal to (i) two, so long as the Forgelight Investors have not effected a *** Sell-Down; and (ii) one, after the Forgelight Investors have effected a *** Sell-Down. Forgelight's nomination rights hereunder shall terminate upon a Governance Fall-Away Event for Forgelight.

(b) A number of directors nominated by Searchlight equal to (i) four, so long as the Searchlight Investors have not effected a *** Sell-Down; (ii) three, after the Searchlight Investors have effected a *** Sell-Down but not a *** Sell-Down; (iii) two, after the Searchlight Investors have effected a *** Sell-Down but not a *** Sell-Down; and (iv) one, after the Searchlight Investors have effected a *** Sell-Down. Searchlight's nomination rights hereunder shall terminate upon a Governance Fall-Away Event for Searchlight.

(c) A number of directors nominated by Televisa equal to (i) three, so long as the Televisa Investors have not effected a *** Sell-Down; (ii) two, after the Televisa Investors have effected a *** Sell-Down but not a *** Sell-Down; and (iii) one, after the Televisa Investors have effected a *** Sell-Down. Televisa's nomination rights hereunder shall terminate upon a Governance Fall-Away Event for Televisa.

1.1.2 *Proxy*. Each Stockholder (other than the members of any Investor Group) hereby appoints, for as long as there are any Major Investors remaining, each Major Investor as its proxy to vote such holder's Shares, whether at a meeting or by written consent in accordance with the provisions of Section 1.1.1 (Board Designees), which proxy shall be valid and remain in effect for each Major Investor until the applicable provisions of this Section 1.1.2 expire with respect to such Major Investor pursuant to Section 1.11 (Period). The proxy granted hereby is irrevocable and coupled with an interest sufficient in Law to support an irrevocable power. Each Major Investor who is granted such proxy agrees that it shall only be voted in a manner consistent with the Stockholders' agreements with respect to voting contained in Section 1.1.1 (Board Designees).

1.1.3 *Election of Remaining Directors*. If there are any seats on the Board for which no Major Investors are entitled to nominate the director to fill such seat under Section 1.1.1 (Board Designees), nominations for such seats shall be made by the Board (which may be made after receiving the recommendation of the Compensation and Nominating Committee) and elected by vote of the holders of Class A Common Stock in accordance with the Charter and the bylaws of the Company.

1.1.4 *Chair*. The Chairperson of the Board (the "Chairperson") shall be elected by the Board, but shall be an individual other than the Chief Executive Officer. The Chairperson will preside over meetings of the Board, but shall not have any tie-breaking vote or other special powers except as expressly set forth in the Governing Documents.

1.1.5 *Board Observers and Alternates*. Liberty Ventures shall be permitted to designate one non-voting observer to the Board and its committees (the "Board Observer") for so long as there has been no Governance Fall-Away Event for Liberty Ventures. The Company shall provide the Board Observer with (a) notice of all meetings of the Board and its committees and (b) subject to Section 1.5 (Recusals and Conflicts), provide all information delivered to the members of the Board and its committees prior to such meetings at the same time such notice and information is delivered to the members of the Board and its committees; provided, that the Board Observer shall enter into a confidentiality agreement substantially in the form to be approved by the Board with respect to such information. Prior to an Initial Public Offering (and thereafter, if permitted by applicable Law), a Major Investor may at its sole discretion elect to appoint alternate directors to stand in place of any of the directors that were nominated by such Major Investor pursuant to Section 1.1.1 (Board Designees) (with respect to any Major Investor, its "Board Designees"); it being understood that at no time shall any such alternate director have the right to vote at any applicable meeting of the Board or any of its committees or the ability to take any action on behalf of the Company or any of its subsidiaries.

1.1.6 *Removal of Directors*. An Investor may at any time remove any of its Board Designees or its Board Observer from the Board or any committee of the Board, and no Investor's Board Designees or Board Observer may be removed from the Board or any committee of the Board without such Investor's prior written consent.

1.1.7 *Qualifications*. The Board may determine any qualification requirements for directors; provided, that prior to an Initial Public Offering, such qualification requirements shall not apply to any Board Designees or the Board Observer, and following an Initial Public Offering, subject to applicable Law and the last sentence of this Section 1.1.7, such qualification requirements shall not result in excluding any Board Designee then on the Board. No director (or Board Observer) shall be a Restricted Person or an Affiliate of a Restricted Person. All directors (other than Televisa's Board Designees) shall be U.S. citizens. Televisa's Board Designees shall not be required to be independent under applicable Law, or to meet the requirements of Commission Rule 10A-3.

1.1.8 *Resignation*. If at any time the number of Board Designees that a Major Investor is entitled to nominate is reduced or eliminated, such Major Investor shall promptly cause one or more of its Board Designees to resign until the number of its Board Designees serving on the Board is equal to the number of Board Designees that it is then entitled to nominate.

1.1.9 *Vacancies*. If at any time any Major Investor's Board Designee ceases to serve on the Board (whether due to resignation, removal or otherwise), and such Major Investor is then entitled to nominate a greater number of Board Designees than it then has serving on the Board, such Major Investor shall designate or nominate a successor to fill the vacancy created thereby, and the Stockholders and the Company shall have the same obligations to elect or appoint such successor as they do other Board Designees under Section 1.1.1 (Board Designees). If any director ceases to serve on the Board (whether due to resignation, removal or otherwise) and no Major Investor is entitled to designate or nominate a successor pursuant to the preceding sentence, the Board, after receiving the recommendation of the Compensation and Nominating Committee pursuant to Section 1.2.4 (Compensation and Nominating Committee), may appoint a successor to fill the vacancy created thereby until such vacancy is filled by election pursuant to Section 1.1.3 (Election of Remaining Directors).

1.2 Committees of the Board.

1.2.1 *Required Committees*. The Company shall cause the Board to maintain the following committees: (a) an audit committee (the "Audit Committee"), (b) a compensation and nominating committee (the "Compensation and Nominating Committee"), and (c) any other committee, including an executive committee, as the Board shall determine in its discretion.

1.2.2 *Composition of Committees*. Each committee of the Board will have three members, including one Board Designee of each Major Investor with respect to which there has not been a Governance Fall-Away Event, except to the extent (a) any Major Investor waives its right to have one of its Board Designees be a member of such committee, (b) that, following an Initial Public Offering, all of the Board Designees of a Major Investor are precluded from serving on such committee by applicable Law or (c) in the event that any Major Investor does not designate one of its Board Designees to a committee pursuant to clause (b) above, such Major Investor shall have the right to designate a Board Designee to observe the meetings of such committee, which Board Designee shall receive the same notice of meetings and information that is received by members of such committee, subject, in each case, to Section 1.5 (Recusals and Conflicts). The chair of each committee of the Board will be elected by a majority of the members of such committee; provided, that the chair of the Audit Committee shall be a Board Designee nominated by Searchlight, and the chair of the Compensation and Nominating Committee shall be a Board Designee nominated by Televisa. Meetings of committees shall be open to all members of the Board and the Board Observer, to the extent permitted by applicable Laws.

1.2.3 *Audit Committee*. The role of the Audit Committee will be to determine the Company's audit policies, review audit reports and recommendations made by the Company's internal audit staff and its independent auditors, meet with the Company's independent auditors, oversee the independent auditors, and recommend the Company's engagement of independent auditors.

1.2.4 *Compensation and Nominating Committee*. The role of the Compensation and Nominating Committee will be (a) to determine the compensation of all senior employees, directors and consultants of the Company and its subsidiaries, as applicable (including salary, bonus, equity participation and benefits) consistent with compensation of companies similar to the Company and (b) to search for, identify, interview and nominate directors to serve as members of the Board, if any, other than Board Designees. The Major Investors shall each be permitted to recommend to the Compensation and Nominating Committee candidates for seats for which no Major Investors are entitled to nominate the director to fill such seat under Section 1.1.1 (Board Designees) and to interview such candidates. In addition, and subject to applicable Laws, in the event the position of the Company's Chief Executive Officer becomes vacant for any reason, the Compensation and Nominating Committee shall have the responsibility to search for, identify, interview and recommend to the Board one or more persons (including candidates that are employees of the Company at such time) to serve as the Company's Chief Executive Officer. No director (other than Board Designees) shall be eligible for nomination by the Company, and no candidate for Chief Executive Officer shall be eligible for election to such position, unless recommended to the Board by the Compensation and Nominating Committee.

1.3 Actions that Require Board Approval. Prior to the first date on which there has been a Governance Fall-Away Event for each Major Investor, and in addition to any other approval required by any applicable provision of the Governing Documents, if any, or by applicable Law, the parties hereto agree that the approval of the Board shall be required for the Company and/or any of its subsidiaries to take any of the following actions and the Company shall not, and shall cause its subsidiaries not to, take any of the following actions without the approval of the Board, regardless of any approval of such actions by their respective stockholders:

1.3.1 *Management Incentive Plan*. (a) Adopt or make a material amendment to any cash or equity-based management incentive plan, and (b) determine Fair Market Value at which all stock grants (or grants tied to the price or performance of stock, such as phantom units) under the Company's equity-based management incentive plans shall be made and at which the exercise price for all option grants shall be set.

1.3.2 *Executives*. (a) Hire or remove, with or without cause, or determine the terms of, enter into, renew, materially modify or terminate, or waive any material rights under, any employment contract or other employment arrangement with, the Chief Executive Officer, Chief Financial Officer or Chief Operating Officer (or any equivalent position) of the Company, Midco or UCI from time to time, and (b) set procedures for periodic reviews and evaluations of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Head of Content and Programming and Head of News (or any equivalent position) of the Company, Midco and/or UCI from time to time and succession plans for such executives.

1.3.3 *Auditors*. Engage or terminate the engagement of the Company's auditors.

1.3.4 *Litigation*. Settle or compromise any material claim, suit, action, arbitration or other proceeding whether administrative, civil or criminal, in law or in equity.

1.3.5 *Financial Adviser*. Engage investment bankers or financial advisers for the provision of financial, strategic alternative, managerial and/or operational advice.

1.3.6 *Joint Ventures and Alliances*. Enter into or amend in any material respect any joint venture or strategic alliance that involves an aggregate investment or committed capital in excess of $*** per joint venture or strategic alliance (or series of related joint ventures or strategic alliances), or in excess of $*** in the aggregate in any fiscal year.

1.3.7 *Investments*. Make, or amend in any material respect the terms of, any loan, advance or capital contribution to any Person (other than the Company, Midco, UCI or any of their wholly-owned subsidiaries), in an amount in excess of $*** per transaction or series of related transactions, or in excess of $*** in the aggregate in any fiscal year.

1.3.8 *Capital Expenditures*. Increase the Company's capital expenditure in any fiscal year by *** than the capital expenditure set forth in the annual budget applicable for such fiscal year determined in accordance with Section 1.4.1 (Annual Budget and Long-Term Plan).

1.3.9 *Material Agreements*. Enter into, modify or amend in any material respect, or waive any material right under, (a) any Contract (or series of related Contracts) providing for the payment to or by the Company or any of its subsidiaries of more than $*** in any twelve (12) month period, other than, in the case of Contracts (or series of related Contracts) providing for payments to the Company or any subsidiary thereof, entered into in the ordinary course of business, (b) any Contract (or series of related Contracts) relating to the acquisition of network programming that accounts for more than *** per week of the programming on a majority of the owned and operated stations of the Company and its subsidiaries, or (c) ***.

1.3.10 *Incurrence of Debt*. Other than borrowings under the Revolving Credit Facility or any other debt agreement that was approved by the Board after the Effective Time, (a) incur any Indebtedness, (b) assume, guarantee, endorse or otherwise become responsible for the Indebtedness of any other Person (provided, that the Company or any of its direct or indirect subsidiaries may provide cross-guarantees for any Indebtedness that has been approved under this Section 1.3.10), (c) issue any debt securities or (d) enter into any agreement under which it may incur Indebtedness or issue debt securities in the future, in an aggregate amount in excess of $*** for all such matters.

1.3.11 *Prepayment or Modification of Indebtedness*. Voluntarily prepay Indebtedness of the Company or any of its subsidiaries in an amount in excess of $*** in any 12-month period (other than indebtedness under the Revolving Credit Facility) or amend or waive any material provisions of any agreement, indenture or similar instrument governing the terms of any Indebtedness or debt securities of the Company or any of its subsidiaries with a principal amount in excess of $*** (including Indebtedness or debt securities in effect as of the Effective Time).

1.3.12 *Equity Issuances*. Other than (a) in connection with a Qualified Public Offering, (b) the exercise, conversion or exchange of Convertible Securities outstanding immediately after the Effective Time or the issuance of which Convertible Securities were approved pursuant to the provisions of this Section 1.3.12 after the Effective Time, (c) exercise of participation rights by Investors pursuant to Section 4.2 (Rights of Participation), (d) exercise of the Televisa Investors' rights to exchange of shares of Common Stock for TV Warrants pursuant to Section 3.7 (Exchanges of Equity), (e) exercise of rights under the Charter to convert classes of Common Stock into other classes of Common Stock, or (f) issuances to the Company or any of its wholly-owned subsidiaries or issuances in accordance with management incentive plans approved pursuant to Section 1.3.1, authorize, create or issue any equity securities or Convertible Securities of the Company or any of its subsidiaries, issue any rights to acquire any equity securities or Convertible Securities of the Company or any of its subsidiaries or grant any registration rights in respect of any such securities or rights.

1.3.13 *Repurchase of Securities, Exercise of Call Rights, Payment of Dividends*. (a) Enter into or effect any transaction or series of related transactions involving the repurchase, exercise of call rights, redemption or other acquisition of securities of the Company or any of its direct or indirect subsidiaries from any Stockholder or other holder or Shares or (b) declare or pay any dividend or make any other distributions of payments by the Company or any of its subsidiaries (other than dividends or distributions payable to the Company or any of its wholly-owned subsidiaries), in each case, other than (i) pursuant to the exercise, conversion, redemption or exchange of any Convertible Securities outstanding as of immediately after the Effective Time or approved for issuance after the Effective Time pursuant to the provisions of Section 1.3.12 (Equity Issuances) by the Board or (ii) pursuant to the exercise of participation rights by Investors or pursuant to the provisions of the Governing Documents providing for the exchange of shares of Common Stock for TV Warrants.

1.3.14 *Recapitalization*. Enter into or effect any transaction or series of related transactions that would effect a recapitalization or reclassification of the securities of any the Company, Midco, UCI, or any of their respective subsidiaries (other than wholly-owned subsidiaries), including recapitalization into any form of Convertible Securities or prepaid warrants.

1.3.15 *Bankruptcy, Etc*. (a) Commence a voluntary case under the U.S. Bankruptcy Code or any applicable bankruptcy, insolvency or other similar Law now or hereafter in effect, (b) consent to the entry of an order for relief in an involuntary case, or the conversion of an involuntary case to a voluntary case, under any such Law, (c) consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property, (d) make a general assignment for the benefit of creditors, or (e) adopt a plan of complete or partial liquidation or dissolution.

1.3.16 *Amendment of Governing Documents*. Amend, restate, modify or waive any provisions of the Governing Documents.

1.3.17 *Public Offering*. Initiate or consummate any Initial Public Offering.

1.3.18 *Agreements or Commitments*. Enter into any agreement or otherwise obligate or commit the Company or any of its subsidiaries to do any of the foregoing.

1.4 Specified Board Matters.

1.4.1 *Annual Budget and Long-Term Plan*. The Board shall, in advance of each fiscal year, consider and approve an annual budget and rolling three-year business plan for the Company (the "Long-Term Plan"), such consideration and approval to be performed on an annual basis. No amendment to such annual budget or Long-Term Plan shall be made without the approval of the Board; provided, that in the event approval of any annual budget is not obtained pursuant to this Section 1.4.1 prior to end of the then current fiscal year, each line item of the previously approved annual budget shall be adjusted annually to reflect increases in the Consumer Price Index for all urban consumers published by the U.S. Department of Labor but otherwise remain materially the same (unless the Board agrees on any change to such line item).

1.4.2 *Related Party Transactions*. The Company shall only enter into, modify or amend, extend, or waive any rights under, any agreement, arrangement, transaction or series of agreements, arrangements or transactions between the Company or any of its subsidiaries, on the one hand, and a Related Party, on the other hand, if (a) the terms (including pricing terms) and conditions of such transaction are no less favorable (in the aggregate for each such agreement, arrangement or transaction) to the Company or its subsidiaries than could be obtained from a Person who is not an Affiliate of the Company or of any Related Party dealing on an arm's length basis (but not including any employment, compensation or other incentive arrangements with the employees of the Company or its subsidiaries (other than any partner, principal, employee or Affiliate of a Major Investor)), and (b) such transaction is approved by the affirmative vote of a majority of the directors who are (i) not nominated pursuant to Section 1.1.1 (Board Designees) by any Major Investor that is an Affiliate of such Related Party and (ii) otherwise disinterested with respect to such transaction and Related Party.

1.4.3 *Programming, Production and Content*. With respect to all material matters on programming, production and digital content, the Chief Executive Officer of the Company shall consult with the director selected by Televisa from time to time for purposes of this Section 1.4.3 from among Televisa's Board Designees (or a designee of such Board Designees) for so long as Televisa is entitled to appoint a Board Designee to the Board.

1.5 Recusals and Conflicts. Board Designees and the Board Observer shall not be an officer or employee of a Competitor. In the event that a director or the Board Observer is a director (or observer to the board), equityholder (other than a holder of up to 1% (in the case of a Board Designee) or 5% (in the case of the Board Observer, so long as the Board Observer is not a director or officer of, or entitled to designate any director or officer of, such publicly traded company and is not entitled to any information rights in addition to the other shareholders of such publicly traded company) of the common stock of a publicly traded company) or an Affiliate of a Competitor, such director or Board Observer shall recuse himself, herself or themself (and the Board may require such director or Board Observer to be recused) from that portion of any meetings of the Board or committees thereof during which matters pertaining to any sector of the Business (including television, radio and Internet portals) that competes with such Competitor and in respect of which the separate commercial interests of such Competitor and the Company are adverse will be discussed or voted upon, as determined by the Board or applicable committee. In the event that an Investor is deemed a Conflicted Investor with respect to specific Confidential Information, the Board, in its good faith judgment and after consultation with such Investor's outside legal counsel, shall be entitled to withhold such Confidential Information from such Investor's Board Designees and Board Observer and to require such Investor's Board Designees and Board Observer to be excluded from any portion of a Board meeting or a meeting of its committees when the Board discusses such Confidential Information. To the extent the Board, pursuant to this Section 1.5, does not provide such Investor's Board Designees or the Board Observer with such Confidential Information, the Board shall use good faith efforts to make available such information as would not be competitively sensitive and under circumstances in which the restrictions of this Section 1.5 would not apply.

1.6 Information Rights. Subject to the requirements of Sections 1.5 (Recusals and Conflicts), 5.3 (Disclosure of Confidential Information) and 5.7 (Confidentiality) of this Agreement, all directors shall have the same information rights which will be consistent with the laws of the State of Delaware.

1.7 Expenses. Each member of the Board and the Board Observer shall be entitled to reimbursement from the Company for his or her reasonable out-of-pocket expenses (including travel) incurred in attending any meeting of the Board or any committee thereof.

1.8 Meetings; Notice. The Board shall hold no less than one (1) meeting per fiscal quarter. Regular meetings of the Board and committees thereof shall be held at such times and places as the Board shall from time to time by resolution determine. Each Major Investor shall have the right to call a special meeting of the Board. At least fifteen (15) Business Days' notice must be given to each member of the Board and the Board Observer of regular meetings of the Board even if such meetings are held at times and places fixed by resolution of the Board and committees thereof, as applicable. A notice of the place, date and time and the purpose or purposes of each special meeting of the Board shall be given to each member of the Board and the Board Observer by telephoning or emailing (subject to confirmation of receipt) the same or by delivering the same personally not later than 48 hours before the day of the meeting ("Special Meeting Notice"). Within 48 hours from receipt of the applicable Special Meeting Notice, a Major Investor may notify the Chairperson that one or more of its Board Designees cannot attend such scheduled meeting, and in such event such meeting will be postponed to a subsequent date (which, unless otherwise agreed by such Major Investor, shall be at least 48 hours after such notification). The special meeting of the Board shall be held on such subsequent date, whether or not any of the Board Designees of such Major Investor can attend the special meeting on such date. For the avoidance of doubt, with respect to any proposed special meeting of the Board, in no event shall any Major Investor have the right to postpone such special meeting of the Board more than once as a result of its Board Designees' inability to attend such special meeting. Except for the first sentence, the provisions of this Section 1.8 shall apply equally to committee meetings.

1.9 Quorum; Decisions. At each meeting of the Board (or committee thereof) at which a quorum is present, each director (and, in the case of a committee, each director who is a member of such committee) shall be entitled to one vote on each matter to be voted on at such meeting. A majority of the total seats on the Board (or committee thereof) shall constitute a quorum. Except as may be otherwise required by Law or the Governing Documents, when a quorum is present at any meeting, the vote of a majority of the directors (and, in the case of a committee, the directors who are members of such committee) present shall be the act of the Board (or committee thereof), including for purposes of an act of approval under Section 1.3 (Actions that Require Board Approval). All directors may attend meetings of the Board or committee thereof telephonically if they cannot appear in person. The Board (or committee thereof) may also take action by unanimous written consent of the members of the Board (or committee thereof).

1.10 Midco and UCI Directors. The Company will cause the boards of directors of Midco and UCI to consist at all times of the same members as the Board of the Company at such time. Each of Midco and UCI shall, and the Company shall cause the board of directors of each of Midco and UCI to, maintain at all times such committees as the Company at such time, with the same member composition. Any rights of the Investors under Section 8.4 (Additional Limitations on Amendments) of this Agreement or Sections 4.4.3 or 4.4.4 of the Charter shall apply to actions by any subsidiary of the Company.

1.11 Period. With respect to each Investor, each of the foregoing provisions of this Section 1 shall survive as to such Investor, its Corresponding Investor Group, and its Board Designees or Board Observer, as applicable, until the occurrence of a Governance Fall-Away Event for such Investor.

**2. TRANSFER RESTRICTIONS**

2.1 Transfers Allowed. Until the expiration of the provisions of this Section 2, and subject in all cases to Sections 2.2 (Restrictions on Transfers), 2.3 (Certain Transferees to Become Parties) and 2.6 (Other Restrictions on Transfer), no Stockholder shall Transfer or permit any Transfer of any of such Stockholder's Shares to any other Person except as follows:

2.1.1 *Permitted Transferees*. Without regard to any restrictions on transfer contained in Section 3.1 (Right of First Offer), 3.2 (Tag Along), 3.9 (Miscellaneous Sale Provisions) or 6.3.5 (Stockholders Lock-Up), any Stockholder may Transfer any or all of such Shares to such Stockholder's Permitted Transferees; provided, that no Person or Group who did not, prior to such Transfer, own beneficially or of record a majority of the Shares, owns beneficially or of record a majority of the Shares following such Transfer, and if such Transfer otherwise results in a Change of Control, such Transfer will be subject to the Change of Control Procedures.

2.1.2 *Public Transfers*. Without regard to any restrictions on transfer contained in Section 3.1 (Right of First Offer), 3.2 (Tag Along) or 3.9 (Miscellaneous Sale Provisions), at or after (but not before) the closing of a Qualified Public Offering, any Stockholder may Transfer any or all of such Stockholder's Shares: (a) (i) in a block sale to a financial institution in the ordinary course of its trading business, or (ii) pursuant to Rule 144 in brokers' transactions (as defined thereunder); provided, in the case of clauses (i) and (ii), that the Stockholder seeking to Transfer Shares does not sell to, or direct, request or encourage any block sale purchasers or brokers to resell such Shares to, any Person who is a Restricted Person or non-U.S. Person for purposes of Federal Communications Laws; and (b) in an underwritten offering pursuant to Section 6 (Registration Rights). Any transferee of Shares Transferred pursuant to this Section 2.1.2 shall not be required to become a party to this Agreement, but if such transferee is already bound hereby, the Shares Transferred will remain subject to this Agreement on the same basis as such transferee's other Shares.

2.1.3 *Distributions*. Without regard to any restrictions on transfer contained in Section 3.1 (Right of First Offer), 3.2 (Tag Along) or 3.9 (Miscellaneous Sale Provisions), at or after (but not before) the closing of a Qualified Public Offering, any Investor may Transfer any or all of its Shares in a bona fide, pro rata Transfer to its partners, members, managers or stockholders (e.g., a pro rata distribution by a private equity partnership to its partners or by a corporation to its stockholders); provided, that such Transfer does not result in any Person or Group owning beneficially or of record a majority of the Shares, and if otherwise resulting in a Change of Control, is subject to the Change of Control Procedures.

2.1.4 *Drag Along*. Without regard to any other restrictions on Transfer contained in Section 3.1 (Right of First Offer) or 3.2 (Tag Along), a Drag Along Participating Seller may Transfer Shares pursuant to and in accordance with Section 3.3 (Drag Along).

2.1.5 *Tag Along*. Without regard to any other restrictions on Transfer contained in Section 3.1 (Right of First Offer) or 3.2 (Tag Along), a Tag Along Participating Seller may Transfer Shares pursuant to and in accordance with Section 3.2.

2.1.6 *Compliant Change of Control Transaction*. Without regard to any other restrictions on Transfer contained in Sections 3.2 (Tag Along), 3.3 (Drag Along) or, 3.9 (Miscellaneous), each Stockholder may Transfer Shares pursuant to and in accordance with the terms of a Compliant Change of Control Transaction, and the Televisa Investor may Transfer any or all of their Shares pursuant to and in accordance with the Change of Control Procedures.

2.1.7 *Redemption*. Without regard to any other restrictions on Transfer contained in Section 2.7 (Restrictions on Stock Ownership and Transfer), 3.1 (Right of First Offer), 3.2 (Tag Along), 3.9 (Miscellaneous Sale Provisions) or 6.3.5 (Stockholders Lock-Up), the Company may purchase Shares and Convertible Securities from the management of the Company or any of its subsidiaries (other than any partner, principal, employee or Affiliate of an Investor, except with respect to any repurchases from any member of management of the Company or any of its subsidiaries pursuant to the terms of a management incentive plan approved pursuant to Section 1.3.1 (Management Incentive Plan)) or the holder of any shares of Series A Preferred Stock pursuant to the terms thereof.

2.1.8 *Other Televisa Transfers*. Without regard to any other restrictions on Transfer contained in Section 2.7 (Restrictions on Stock Ownership and Transfer), 3.1 (Right of First Offer), 3.2 (Tag Along), 3.9 (Miscellaneous Sale Provisions) or 6.3.5 (Stockholders Lock-Up), in the event that Televisa reasonably believes, after consultation with its outside regulatory counsel and with outside regulatory counsel to the Company, that its ownership of Shares at any time could reasonably be expected to be subject to regulatory review due to, or restricted by, Foreign Ownership Restrictions, then each Televisa Investor may, but is not required to, after notice to, and an opportunity for comment and review by, the Board and its representatives, assign (it being agreed that any such assignment shall be the sole decision of Televisa and the Company shall have no consent right) their Shares to (i) an FCC-Approved Trust, (ii) any other Person (other than a Competitor) while regulatory or judicial relief is being sought with respect to such Foreign Ownership Restrictions or (iii) any other Person (other than a Competitor) if the FCC has ordered that Televisa reduce its voting or equity ownership in the Company, or Televisa has received written notification from the FCC of an investigation with respect to Televisa's ownership of the Company, and provided, in either case in this clause (iii) that (x) Televisa may not assign any Shares to any of the foregoing Persons if such assignment would cause such Person or the Company to be in violation of any applicable Laws or regulations, including the Federal Communications Laws and (y) Televisa seeks regulatory or judicial relief related to such order or investigation within four (4) months of the transfer to such Person. The assignment set forth in the preceding sentence shall only be for the period during which such Foreign Ownership Restrictions prevent Televisa from holding such Shares or while Televisa is actively seeking regulatory or judicial relief with respect to the Foreign Ownership Restrictions or from the applicable order or investigation, as applicable (or in the case of clause (iii) of the preceding sentence, prior to the four (4) month anniversary of the transfer to the other Person and thereafter while Televisa is seeking regulatory or judicial relief related to such order or investigation) and once such period terminates, such FCC-Approved Trust or other Person shall assign such Shares to Televisa or as otherwise permitted under the Transaction Documents or otherwise comply with the terms of any applicable order of the FCC or regulatory or judicial decision. Upon any such assignment set forth in this Section 2.1.8, the FCC-Approved Trust or other Person to which such assignment is made shall agree to be bound by the terms of this Agreement in accordance with Section 2.3 (Certain Transferees to Become Parties) as a "Televisa Investor," if Televisa is then a Major Investor, or as an "Other Stockholder," if Televisa is then no longer a Major Investor.

2.1.9 *Other Compliant Transfers*. In addition to any Transfers made in accordance with Sections 2.1.1 (Permitted Transferees) through 2.1.8 (Other Televisa Transfers), (a) any Stockholder (other than members of the Investor Groups) may Transfer any or all of such Stockholder's Shares with the prior approval of the Board; and (b) any member of an Investor Group may Transfer any or all of its Shares (without the approval of the Board); provided, in each case of clauses (a) and (b) that such Transfer is in compliance with all of the provisions of Section 3 (Rights with Respect to Transfers and Changes of Control).

2.1.10 *Transfer of Public Company Interests*. Without regard to any other restrictions on Transfer contained in Section 2.7 (Restrictions on Stock Ownership and Transfer), 6.3.5 (Stockholders Lock-Up), 3.1 (Right of First Offer), 3.2 (Tag Along), 3.9 (Miscellaneous Sale Provisions) or 6.3.5 (Stockholders Lock-Up), the following Transfers shall be permitted hereunder: (a) any Transfer of the capital stock, equity interests of other securities of, change of control of, or Transfer of all or substantially all the assets of, Grupo Televisa, S.A.B. or Liberty Global or any publicly traded successor or parent entity thereof; (b) any Transfer of the capital stock, equity interests of or other securities of, or any sale of all or substantially all assets of, or change of control of, any Affiliate of Grupo Televisa S.A.B. or any publicly traded successor or parent entity thereof, including by means of spin-off, split-off or other similar transactions in which the equity interests of such Affiliate are Transferred to the shareholders of Grupo Televisa S.A.B. (or any publicly traded successor or parent entity thereof), so long as the Shares of the Company do not constitute a majority of the value of such Affiliate, or (c) any spin-off, split-off or other similar transactions in which the equity interests of any Affiliate of Liberty Global or any publicly traded successor or parent entity thereof that holds both the Shares of the Company and a material portion of the assets of Liberty Global (or any publicly traded successor or parent entity thereof) and its subsidiaries, taken as whole, other than the Shares of the Company are Transferred to the shareholders of Liberty Global (or any publicly traded successor or parent entity thereof); it being understood that any Person holding Shares in any transaction contemplated by this Section 2.1.10 shall agree to assume Televisa's or Liberty Ventures's (as applicable) obligations hereunder to the same extent as Televisa or Liberty Ventures, respectively was bound and shall be deemed to be a Televisa Investor or Liberty Ventures Investor for all purposes under the Governing Documents.

2.2 Restrictions on Transfers. The following restrictions shall apply, in addition to any other applicable provisions of this Agreement, to all Transfers permitted under this Agreement, including under Section 2.1 (Transfers Allowed), except as expressly provided in this Section 2.2:

2.2.1 *Restriction Period*. Other than pursuant to Sections 2.1.1 (Permitted Transferees), 2.1.8 (Other Televisa Transfers), and 2.1.10 (Transfer of Public Company Interests), no Stockholder shall Transfer any Shares from the date hereof until the *** of the date hereof (the "Transfer Restriction Period"). In addition, during the Transfer Restriction Period, none of the Company or members of the Investor Groups shall initiate or pursue, or discuss with any potential underwriter, any Public Offering or solicit, initiate, or knowingly encourage or facilitate any proposal from any Person to effect a Change of Control or acquire Shares or assets of the Company and its subsidiaries.

2.2.2 *Debt-Based Restrictions*. Other than pursuant to Sections 2.1.1 (Permitted Transferees), 2.1.3 (Distributions) (solely in the case of a Liberty Ventures Investor) and 2.1.10 (Transfer of Public Company Interests), no member of any Investor Group (other than the Televisa Investors) shall Transfer any Shares in an aggregate amount since the Effective Time constituting a percentage of such Stockholder's Initial Shares greater than the percentage of Televisa's Initial Shares that Televisa would then be able to Transfer in like manner without a reasonable likelihood of causing a breach of, default under, or acceleration of the Company's credit agreement or any other debt facilities or debt securities.

2.2.3 *Restricted Persons*. Other than pursuant to Sections 2.1.2 (Public Transfers) (including the limitations therein), 2.1.3 (Distributions) (in the case of a Liberty Ventures Investor) and 2.1.10(a) (Transfer of Public Company Interests), prior to a Governance Fall-Away Event for Televisa, each Stockholder (other than a Televisa Investor) shall not, and shall require its Permitted Transferees not to, directly or indirectly Transfer or issue, or agree to Transfer or issue, any Shares or other securities or all or substantially all of the assets of the Company or the Company's parent (if any) or subsidiaries to a Restricted Person, or enter into or consummate, or agree to enter into or consummate, any merger, consolidation, reorganization or similar transaction involving any Shares or other securities or all or substantially all of the assets of the Company or the Company's parent (if any) or subsidiaries, or any Change of Control, involving such Stockholder and any Restricted Person, without the prior written approval of Televisa. The Stockholders (other than the Televisa Investors) and the Company, its subsidiaries, and its parent entities will use good faith efforts not to structure arrangements or agreements in a manner to circumvent the provisions of this Section 2.2.3, the definition of "Restricted Person," or the defined terms used herein or therein.

2.2.4 *Non-U.S. Persons*. Other than pursuant to Sections 2.1.2 (Public Transfers) (including the limitations therein), 2.1.3 (Distributions) (in the case of a Liberty Ventures Investor) and 2.1.10(a) (Transfer of Public Company Interests), each Stockholder (other than a Televisa Investor) shall not, and shall require its Permitted Transferees not to, Transfer Shares to any Person (including any Permitted Transferee) that is known or reasonably should be known by such Stockholder or its Permitted Transferees to be a non-U.S. Person for purposes of the Federal Communications Laws if, as a result of such Transfer, either:

(a) the percentage ownership of voting interests and/or equity interests of the Company owned directly or indirectly by non-U.S. Persons for purposes of the Federal Communications Laws would increase as a result of such Transfer; provided, that this clause (a) shall not apply at any time during which a Regulatory Amendment or Waiver is in effect providing for a Foreign Ownership Cap of 100% with respect to the Company; or

(b) the transferee would, immediately following such Transfer, hold 5% or more of the Shares for purposes of the Federal Communications Laws; provided, that this clause (b) shall only apply if (i) it would reasonably be expected (based on Televisa's good faith determination after consultation with its outside regulatory counsel) that, as part of the FCC approval process for such transfer, the FCC would request changes to the Governing Documents that would adversely affect the Televisa Investors' then-existing rights, privileges and obligations thereunder or (ii) as part of the FCC approval process for such transfer, the FCC requests changes to the Governing Documents that would adversely affect the Televisa Investors' then-existing rights, privileges and obligations thereunder; provided, further, that this clause (b) shall not apply to any Transfer to any member of an Investor Group to the extent such member of an Investor Group is a non-U.S. Person for purposes of the Federal Communications Laws and to the extent the ownership of 5% or more of the Shares by such member of an Investor Group has already been approved by the FCC; and provided, further, that this clause (b) shall not apply to any transaction with respect to Liberty Global (or any publicly traded successor or parent entity thereof) permitted pursuant to Sections 2.1.3 (Distributions) or 2.1.10 (Transfer of Public Company Interests).

Notwithstanding the preceding sentence, Section 2.2.3 (Restricted Persons) and this Section 2.2.4 shall not apply to any Transfer made subsequent to a Governance Fall-Away Event for Televisa. Prior to a Governance Fall-Away Event for Televisa, the Company agrees that it will not issue any capital stock or equity or voting interests of the Company or securities which are directly or indirectly convertible into or exchangeable or exercisable for capital stock or equity or voting interests of the Company, or merge with or into or otherwise combine with, any Person that is known or reasonably should be known by the Company to be a non-U.S. Person for purposes of the Federal Communications Laws if, as a result of such issuance or other transaction, the percentage ownership of voting interests and/or equity interests of the Company owned directly or indirectly by non-U.S. Persons for purposes of the Federal Communications Laws would increase; provided, that this prohibition shall not apply to (x) any issuance by the Company to a member of an Investor Group pursuant to such member's exercise of its rights of participation under Section 4.2 (Rights of Participation) or (y) an offering that is a Public Offering in which the Company does not direct, request or encourage any underwriters, brokers, block sale purchasers, or other intermediaries to sell or resell such Shares to, any Person who is a non-U.S. Person for purposes of Federal Communications Laws.

2.2.5 *Transfers Between Investor Groups*. No member of an Investor Group shall Transfer Shares to members of another Investor Group, or enter into or consummate any other transaction with respect its Shares, after which any Investor Group would own, beneficially or of record, a majority of the Shares, without the consent of each Major Investor (if any) not Corresponding to the Investor Groups of which the prospective transferor and transferee are members.

2.3 Certain Transferees to Become Parties. Any transferee receiving Shares in a Transfer pursuant to Section 2.1.1 (Permitted Transferees), 2.1.3 (Distributions), 2.1.4 (Drag Along), 2.1.5 (Tag Along), 2.1.6 (Compliant Change of Control Transaction), 2.1.8 (Other Televisa Transfers) or 2.1.9 (Other Compliant Transfers) or any issuance or Sale of Shares by the Company shall become an "Other Stockholder" party to this Agreement and be subject to the terms and conditions of, and be entitled to enforce, the provisions of this Agreement that are applicable to Other Stockholders. For the avoidance of doubt, any such transferee shall not be a "Major Investor," "Investor" or "Manager" or member of a Major Investor Group or Investor Group hereunder, except that (a) a Permitted Transferee of an Investor shall also be a member of the Corresponding Investor Group, (b) a transferee meeting the requirements of a New Televisa Investor or receiving Shares from a Televisa Investor in a Transfer pursuant to Section 2.1.8 (Other Televisa Transfers) or 4.2.6(b) (Foreign Ownership Restrictions) shall also be a Televisa Investor, (c) a recipient of any Equity Award Share will be a Manager, and (d) a Permitted Transferee of a Manager shall also be a Manager, and in each case of clauses (a), (b), (c) and (d), such transferee shall be subject to the terms and conditions, and be entitled to enforce, the provisions of this Agreement that are applicable to such categories. Prior to the Transfer of any Shares to any transferee pursuant to Section 2.1.1 (Permitted Transferees), 2.1.4 (Drag Along), 2.1.5 (Tag Along), 2.1.6 (Compliant Change of Control Transaction), 2.1.8 (Other Televisa Transfers) or 2.1.9 (Other Compliant Transfers), and as a condition thereto, each Stockholder effecting such Transfer (or in the case of a Transfer being effectuated pursuant to Section 3.2 (Tag Along), 3.3 (Drag Along) or 3.4 (The Televisa Investors' Rights and Obligations in a Change of Control), the Tag Along Initiating Sellers, Drag Along Initiating Sellers, or COC Initiating Parties, respectively) shall cause such transferee to deliver to the Company and each of the Investors (other than the Investor Corresponding to the Investor Group of which the transferor is a member, if applicable) its written agreement, in form and substance reasonably satisfactory to the Company, to be bound by the terms and conditions of this Agreement in accordance with this Section 2.3. None of the rights or obligations of any party under this Agreement shall be assignable or transferable except as expressly set forth in this Section 2.3, Section 2.1.10 (Transfer of Public Company Interests) or 6.6 (Assignment of Registration Rights).

2.4 Impermissible Transfer. Any attempted Transfer of Shares not permitted under the terms of this Section 2 shall be null and void, and the Company shall not in any way give effect to any such impermissible Transfer. The Company agrees that it will not knowingly or intentionally support, facilitate or cooperate (including by providing due diligence information, making members of management available for meetings or discussions and giving representations, warranties and/or indemnities) with respect to any Transfers by any holder of securities of the Company party to this Agreement or any of its parent entities or subsidiaries which would violate the terms of this Agreement, including restrictions on Transfers to Restricted Persons or non-U.S. Persons for purposes of the Federal Communications Laws and Transfers that do not comply with the Change of Control Procedures. For the avoidance of doubt, any Change of Control shall be subject to the Change of Control Procedures in addition to any applicable provisions of this Section 2.

2.5 Notice of Transfer. To the extent any Stockholder or Permitted Transferee shall Transfer any Shares pursuant to Section 2.1.1 (Permitted Transferees), 2.1.2 (Public Transfers), 2.1.3 (Distributions), 2.1.9 (Other Compliant Transfers) or 2.1.10 (Transfer of Public Company Interests), such Stockholder or Permitted Transferee shall, within five (5) Business Days following consummation of such Transfer, deliver notice thereof to the Company and each Major Investor; provided, that such notice shall be provided to only the Company if prior notice of such transaction was previously provided to each Major Investor in accordance with Section 2.2 (Restrictions on Transfers) or 2.3 (Certain Transferees to Become Parties).

2.6 Other Restrictions on Transfer. The restrictions on Transfer contained in this Agreement are in addition to any other restrictions on Transfer to which a Stockholder may be subject, including any restrictions imposed by applicable Law or restrictions on transfer contained in the Charter or any restricted stock agreement, stock option agreement, stock subscription agreement or other agreement to which such Stockholder is a party or by which it is bound.

2.7 Restrictions on Stock Ownership and Transfer. The Company shall restrict, deprive the ownership, or proposed ownership, of Company Securities by any Person, and exercise such other rights as may then be available under Section 5 of the Charter, to prevent or eliminate any increase in the percentage ownership of voting interests and/or equity interests of the Company owned directly or indirectly by non-U.S. Persons for purposes of the Federal Communications Laws, without any requirement for approval of such action by any Investors, after consultation with its outside regulatory counsel; provided, that this sentence shall not apply (a) at any time during which a Regulatory Amendment or Waiver is in effect providing for a Foreign Ownership Cap of 100% with respect to the Company, (b) to any Transfer which is otherwise permitted pursuant to Section 2.2.4 (Non-U.S. Persons), (c) to any issuance by the Company to a member of an Investor Group pursuant to such member's exercise of its rights of participation under Section 4.2 (Rights of Participation) or (d) to the direct or indirect ownership of Company Securities by the Liberty Ventures Investors of the type and up to the amount that was requested for approval from the FCC with respect to Liberty Ventures in connection with the 2020 Transaction, to the extent approved by the FCC. Notwithstanding anything to the contrary herein, in no event may the Company take any action (x) in order to comply with or the Federal Communications Laws that Discriminates against Televisa or the Televisa Investors, (y) that restricts or deprives any Televisa Investor of the ownership, or proposed ownership, of any securities of the Company, or (z) that adversely affects the governance rights, rights to Board seats, approval rights, participation rights, liquidation preference, participation rights, tag-along rights, exemption from drag-along obligations, right of first offer, or other rights or obligations of the Televisa Investors set forth in this Agreement and the other Governing Documents or the rights of any Televisa Investor with respect to any Regulatory Amendment or Waiver or Foreign Ownership Cap. For purposes of this Section 2.7:

2.7.1 "Company Securities" shall mean (a) the authorized shares of the Company's capital stock, including all classes of common, preferred, voting and nonvoting capital stock, (b) any other ownership, equity or other interests, as the case may be, including the right to share in profits and losses, the right to receive distributions of cash and property, and the right to receive allocations of items of income, gain, loss, deduction and credit and similar items from the Company, whether or not such interests include voting or similar rights entitling the holder thereof to exercise control over such Person; and (c) securities and obligations that, directly or indirectly, whether or not upon the satisfaction of one or more conditions, are convertible into or exercisable or exchangeable for "Company Securities" as described in clause (a) or (b) of this definition.

2.8 Period. Unless specifically provided otherwise, each of the foregoing provisions of Sections 2.1 (Transfers Allowed) and 2.3 (Certain Transferees to Become Parties) shall expire after there has been a Governance Fall-Away Event for each and every Investor. Subject to the foregoing sentence, the provisions of this Section 2 shall survive, in accordance with its terms, any Change of Control.

**3. RIGHTS WITH RESPECT TO TRANSFERS AND CHANGES OF CONTROL**

3.1 Right of First Offer. If any Stockholder (a "First Offer Seller") proposes to Sell any Shares in a Transfer that is subject to Section 2.1.9 (Other Compliant Transfers) (including to another Stockholder or the Company or any of its subsidiaries) (a "First Offer Sale"), then the following provisions shall apply:

3.1.1 *Notice*. Prior to entering into any agreement to consummate (or consummating) any First Offer Sale, the First Offer Seller shall furnish a written notice of such proposed First Offer Sale (a "First Offer Sale Notice") to each Investor (other than any Investor Corresponding to an Investor Group of which the First Offer Seller is a member, in which case no such notice shall be provided to such group) (each member of an Investor Group whose Corresponding Investor is entitled to receive a First Offer Sale Notice, a "First Offer Holder"). The First Offer Sale Notice shall include:

(a) (i) the number and class(es) of Shares proposed to be sold by the First Offer Seller (the "First Offer Shares"), (ii) the per Share cash purchase price or the formula by which such price is to be determined and the payment terms, and (iii) the proposed or expected Transfer date, if known; and

(b) an invitation to each First Offer Holder to make an offer to purchase, subject to Section 3.1.5 (Determination of the Number of Shares to Be Sold) below, any number of the First Offer Shares at such price.

3.1.2 Exercise.

(a) Within fifteen (15) Business Days after the date of delivery of the First Offer Sale Notice (the "First Offer Deadline"), each First Offer Holder may make an offer to purchase any number of the First Offer Shares, up to the total number of First Offer Shares, at the price set forth in the First Offer Sale Notice by furnishing a written notice (the "First Offer Notice") of such offer specifying a number of First Offer Shares (the "First Offer Requested Amount") offered to be purchased from the First Offer Seller (each such Person delivering such First Offer Notice, a "First Offer Purchaser"). The receipt of consideration by any First Offer Seller selling Shares in payment for the transfer of such Shares pursuant to this Section 3.1.2 shall be deemed a representation and warranty by such First Offer Seller that (i) such First Offer Seller has full right, title and interest in and to such Shares; (ii) such First Offer Seller has all necessary power and authority and has taken all necessary actions to sell such Shares as contemplated by this Section 3.1.2; and (iii) such Shares are free and clear of any and all liens or encumbrances except pursuant to this Agreement and other Governing Documents.

(b) Each First Offer Holder not furnishing a First Offer Notice that complies with the above requirements, including the applicable time periods, shall be deemed to have waived all of such First Offer Holder's rights to purchase such First Offer Shares under this Section 3.1.2 and the First Offer Seller shall thereafter be free to Sell, subject to Section 3.2 (Tag Along), the First Offer Shares to the First Offer Purchasers and/or any other Person, subject to Section 2.2 (Restrictions on Transfers), at a per Share cash purchase price no less than the price set forth in the First Offer Sale Notice, and payment terms no less favorable to the First Offer Seller than the payment terms set forth in the First Offer Sale Notice, without any further obligation to such First Offer Holder pursuant to this Section 3.1. If, as of the First Offer Deadline, the number of First Offer Shares exceeds the number of First Offer Shares offered to be purchased by the First Offer Purchasers, the First Offer Seller may thereafter Sell the excess First Offer Shares, subject to Section 3.2 (Tag Along), to any other Person, subject to Section 2.2 (Restrictions on Transfers), at a price per share that is no less than the price set forth in the First Offer Sale Notice, and payment terms no less favorable to the First Offer Seller than the payment terms set forth in the First Offer Sale Notice. Such Sale, if any, to a Person other than the First Offer Purchasers above shall be consummated together with the sale to the First Offer Purchasers.

3.1.3 *Irrevocable Offer*. The offer of each First Offer Purchaser contained in a First Offer Notice shall be deemed an irrevocable offer, and, subject to Section 3.1.5 (Determination of the Number of Shares to Be Sold) below, to the extent such offer is accepted, such First Offer Purchaser shall be bound and obligated to purchase the number of First Offer Shares set forth in such First Offer Notice for the price and on the terms set forth in such First Offer Sale Notice and Section 3.1.2(a) (Exercise).

3.1.4 *Acceptance of Offers*. Within ten (10) Business Days after the First Offer Deadline, the First Offer Seller shall inform each First Offer Purchaser, by written notice (the "First Offer Acceptance Notice"), of whether or not the First Offer Seller will accept all (but not less than all) offers of the First Offer Purchasers (for the avoidance of doubt, all such offers shall be subject to adjustment pursuant to Section 3.1.5 (Determination of the Number of Shares to Be Sold) below). In the event the First Offer Seller fails to furnish the First Offer Acceptance Notice within the specified time period, the First Offer Seller shall be deemed to have decided not to Sell the Subject Shares to the First Offer Purchasers. If the First Offer Seller decides not to Sell the Subject Shares to the First Offer Purchasers, each First Offer Purchaser shall be released from its obligations under its First Offer Notice and irrevocable offer therein, and the First Offer Seller shall not sell the First Offer Shares to any other Person, subject to Section 2.2 (Restrictions on Transfers), without again complying with the terms of this Section 3.1 (Right of First Offer). Acceptance of such offers by the First Offer Seller is without prejudice to the First Offer Seller's discretion under Section 3.9.2 (Sale Process) to determine whether or not to consummate any Sale.

3.1.5 *Determination of the Number of Shares to Be Sold*. If the First Offer Seller has accepted the offers of the First Offer Purchasers and the aggregate number of Shares offered to be purchased by the First Offer Purchasers is equal to or exceeds the aggregate number of First Offer Shares, the First Offer Shares to be Sold to each First Offer Purchaser shall be allocated as follows: each First Offer Purchaser shall be allocated at least an amount equal to the lesser of (a) the aggregate number of First Offer Shares, multiplied by the number of Shares held by such First Offer Purchaser, divided by the number of Shares held by all of the First Offer Purchasers, and (b) such First Offer Purchaser's First Offer Requested Amount. In addition, any First Offer Shares not allocated pursuant to the preceding sentence shall be allocated among all of the First Offer Purchasers that have not yet been allocated their respective First Offer Requested Amount, as nearly as practicable, pro rata with respect to the excess of each such First Offer Purchaser's First Offer Requested Amount over the number of First Offer Shares allocated to such First Offer Purchaser pursuant to the preceding sentence, until all of the First Offer Shares have been allocated. In the event that the number of Shares that each First Offer Purchaser will be permitted to purchase in a particular First Offer Sale is reduced in accordance with the preceding sentence, the First Offer Seller shall be responsible for determining the total number of Shares to be Sold to each First Offer Purchaser in the proposed Sale in accordance with this Section 3.1.5, and shall provide notice to each First Offer Purchaser of the number of Shares that such First Offer Purchaser will be Sold in such Sale as part of the First Offer Acceptance Notice.

3.1.6 *Time Limitation*. If less than all of the First Offer Shares are allocated to First Offer Purchasers in accordance with Section 3.1.5 (Determination of the Number of Shares to Be Sold), the First Offer Seller shall thereafter be free to Sell such remaining shares, subject to Section 3.2 (Tag Along), to any other Person, subject to Section 2.2 (Restrictions on Transfers), at a per Share cash purchase price no less than the price set forth in the First Offer Sale Notice, and payment terms no less favorable to the First Offer Seller than the payment terms set forth in the First Offer Sale Notice; provided, that, any such Sale shall be consummated simultaneously (or if that is not reasonably practicable, substantially contemporaneously) with the Sale of all First Offer Shares to be Sold to First Offer Purchasers. If at the end of the ninetieth ($90^{th}$) day after the date of delivery of the First Offer Acceptance Notice, the First Offer Seller and First Offer Purchasers or other Person purchasing First Offer Shares, if any, have not completed the Sale of the First Offer Shares, each First Offer Purchaser shall be released from its obligations under its First Offer Notice and irrevocable offer therein, such First Offer Sale Notice shall be null and void, and it shall be necessary for a separate First Offer Sale Notice to be furnished, and the terms and provisions of this Section 3.1 separately complied with, in order to consummate such proposed Sale pursuant to this Section 3.1, unless the failure to complete such proposed Sale resulted directly from either (x) any failure by any First Offer Purchaser to comply with the terms of this Section 3.1 or (y) any failure by the FCC to consent to such Transfer; provided, that such ninety (90) day period shall be extended to up to an additional one hundred and eighty (180) days if necessary to obtain the consent of the FCC to such Sale.

3.1.7 *Tag-Along Rights*. In the event any holders of Shares exercise such holders' rights under Section 3.2 (Tag Along) to sell Shares in connection with a Sale to First Offer Purchasers pursuant to this Section 3.1, such Shares (as the case may be, reduced in accordance with Section 3.2.4 (Reduction of Shares Sold)) shall be deemed to be First Offer Shares for purposes of this Section 3.1 and shall be allocated among the First Offer Purchasers in accordance with Section 3.1.5 (Determination of the Number of Shares to Be Sold).

3.1.8 *Foreign Ownership Restrictions*. In the event that Televisa reasonably and in good faith believes, after consultation with its outside regulatory counsel and with outside regulatory counsel to the Company, that any of the Televisa Investors cannot exercise their rights under this Section 3.1 to the full extent set forth herein (or any lesser extent that the Televisa Investors desire to obtain) because of any Foreign Ownership Restrictions, Televisa or a Televisa Investor may, but is not required to, after notice to, and an opportunity for comment by, the Company (it being agreed that any such assignment shall be the decision of Televisa and the Company shall have no consent right), assign such rights to (a) any FCC-Approved Trust, (b) any other Person (other than a Competitor) while regulatory or judicial relief is being sought with respect to such Foreign Ownership Restrictions or (c) any other Person (other than a Competitor) if the FCC has ordered that Televisa reduce its voting or equity ownership in the Company, or Televisa has received written notification from the FCC of an investigation with respect to Televisa's ownership of the Company and provided, in either case in this clause (c) that (x) Televisa or a Televisa Investor, as applicable, may not assign any rights to any of the foregoing Persons if such assignment would cause such Person or the Company to be in violation of any applicable Laws or regulations, including the Federal Communications Laws, and (y) Televisa seeks regulatory or judicial relief related to such order or investigation within four (4) months of the transfer to such Person. The assignment set forth in the preceding sentence shall only be for the period during which such Foreign Ownership Restrictions prevent Televisa from holding such Shares or while Televisa is actively seeking regulatory or judicial relief with respect to the Foreign Ownership Restrictions or from the applicable order or investigation, as applicable (or in the case of clause (c) of the preceding sentence, prior to the four (4) month anniversary of the transfer to the other Person and thereafter while Televisa is seeking regulatory or judicial relief related to such order or investigation) and once such period terminates, such FCC-Approved Trust or other Person shall assign such rights and transfer such Shares to a Televisa Investor or as otherwise permitted under the Transaction Documents or otherwise comply with the terms of any applicable order of the FCC or regulatory or judicial decision. Upon any such assignment set forth in this Section 3.1.8, the FCC-Approved Trust or other Person to which such assignment is made shall become a party to this Agreement as a "Televisa Investor", if Televisa is then a Major Investor, or as an "Other Stockholder," if Televisa is then no longer a Major Investor. Not in limitation of the foregoing, in the event that Televisa reasonably and in good faith believes, after consultation with its outside regulatory counsel and with outside regulatory counsel to the Company, that an acquisition of Shares by a Televisa Investor pursuant to this Section 3.1 would not be prudent in light of applicable Law, then, at Televisa's election, after Televisa acquired such Shares pursuant to this Section 3.1, the Company shall exchange such Shares that Televisa acquired pursuant to this Section 3.1 for warrants in substantially the form of the TV Warrants with an exercise price of $0.01 per share and a number of shares underlying such warrants equal to the number of shares Televisa so acquired pursuant to this Section 3.1.

3.1.9 *Notice of ROFO Closing*. The Company shall promptly notify each Investor (other than the Investor Corresponding to any Investor Group that includes the First Offer Seller or any First Offer Purchaser) in writing following the closing of any transaction in which any First Offer Purchaser participates pursuant to this Section 3.1.

3.2 Tag Along. Subject to prior compliance with Section 3.1 (Right of First Offer), if members of any Investor Groups (the "Tag Along Initiating Sellers") propose to Sell Shares of a single class or of multiple classes constituting 5% of or more of the then-outstanding Shares of the Company to any Person or group of Persons (including any First Offer Purchaser pursuant to Section 3.1) (Right of First Offer) (a "Tag Along Buyer") in a Transfer or series of related Transfers that is subject to Section 2.1.9 (Other Compliant Transfers) (a "Tag Along Sale"), then the following provisions shall apply:

3.2.1 *Notice*. The Tag Along Initiating Sellers shall, prior to any Tag Along Sale, furnish a written notice (the "Tag Along Notice") to the Company, which shall promptly furnish the Tag Along Notice to each member of an Investor Group that is not a Tag Along Initiating Seller (a "Tag Along Holder"). The Tag Along Notice shall include:

(a) the material terms and conditions of the proposed Sale, including (i) the number and class of the Shares to be purchased from the Tag Along Initiating Sellers, (ii) the percentage of the aggregate Shares held by the Tag Along Initiating Sellers that are proposed to be Sold in the Tag Along Sale (the "Tag Along Sale Percentage") (it being understood that the Company shall reasonably cooperate with the Tag Along Initiating Sellers in respect of the determination of each applicable Tag Along Sale Percentage), (iii) the per Share purchase price or the formula by which such price is to be determined and the payment terms, including a description of any non-cash consideration sufficiently detailed to permit valuation thereof, (iv) the name and address of each Tag Along Buyer and (v) if known, the proposed or expected Sale date; and

(b) an invitation to each Tag Along Holder to make an offer to include in the proposed Sale to the applicable Tag Along Buyer(s) such Tag Along Holder's Shares held by such Tag Along Holder, on the same terms and conditions (subject to Section 3.9.3 (Treatment of Classes and Convertible Securities) in the case of Convertible Securities), with respect to each Share Sold, as the Tag Along Initiating Sellers shall Sell each of their Shares.

3.2.2 *Exercise*. Within ten (10) Business Days after the date of delivery of the Tag Along Notice by the Company to each Tag Along Holder (the "Tag Along Deadline"), each Tag Along Holder desiring to make an offer to include Shares in the proposed Sale (each a "Tag Along Participating Seller" and, together with the Tag Along Initiating Sellers, collectively, the "Tag Along Sellers") shall furnish a written notice (the "Tag Along Offer") to the Tag Along Initiating Sellers indicating the number of Shares which such Tag Along Participating Seller desires to have included in the proposed Sale (the "Tag Along Requested Amount"), which number shall not exceed the Tag Along Sale Percentage multiplied by the total number of Shares held by such Tag Along Holder. Each Tag Along Holder who does not make a Tag Along Offer in compliance with the above requirements, including the Tag Along Deadline, shall have waived and be deemed to have waived all of such Tag Along Holder's rights with respect to such Sale, and the Tag Along Sellers shall thereafter be free to Sell to the Tag Along Buyer, at a per share price no greater than the per share price set forth in the Tag Along Notice and on other material terms and conditions which are not materially more favorable to the Tag Along Sellers than those set forth in the Tag Along Notice, without any further obligation to such non-accepting Tag Along Holder pursuant to this Section 3.2.

3.2.3 *Irrevocable Offer*.

(a) The offer of each Tag Along Participating Seller contained in such holder's Tag Along Offer shall be irrevocable, and, to the extent such offer is accepted, such Tag Along Participating Seller shall be bound and obligated to Sell in the proposed Sale on the same terms and conditions, consistent with Section 3.9.1 (Further Assurances), with respect to each Share Sold (subject to Section 3.9.3 (Treatment of Classes and Convertible Securities) in the case of Convertible Securities), as the Tag Along Initiating Sellers, the number of Shares that such Tag Along Participating Seller shall have specified in such Tag Along Holder's Tag Along Offer.

(b) Notwithstanding Section 3.2.3(a), if, prior to consummation, the per share price shall change from the per share price set forth in the Tag Along Notice or the other material terms and conditions of the proposed Sale shall be materially more or less favorable to the Tag Along Sellers than those set forth in the Tag Along Notice (including, for the avoidance of doubt, a portion of the cash consideration being modified to non-cash consideration or vice versa), the Tag Along Notice shall be null and void and the acceptance by each Tag Along Participating Seller shall be deemed to be revoked, and it shall be necessary for a separate Tag Along Notice to be furnished, and the terms and provisions of this Section 3.2 separately complied with, in order to consummate such Sale pursuant to this Section 3.2; provided, that in such case of a separate Tag Along Notice, the Tag Along Deadline shall be five (5) Business Days after the date of delivery of the separate Tag Along Notice to each Tag Along Holder.

3.2.4 *Reduction of Shares Sold*. The Tag Along Initiating Sellers shall use commercially reasonable efforts to obtain the inclusion in the proposed Sale of the entire number of Shares which each of the Tag Along Sellers requested to have included in the Sale (as evidenced in the case of the Tag Along Initiating Sellers by the Tag Along Notice and in the case of each Tag Along Participating Seller by such Tag Along Participating Seller's Tag Along Offer). If the Tag Along Initiating Sellers are unable to obtain the inclusion of such entire number of Shares in the proposed Sale, the number of Shares to be Sold in the proposed Sale (the "Tag Along Aggregate Amount") by each Tag Along Seller shall be allocated as follows. Each Tag Along Seller shall be allocated a number of Shares at least equal to the lesser of (a) the Tag Along Aggregate Amount, multiplied by the number of Shares held by such Tag Along Seller, divided by the number of Shares held by all of the Tag Along Sellers, and (b) such Tag Along Seller's Tag Along Requested Amount. In addition, any portion of the Tag Along Aggregate Amount not allocated pursuant to the preceding sentence shall be allocated among all of the Tag Along Sellers that have not yet been allocated their Tag Along Requested Amount, as nearly as practicable, pro rata with respect to the number of Shares held by each such Tag Along Seller and up to such Tag Along Seller's Tag Along Requested Amount, until all of the Tag Along Aggregate Amount has been allocated. In the event that the number of Shares that each Tag Along Seller will be permitted to sell in a particular Sale is reduced in accordance with the preceding sentence, the Tag Along Initiating Sellers shall be responsible for determining the total number of Shares to be sold by each Tag Along Seller in the proposed Sale in accordance with this Section 3.2.4, and shall provide notice to each Tag Along Participating Seller of the number of Shares that such Tag Along Participating Seller will be selling in such Sale no later than ten (10) Business Days following the Tag Along Deadline.

3.2.5 *Time Limitation*. If the Tag Along Sellers have not completed the proposed Sale by the end of the ninetieth ($90^{th}$) day after the date of delivery of, (a) if the proposed Transfer is also the subject of a currently effective Tag Along Notice under Section 3.1 (Right of First Offer), such Tag Along Notice and (b) otherwise, the Tag Along Notice, then each Tag Along Participating Seller shall be released from its obligations under its Tag Along Offer, such Tag Along Notice shall be null and void, and it shall be necessary for a separate Tag Along Notice to be furnished, and the terms and provisions of this Section 3.2 separately complied with, in order to consummate such proposed Sale pursuant to this Section 3.2, unless the failure to complete such proposed Sale resulted directly from either (x) any failure by any Tag Along Participating Seller to comply with the terms of this Section 3 or (y) any failure by the FCC to consent to such Transfer; provided, that such ninety (90) day period shall be extended to up to an additional one hundred and eighty (180) days if necessary to obtain the consent of the FCC to such Sale.

3.2.6 *Change of Control*. For the avoidance of doubt, the rights and obligations of members of Investor Groups under this Section 3.2 shall continue after a Change of Control except as otherwise provided herein and in accordance with the Governing Documents.

3.3 Drag Along. Each Stockholder other than the Televisa Investors (the "Drag Along Holders") agrees, if requested in writing by Searchlight at any time prior to a Governance Fall Away Event for Searchlight, in connection with a proposed Change of Control in which the Acquiror is not an Affiliate of any Searchlight Investor (the "Drag Along Sale") (which, for the avoidance of doubt, shall be subject to the Change of Control Procedures), to Sell, exchange, convert, or otherwise participate in such Change of Control with respect to, a percentage of each class of Shares held by such Drag Along Holder that is equal to the percentage of such Shares owned by the Searchlight Investors that is proposed to be Sold, exchanged, converted, or otherwise participating in such Change of Control, by the Searchlight Investors participating therein (the "Drag Along Initiating Sellers") (as adjusted pursuant to Section 3.3.2 (Waiver of Appraisal Rights) below, the "Drag Along Sale Percentage"), in the manner and on the terms set forth in this Section 3.3 (any such transaction, a "Drag Along Transaction"). All Shares to be sold, converted, or exchanged, or otherwise participating in the applicable transaction, pursuant to this Section 3.3 shall be included in determining whether or not a proposed transaction constitutes a Change of Control.

3.3.1 *Exercise*. Searchlight shall furnish a written notice (the "Drag Along Sale Notice") to the Company at least ten (10) Business Days prior to the consummation of the Change of Control transaction, and the Company shall promptly furnish such Drag Along Sale Notice to each Drag Along Holder and to Televisa. The Drag Along Sale Notice shall set forth the material terms and conditions of the proposed Drag Along Transaction, including (a) the number and class of Shares to be acquired, (b) the Drag Along Sale Percentage, (c) the per share consideration to be received in the proposed Drag Along Transaction, including the form of consideration (if other than cash), (d) the name and address of the counterparty or counterparties in the Drag Along Sale and (e) if known, the proposed closing date of the Drag Along Transaction or a good faith estimate thereof. If the Drag Along Initiating Sellers consummate the proposed Drag Along Sale to which reference is made in the Drag Along Sale Notice, each other Drag Along Holder (each, a "Drag Along Participating Seller," and, together with the Drag Along Initiating Sellers, collectively, the "Drag Along Sellers") shall: (x) be bound and obligated to Sell, convert, exchange, or otherwise participate in the Drag Along Sale with respect to, the Drag Along Sale Percentage of such Drag Along Holder's Shares in the proposed Drag Along Sale on the same terms and conditions, with respect to each Share Sold, converted, exchanged or otherwise participating (subject to Section 3.9.3 (Treatment of Classes and Convertible Securities) in the case of Convertible Securities) as the Drag Along Initiating Sellers shall Sell, convert, exchange, or otherwise participate with respect to (subject to Section 3.9.3 (Treatment of Classes and Convertible Securities) in the case of Convertible Securities; and (y) except as provided in Section 3.9.3 (Treatment of Classes and Convertible Securities), shall receive the same form and amount of consideration per Share to be received by the Drag Along Initiating Sellers (on an as converted basis, if applicable). If any Drag Along Sellers (other than Managers) are given an option as to the form and amount of consideration to be received, all Drag Along Sellers (other than Managers) will be given the same option. Unless otherwise agreed by each Drag Along Seller, any non-cash consideration shall be allocated among the Drag Along Sellers pro rata based upon the aggregate amount of consideration to be received by such Drag Along Sellers. If at the end of the ninetieth ($90^{th}$) day after the date of delivery of the Drag Along Sale Notice, the Drag Along Initiating Sellers have not completed the proposed Drag Along Sale, the Drag Along Sale Notice shall be null and void, each Drag Along Participating Seller shall be released from such holder's obligation under the Drag Along Sale Notice and it shall be necessary for a separate Drag Along Sale Notice to be furnished and the terms and provisions of this Section 3.3 separately complied with, in order to consummate such proposed or any other Drag Along Sale pursuant to this Section 3.3, unless the failure to complete such proposed Drag Along Sale resulted directly from either (x) any failure by any Drag Along Holder to comply with the terms of this Section 3.3 or (y) any failure by the FCC to consent to such Transfer; provided, that such ninety (90) day period shall be extended to up to an additional one hundred and eighty (180) days if necessary to obtain the consent of the FCC to such Sale. The right of a holder of Unvested Shares to receive consideration for such Unvested Shares pursuant to this Section 3.3 shall be subject to the vesting and other terms of such Unvested Shares.

3.3.2 *Waiver of Appraisal Rights*. Each Drag Along Seller agrees not to demand or exercise appraisal rights under Section 262 of the Delaware General Corporation Law with respect to a transaction subject to this Section 3.3 as to which such appraisal rights are available.

3.3.3 *Specified Counterparty*. The parties hereto acknowledge and agree that for purposes of Section 3.3.1 (Exercise), a Specified Counterparty shall not be deemed to be an Affiliate of any Searchlight Investor; provided, that any Change of Control involving the Specified Counterparty must be on terms (including pricing terms) and conditions which are no less favorable (in the aggregate for each such agreement, arrangement or transaction) to the Company or its subsidiaries than could be obtained from a Person other than the Specified Counterparty who is not an Affiliate of the Company or of any Related Party dealing on an arm's length basis, and shall require the approval of a majority of the directors who are (i) not nominated pursuant to Section 1.1.1 (Board Designees**)** by Searchlight and (ii) otherwise disinterested with respect to such transaction.

3.3.4 *Miscellaneous Provisions*. The provisions of Section 3.9 (Miscellaneous Sale Provisions) shall apply to any Sale under this Section 3.3 to the extent, and on the terms, provided therein.

3.4 The Televisa Investors' Rights and Obligations in a Change of Control. Notwithstanding anything to the contrary herein, in the event that any member(s) of a Major Investor Group (other than Televisa Investors) or the Company proposes to effectuate a Change of Control, then the following provisions (together with any provisions of Sections 3.5 and 3.6 applicable to such Change of Control by their terms, the "Change of Control Procedures") shall apply.

3.4.1 *Notice and Exercise*. The Major Investors Corresponding to the Major Investor Groups whose members are proposing to effectuate the Change of Control, or the Company if the Company or the Board proposes to effectuate a Change of Control (in either case, the "COC Initiating Party") shall furnish a written notice of their intention to pursue a Change of Control to the other Investors (the "COC Notice"). The COC Notice shall:

(a) include the material terms and conditions of the proposed Change of Control, including (i) the number and class of the Shares to be Transferred in the Change of Control by each member of the Investor Groups other than Televisa Investors (or if there are no longer any Investors other than Televisa, each Stockholder that is neither a Televisa Investor nor a Manager) (such members of Investor Groups or Stockholders, the "COC Sellers"), (ii) the percentage of the aggregate Shares (whether of a single class or multiple classes) held by the COC Sellers that are proposed to be Transferred (including by means of merger, conversion or exchange) in the Change of Control (it being understood that the Company shall reasonably cooperate with the COC Initiating Party in respect of the determination of such percentage), (iii) if the Change of Control includes a sale of assets of the Company or its subsidiaries or other transaction structure or steps not involving the Transfer of Shares, a description in reasonable detail thereof, (iv) if known, the per Share purchase price or consideration or the formula by which such price or consideration is to be determined and the payment terms, including a description of any non-cash consideration sufficiently detailed to permit valuation thereof, (v) if known, the name and address of each Person to whom Shares (or capital stock or equity interests of any Acquiror or Acquisition Holdco) will be Transferred or that will acquire assets or have control of the Company or its subsidiaries (or any Acquiror or Acquisition Holdco) (the "COC Buyer") and (v) if known, the proposed or expected date of consummation of the Change of Control; and

(b) provide Televisa, on behalf of the Televisa Investors, the right to elect, by furnishing to the COC Initiating Party a written election (the "COC Participation Election") on or before the COC Election Deadline (which election shall be irrevocable except as otherwise provided in Section 3.4.3 (Change in Material Terms; Termination), if applicable) to:

(i) (A) in a Change of Control that involves a Transfer of Shares, whether by direct Sale, merger, consolidation, business combination or other means, include a percentage of Shares held by the Televisa Investors that is less than or equal to the highest percentage of Shares held by any COC Seller that are being Transferred in the Change of Control, on the same terms and conditions (subject to Section 3.9.3 (Treatment of Classes and Convertible Securities) in the case of Convertible Securities and without prejudice to the rights of the holder of Convertible Securities with respect to the conversion, exercise or exchange of such Convertible Securities) as the terms and conditions that are applicable to the COC Sellers, in any case consistent with Section 3.9.1 (Further Assurances), and/or (B) in a Change of Control that involves a sale of assets of the Company or its subsidiaries or other transaction structure or steps not involving the Transfer of Shares, retain and not Transfer a percentage of the Televisa Investors' Shares that is less than or equal to the percentage of the Shares of the COC Sellers being retained and not Transferred by the COC Sellers and to receive the same dividends, distributions, or other consideration as the COC Sellers with respect to such retained Shares on a pro rata basis (either or both of clauses (A) and (B), the "COC Participation Rights"); or

(ii) (A) in a Change of Control that involves a Transfer of Shares other than through a merger, consolidation, or similar business combination, retain all, and not Transfer any, of the Televisa Investors' Shares in the Company (other than Shares as to which the Televisa Investors exercise COC Participation Rights), (B) in a Change of Control that involves a Transfer of Shares through a merger, consolidation or similar business combination, roll-over all of the Televisa Investors' Shares (other than Shares as to which the Televisa Investors exercise COC Participation Rights) into equity of the Acquiror in accordance with Section 3.6 (Rollover Transactions) and be subject to and the beneficiary of rights and obligations with respect to the Acquiror equivalent to the Televisa Investors' rights and obligations under the Governing Documents with respect to the Company, and/or (C) in a Change of Control that includes a sale of assets of the Company or its subsidiaries or other transaction structure or steps not involving the Transfer of Shares, both (1) if less than all of the Company's assets are sold, retain, and not Transfer, any of the Televisa Investors' Shares in the Company as to which the Televisa Investors do not exercise COC Participation Rights (provided that such Shares shall not be entitled to participate in any distribution of the proceeds of such sale of assets) and (2) receive equity of the Acquiror (and be subject to and the beneficiary of rights and obligations with respect to the Acquiror to the same extent and on the same basis as they applied to the Company immediately prior to such Change of Control) in accordance with Section 3.6 (Rollover Transactions) (any or all of clauses (A), (B) or (C) the "COC Rollover Rights").

3.4.2 *COC Participation Election Deadline*. Televisa shall deliver the COC Participation Election no later than the latest to occur of the following (the "COC Election Deadline"), it being understood that if Televisa does not deliver any COC Participation Election by the COC Election Deadline, it will be deemed to be exercising its COC Rollover Rights in full:

(a) fifteen (15) Business Days after Televisa's receipt of the COC Notice;

(b) five (5) Business Days after Televisa has been provided with the opportunity to have meetings with the final COC Buyer pursuant to Section 3.4.4(e) (Information, Access and Negotiation Rights);

(c) five (5) Business Days after Televisa has received the final price and other material contractual terms and conditions of the Change of Control and definitive agreement with respect thereto (including, if a form of definitive agreement was provided to prospective COC Buyers, a blackline comparison of the final form of definitive agreement against the form previously delivered to Televisa pursuant to Section 3.4.4(c) (Information, Access and Negotiation Rights), if any); and

(d) compliance with Section 3.5 (Tax Matters).

3.4.3 *Change in Material Terms; Termination*. Notwithstanding the foregoing, if any of the following are expected to occur: (a) the equity value payable in a Change of Control changes by more than ***, (b) the percentage of the total consideration represented by any type of consideration changes by more than ***, (c) the type or types of consideration to be received changes, (d) there is a *** increase in the amount of the consideration to be escrowed or held back to cover indemnification claims that may be asserted by any Person or in the event of any earn-out or similar payment, (e) there is a *** increase in any cap on indemnification claims that may be recovered by any Person under the transaction agreement or other transaction documents, (f) there are one or more changes to any other terms that a sophisticated non-U.S. investor would deem to have a material impact on the transaction as a whole, (g) there is a change in the Acquiror(s) (other than to one or more controlled Affiliates of such Acquiror(s)) or ultimate parent entity of the Acquiror(s) or (h) there is any other change in terms that would have a material negative impact to the tax and regulatory components of Televisa's investment in the Company (e.g., a material change to the structure of the investment) (in the case of each of clauses (a) through (h), as compared to the terms most recently furnished to Televisa pursuant to Section 3.4.2(c) (COC Participation Election Deadline) or this Section 3.4.3, as applicable), then the COC Initiating Party shall give prompt notice of and disclose such new terms and conditions to Televisa (a "Change Notice"), Televisa's most recently effective COC Participation Election, if any, shall be deemed to be revoked, and Televisa shall notify the COC Initiating Party within forty-eight (48) hours (in the case of clauses (a) through (f)) or five (5) days (in the case of clauses (g) or (h)) from receipt of the Change Notice whether it, on behalf of the Televisa Investors, (i) elects to exercise the Televisa Investors' COC Participation Rights or COC Rollover Rights (which election shall be deemed to be a new, irrevocable COC Participation Election, unless the material terms or conditions of the Change of Control change again in the manner described above, in which case the requirements of this Section 3.4.3 shall apply once again). Nothing in this Section 3.4.3 shall be construed so as to reduce the time periods provided for in Section 3.4.2 (COC Participation Election Deadline)). At any time after the delivery of a COC Participation Election, if there is a definitive, mutually acknowledged suspension or termination of active and good faith efforts to pursue consummation of a Change of Control, including any termination of a definitive agreement with respect to a Change of Control (a "COC Termination"), such COC Participation Election shall be deemed to be revoked.

3.4.4 *Information, Access and Negotiation Rights*. Televisa will be entitled (i) to participate in all Board, committee or similar meetings related to any Change of Control, (ii) if Televisa delivers a timely COC Participation Election that has not been revoked in accordance with Section 3.4.3 (Change in Material Terms; Termination)), to participate in all Change of Control-related meetings of the COC Sellers in their capacities as such and (iii) receive all information regarding negotiation and discussions with, and identities and proposed terms of, the prospective COC Buyer(s). Without limiting the foregoing, for any period after Televisa has received the COC Notice:

(a) the COC Initiating Party shall keep Televisa generally apprised of such Change of Control process;

(b) copies of any management presentations related to such Change of Control that are given or provided to the prospective COC Buyer(s) shall also be provided to Televisa;

(c) copies of any forms of definitive transaction agreements or other transaction documents setting forth the consideration and/or other material terms and conditions of such Change of Control that are provided to the prospective COC Buyer(s) for comment shall also be provided to Televisa;

(d) access to all information included in any data room (including any electronic data room) set up in connection with such Change of Control and to which access has been given to the prospective COC Buyer(s) shall also be given to Televisa (subject to any "clean room" restrictions or agreements generally applicable to the COC Sellers that may be reasonably recommended by the Company's regulatory counsel due to applicable Law); and

(e) Televisa shall have a reasonable opportunity to meet with those prospective COC Buyer(s) that the COC Initiating Party believes are the likely COC Buyer(s) (which, for the avoidance of doubt, must include the ultimate COC Buyer) before the final bid in the Change of Control process; provided, that (i) a representative of the Major Investors may be present at all such meetings and (ii) Televisa shall promptly copy each of the COC Sellers on all material correspondence (including via electronic mail) of a Televisa Investor or a representative acting at the request thereof with any such COC Buyer(s) and/or the Company.

3.4.5 *Voting Agreement; Cooperation*. Subject to Section 3.5 (Tax Matters) and provided, that the provisions of this Section 3.4 have been complied with, each of the Televisa Investors shall (a) cast all votes to which they are entitled in respect of their Shares, whether at any annual or special meeting, by written consent or otherwise, in such manner as the COC Initiating Party may instruct by written notice to the Televisa Investors to approve any aspect or aspects of the Change of Control or, if the COC Initiating Party so instructs, against any proposal competing against or which may impede or delay the Change of Control, including any proposal to approve any amendment to the Charter, any sale, merger, consolidation, reorganization or any other transaction or series of transactions involving the Company or its subsidiaries (or all or any portion of their respective assets) necessary to effectuate the Change of Control and subject to the rights of the Televisa Investors under this Section 3.4, (b) agree to waive any dissenters' rights, appraisal rights or similar rights, (c) reasonably cooperate with the COC Initiating Party with respect to the Change of Control, including executing, acknowledging and delivering consents, assignments, and other documents or instruments, furnishing information and copies of documents, filing applications, reports, returns, filings and other documents or instruments with Governmental Authorities, in each case, to the extent necessary (as reasonably determined by the Company's outside legal counsel, which shall be a nationally recognized law firm with expertise in Federal Communications Laws) and not inconsistent with the Televisa Investors' rights under the Governing Documents, and (d) otherwise take all other actions required pursuant to Section 3.9 (Miscellaneous Sale Provisions). In connection with any FCC filing required with regards to any Change of Control, the Company shall file such FCC applications as it is required to file in order to obtain such FCC approval, and the Televisa Investors shall cooperate with the Company and promptly provide the Company with any and all information necessary (as reasonably determined by the Company's outside legal counsel, which shall be a nationally recognized law firm with expertise in Federal Communications Laws) to complete the filing of such applications. The Company shall use its reasonable best efforts to obtain such FCC approval, including (y) diligently prosecuting such applications, including opposing any petitions to deny, or other objections filed with respect to, such FCC applications, and (z) promptly taking all other actions reasonably requested by the COC Initiating Party as necessary, desirable and/or appropriate to facilitate obtaining such FCC approval.

3.4.6 *Confidentiality*. All confidential and/or proprietary information relating to the Change of Control that is provided or made available to the Televisa Investors shall be kept strictly confidential in accordance with Section 5.7 (Confidentiality).

3.5 Tax Matters.

3.5.1 *Exit Transaction Consultation*. Subject to Section 3.5.3 (Permitted Exit Transactions), prior to executing a binding agreement providing for, or entering into or consummating, any transaction or series of related transactions that would result in a sale or exchange or similar Transfer (including conversion in a merger) of all or a substantial portion of the Shares held by the Investors or a sale of all or substantially all of the assets of the Company (it being understood that if the Company is not the ultimate parent company of UCI whose shares are held by the Investors, the provisions of this Section 3.5 shall instead apply to such parent company and references to the "Company" and the "Shares" shall be deemed to be references to such parent company and shares of such parent company, respectively) or the Company and its subsidiaries (considered collectively) (including a Change of Control) (an "Exit Transaction"), the Investors or, if there are no longer any Investors other than Televisa, the Company, will (a) provide Televisa with a written description of such Exit Transaction, including the price, form of consideration and other key contractual terms and conditions of such Exit Transaction consistent with a COC Notice (regardless of whether such notices are required to be delivered pursuant to Section 3.4 (The Televisa Investors' Rights and Obligations in a Change of Control)), (b) provide Televisa with a reasonable opportunity to evaluate the tax consequences to Televisa of such Exit Transaction and (c) at Televisa's request, implement modifications to such transaction structure or alternative transaction structures proposed by Televisa in view of adverse tax consequences or tax benefits; provided, that such modifications or alternative transaction structures do not result in an adverse impact to the Investor Groups other than the Televisa Investors (if any) that is material to such Investor relative to their anticipated net proceeds in the Exit Transaction (assuming that such modifications or alternative transaction structures are not implemented).

3.5.2 *Exit Transaction Consent*. Notwithstanding Section 3.5.1 (Exit Transaction Consultation) or any provisions of the Governing Documents other than this Section 3.5, none of the Stockholders and the Company will be permitted to execute a binding agreement providing for, or enter into or consummate, any Exit Transaction described below without Televisa's prior written consent:

(a) any Exit Transaction that would have adverse U.S. tax consequences that would be material to Televisa or any of its Affiliates if Televisa and/or such Affiliates were U.S. corporations; or

(b) unless Televisa obtains a ruling from the Mexican taxing authorities (which Televisa must use commercially reasonable efforts to obtain upon request by the Company), in form and substance satisfactory to Televisa, confirming the tax-free nature of such a transaction to Televisa and its subsidiaries, any Exit Transaction that is structured as:

(i) a transaction in which Shares held by Televisa are exchanged (whether by merger or otherwise) for securities of any other entity;

(ii) a merger in which the Company is the surviving entity and the Shares held by Televisa are exchanged for cash and/or securities and/or other assets;

(iii) a merger in which the Company is not the surviving entity;

(iv) a sale or exchange by the Company and/or its subsidiaries of substantially all of their collective assets (including shares of their subsidiaries).

3.5.3 *Permitted Exit Transactions*. Notwithstanding anything to the contrary contained in Section 3.5.1 (Exit Transaction Consultation) or 3.5.2 (Exit Transaction Consent), the Investors and the Company are permitted to execute agreements providing for, or enter into and consummate, any Exit Transaction described below without Televisa's prior written consent; provided, that such Exit Transactions will remain subject to other applicable provisions of the Governing Documents, including Sections 2 (Transfer Restrictions), 3.4 (The Televisa Investors' Rights and Obligations in a Change of Control) and 3.6 (Rollover Transactions):

(a) a direct sale or exchange by the Investors (other than pursuant to a merger) of all or a portion of their shares of the Company; or

(b) a merger into the Company of a corporation (with no material assets or material liabilities other than related to funding (including borrowing) of the consideration for the merger) in which the Company is the surviving entity and Shares held by Televisa remain outstanding without modification;

provided, that in the case of clause (a) above, where shares of Common Stock representing more than 15% of the then outstanding shares of Common Stock of the Company (on a fully diluted, as-exercised and as-converted basis) are proposed to be Transferred and other than in sales pursuant to Section 2.1.2 (Public Transfers) and in the case of clause (b) above, prior to entering into any such transaction, the Stockholders and the Company, as applicable, will comply with clauses (i) and (ii) of Section 3.5.1 (Exit Transaction Consultation) and will consider in good faith any modifications suggested by Televisa, but shall have no obligation to implement such modifications. In addition, the provisions contained in Sections 3.5.1 (Exit Transaction Consultation) and 3.5.2 (Exit Transaction Consent) shall not apply to an Exit Transaction in which Televisa exercises its tag-along rights pursuant to Section 3.2 (Tag Along); provided, that the Investors and the Company comply with clauses (a) and (b) of Section 3.5.1 (Exit Transaction Consultation) and consider in good faith any modifications suggested by Televisa (although the Investors and the Company shall have no obligation to implement such modifications).

3.6 Rollover Transactions.

3.6.1 *No Dilution of Televisa Investors*. Subject to the immediately following sentence, each of the Stockholders and the Company acknowledges and agrees that each Televisa Investor's respective Capital Percentage may not be eliminated or diluted in any Change of Control, merger, consolidation, reorganization, sale of assets or other Transfers (or transaction providing liquidity to any of the Stockholders) by any of the Stockholders or the Company or eliminated in any other transaction, other than a Change of Control in which Televisa exercises its COC Participation Rights. In furtherance of the preceding sentence, the Company and the Stockholders shall not agree to or consummate any Change of Control, merger, consolidation, reorganization, sale of assets or other Transfers between or among the Company, the Stockholders and any other Person (whether such Person is an Affiliate or not an Affiliate of the Company), whether or not resulting in or in connection with a Change of Control, in each case, in which any Televisa Investor retains Shares and/or rolls over its Shares into, or otherwise receives, equity of the applicable Acquiror (a "Rollover Transaction"), unless:

(a) the Televisa Investors do not suffer any dilution in such Rollover Transaction other than pro rata with all other Stockholders that will be equity holders of the Company or the Acquiror following such Rollover Transaction solely as a result of the equity holders of the surviving corporation, successor or other constituent corporation (in each case, that are not Affiliates of any of the Investors) contributing cash (and no other assets) into the Company or the Acquiror, as applicable, in connection with such Rollover Transaction;

(b) other than to the extent the Televisa Investors exercise their COC Participation Rights (if any), the Post Transaction Percentage of each Televisa Investor is not less than *** of the Pre Transaction Percentage of such Televisa Investor after taking into account any exercise by the Televisa Investors of their COC Participation Rights (by way of example and not limitation, if the Pre Transaction Percentage of Televisa is ***, the Post Transaction Percentage must be at least ***); and

(c) each of the Televisa Investors shall be granted the right to purchase for cash Shares, TV Warrants (solely to the extent TV Warrants are outstanding at such time), shares of the Acquiror or warrants in substantially the form of the TV Warrants (solely to the extent TV Warrants are outstanding at such time) exercisable for shares of the Acquiror, as applicable, at or after the closing of the Rollover Transaction at the same implied price per share of the applicable security as paid by the Acquiror (or its controlling shareholders) in connection with the Rollover Transaction for such (underlying) security so that its Post Transaction Percentage equals its Pre Transaction Percentage after taking into account any exercise by the Televisa Investors of their COC Participation Rights (or any lesser percentage that such Televisa Investor may elect).

3.6.2 *Governance of the Acquiror*. The Company and the Stockholders shall not agree to or consummate any Rollover Transaction in which any Televisa Investor rolls over its Shares into, or otherwise receives, equity of the applicable Acquiror, unless, following the consummation of such Rollover Transaction:

(a) the Televisa Investors' rights and obligations pursuant to the Governing Documents shall continue with respect to the Acquiror to the same extent and on the same basis as they applied to the Company immediately prior to such Rollover Transaction unless terminated in connection with such Rollover Transaction pursuant to the express terms of the Governing Documents;

(b) the Televisa Investors shall have no greater obligations with respect to the Acquiror and its stockholders under the Governing Documents than they had to the Company, its subsidiaries and its parent entities, if any, and the Stockholders under the Governing Documents immediately prior to such Rollover Transaction; and

(c) the Acquiror shall become a party to the Governing Documents to which the Company (or, if applicable, selling stockholders) is a party and assume all obligations of the Company pursuant thereto in effect immediately prior to the consummation of such Rollover Transaction (and, if applicable, selling stockholders, if any, shall remain bound by the terms of the Governing Documents to the extent they retain or receive any shares of the Acquiror and to the extent such terms survive the Rollover Transaction in accordance with their terms).

3.6.3 *Rollover for Equivalent Value*. Each of the Stockholders and the Company acknowledges and agrees that in any Rollover Transaction in which any Televisa Investor rolls over its Shares into, or otherwise receives, equity of the applicable Acquiror, the value of each Televisa Investor's Pre Transaction Percentage in the Company could be greater than the implied value of the same numerical percentage ownership (on a fully-diluted basis) of the Acquiror immediately after giving effect to a Rollover Transaction (e.g. due to Acquiror's increase in leverage to effect the Rollover Transaction). Subject to Sections 3.6.1 (No Dilution of Televisa Investors) and 3.6.2 (Governance of the Acquiror), in the event of such a Rollover Transaction, such Televisa Investor shall, in exchange for any shares of Common Stock (and TV Warrants) it held immediately prior to the Rollover Transaction (other than, in the case of a Rollover Transaction that is a Change of Control, shares and TV Warrants as to which it is exercising its COC Participation Rights, receive shares of common stock (or, in the case of TV Warrants, warrants to acquire shares of common stock) in the Acquiror with substantially the same terms as such shares of Common Stock (and TV Warrants) which have an aggregate value, based on the implied equity value of the Acquiror immediately after the Rollover Transaction (it being understood that the value of any indebtedness incurred by the Acquiror in connection with such Rollover Transaction shall be equal to the principal amount thereof so long as all of the proceeds of such indebtedness are held by the Acquiror until the effective time of the Rollover Transaction), at least equal to the value of such shares of Common Stock (including shares of Common Stock underlying TV Warrants), with the value of each such share of Common Stock (including shares of Common Stock underlying the TV Warrants) held by such Televisa Investor to be deemed to be equal to the per-Share consideration to be paid in the Rollover Transaction. For the avoidance of doubt, any TV Warrants (other than TV Warrants as to which the Televisa Investors exercise their COC Participation Rights) shall be exercisable following such a Rollover Transaction for shares of common stock of the Acquiror. The Stockholders and the Company acknowledge and agree that in a Rollover Transaction, the Televisa Investors will not receive value with respect to their Shares on a per Share basis in such Rollover Transaction that is less than the value that other stockholders receive for their Shares on a per Share basis in such Rollover Transaction, with the value of such Shares held by such Televisa Investor to be deemed to be equal to the per-Share consideration to be paid in the Rollover Transaction, even though the form of consideration for the Televisa Investors' Shares may differ in accordance with the terms hereof (subject to Sections 4.4.3 and 4.4.4 of the Charter), including in accordance with this Section 3.6.3, and in the event that any other Investors do not participate in the Rollover Transaction and elect to receive shares of the Acquiror in exchange for their shares of Common Stock, the shares of the Acquiror provided to the Televisa Investors shall be valued on the same basis as the shares of the Acquiror provided to such other Investors (unless such basis would result in the Televisa Investors receiving less consideration for their Shares than the provisions of this Section 3.6 would otherwise require).

3.6.4 *Other Provisions*. For the avoidance of doubt, Sections 3.4 (The Televisa Investors' Rights and Obligations in a Change of Control), 3.5 (Tax Matters) and 3.6 are cumulative, and the requirements of any such Section or any subsection thereof with respect to any transaction shall be in addition to any and all other provisions of such Sections and subsections thereof that apply to such transaction in accordance with their terms.

3.6.5 *Non-Circumvention*. The Stockholders, the Company, its parent entities and subsidiaries will use good faith efforts not to structure arrangements or agreements in a manner to circumvent the provisions of Section 3.4 (The Televisa Investors' Rights and Obligations in a Change of Control) or 3.5 (Tax Matters) or this Section 3.6.

3.7 Exchanges of Equity. Any number of shares of Common Stock acquired by any Televisa Investor may, at the option of any Televisa Investor, be exchanged for TV Warrants convertible or exercisable, as applicable, for the same number of shares of Common Stock (including such TV Warrants on an as-converted or as-exercised basis) as represented by the shares of Common Stock for which such TV Warrants were exchanged.

3.8 Period. The rights of each Investor Group under the provisions of Section 3.1 (Right of First Offer), and the rights and obligations of each Investor Group provisions of Section 3.2 (Tag Along), shall survive any Change of Control and shall expire upon a Governance Fall-Away Event for the Corresponding Investor. The provisions of Section 3.3 (Drag Along) shall expire as to any Share on the earlier of (i) a Change of Control and (ii) a Governance Fall-Away Event for Searchlight. The provisions of Sections 3.4 (The Televisa Investors' Rights and Obligations in a Change of Control), 3.5 (Tax Matters) and 3.6 (Rollover Transactions) shall survive any Change of Control, and shall expire upon a Governance Fall-Away Event for Televisa.

3.9 Miscellaneous Sale Provisions. The following provisions shall be applied to any proposed Sale to which Sections 3.1 (Right of First Offer), 3.2 (Tag Along) or 3.3 (Drag Along), apply, except that Sections 3.9.1 (Further Assurances) and 3.9.3 (Treatment of Classes and Convertible Securities) shall also apply to any Change of Control or other Sale pursuant to this Section 3:

3.9.1 *Further Assurances*. Each Tag Along Seller, Drag Along Seller, and First Offer Purchaser, as applicable, shall take or cause to be taken all such reasonable actions as may be necessary or reasonably desirable in order to expeditiously consummate each Transfer pursuant to this Section 3 and any related transactions, including executing, acknowledging and delivering consents, assignments, waivers and other documents or instruments, furnishing information and copies of documents, filing applications, reports, returns, filings and other documents or instruments with governmental authorities, and otherwise reasonably cooperating with the applicable selling and purchasing parties; provided, that Tag Along Sellers and Drag Along Sellers shall be obligated to become liable to any Person in respect of any representations, warranties, covenants, indemnities or otherwise solely to the extent provided in the immediately following sentence; provided, further, that in connection with a Transfer pursuant to this Section 3, no Stockholder shall be required in connection therewith or as a condition thereto to (i) qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless such Stockholder is already subject to service in such jurisdiction and except to the extent as may be required by the Securities Act, (ii) make joint representations or warranties, (iii) be liable as to any representations, warranties, covenants and other agreements in excess of the proceeds received by such Stockholder in connection with such Transfer, or (iv) make any representations or warranties in connection with the business or condition of the Company or any of its subsidiaries; provided, further, that in no event will a Stockholder be responsible for more than its pro rata share of any indemnification obligations). Without limiting the generality of the foregoing, each Tag Along Seller and Drag Along Seller agrees to execute and deliver such agreements as may be reasonably specified by the Tag Along Initiating Sellers or Drag Along Initiating Sellers to which such Tag Along Initiating Sellers or Drag Along Initiating Sellers will also be party, including agreements to (a) make individual representations, warranties, covenants and other agreements as to the unencumbered title to its Shares and the power, authority and legal right to Transfer such Shares and the absence of any adverse claim (within the meaning of Section 8-102 of the applicable Uniform Commercial Code) with respect to such Shares, (b) be liable as to such representations, warranties, covenants and other agreements, in each case to the same extent as the Tag Along Initiating Sellers or Drag Along Initiating Sellers are liable for the comparable representations, warranties, covenants and agreements made by them or on their behalf; provided, that in connection with a Sale pursuant to this Section 3, such liability shall not exceed the proceeds received by such Stockholder in connection with such Transfer; provided, further, that in connection with a Sale pursuant to this Section 3, no Televisa Investor or Liberty Ventures Investor shall be required to enter into restrictive covenants that bind any Televisa Investor or Liberty Ventures Investor or any Affiliate of a Televisa Investor or of a Liberty Ventures Investor, and (c) other than with respect to Televisa Investors, at the request of the Tag Along Initiating Sellers or Drag Along Initiating Sellers, immediately prior to the consummation of the Sale convert any voting Shares held by such Tag Along Seller or Drag Along Seller into non-voting Shares, and vice versa. Each Tag Along Seller and Drag Along Seller (other than the Investors) hereby constitutes and appoints each of the Tag Along Initiating Sellers and Drag Along Initiating Sellers, as applicable, or any of them, with full power of substitution, as such Tag Along Seller's and Drag Along Seller's true and lawful representative and attorney-in-fact, in such Tag Along Seller's and Drag Along Seller's name, place and stead, to execute and deliver any and all agreements that such Tag Along Initiating Seller or Drag Along Initiating Seller reasonably believes are consistent with this Section 3.9.1 and such Tag Along Initiating Seller and Drag Along Initiating Seller shall provide a copy of such agreements to each such Tag Along Seller and Drag Along Seller within five (5) Business Days of execution; provided, that failure to deliver such documents within such time period shall not impair or affect the validity of such agreements. The foregoing power of attorney is coupled with an interest and shall continue in full force and effect notwithstanding the subsequent death, incapacity, bankruptcy or dissolution of any Tag Along Seller or Drag Along Seller. In connection with any FCC approval required with regard to any Sale pursuant to this Section 3, the Company shall file such FCC applications as it is required to file in order to obtain such FCC approval, and each Stockholder shall promptly provide the Company with any and all information necessary (as reasonably determined by the Company's outside legal counsel (in consultation with each Investor's outside legal counsel), which shall be a nationally recognized law firm with expertise in Federal Communications Laws) to complete the filing of such applications. The Company shall use its reasonable best efforts to obtain such FCC approval, including (1) diligently prosecuting such applications, including opposing any petitions to deny, or other objections filed with respect to, such FCC applications, and (2) promptly taking all other actions reasonably requested by the Tag Along Initiating Sellers and Drag Along Initiating Sellers as necessary, desirable and/or appropriate to facilitate obtaining such FCC approval.

3.9.2 *Sale Process*. The First Offer Seller, in the case of a proposed Sale pursuant to Section 3.1 (Right of First Offer), the Investors Corresponding to the Tag Along Initiating Sellers, in the case of a proposed Sale pursuant to Section 3.2 (Tag Along), or Searchlight in the case of a proposed Sale pursuant to Section 3.3 (Drag Along), shall, in their sole discretion, decide whether or not to pursue, consummate, postpone or abandon any proposed Sale and the terms and conditions thereof. No holder of Shares nor any Affiliate of any such holder shall have any liability to any other holder of Shares or the Company arising from, relating to or in connection with the pursuit, consummation, postponement, abandonment or terms and conditions of any proposed Sale except to the extent such holder shall have failed to comply with the provisions of this Section 3.

3.9.3 *Treatment of Classes and Convertible Securities*. For purposes of this Section 3, all shares of Common Stock will be treated as a single class and will be Sold, exchanged, converted at, or the holder thereof will otherwise receive with respect to such share, the same price and for the same form of consideration in any Sale under this Section 3. All Convertible Securities will be treated as the same class as Common Stock on an as-exercised or as-converted basis and, without prejudice to the rights of such Stockholder with respect to the conversion, exercise or exchange of such Convertible Securities and any entitlement to any payment of premium thereon or thereunder, such Stockholder shall receive in exchange for such Convertible Securities consideration in the same form and in the amount (if greater than zero) equal to the purchase price per share of Common Stock in such Sale multiplied by the number of shares of each class of Common Stock that would be issued upon exercise, conversion or exchange of such Convertible Securities less the exercise price, if any, of such Convertible Securities (to the extent exercisable, convertible or exchangeable at the time of such Sale).

3.9.4 *Closing*. The closing of a Sale to which Section 3.2 (Tag Along) or 3.3 (Drag Along) applies shall take place (a) on the proposed or expected Transfer date, if any, specified in the Tag Along Notice or Drag Along Sale Notice, as applicable (provided, that consummation of any Transfer may be extended beyond such date in accordance with Sections 3.1.6 (Right of First Offer: Time Limitation), 3.2.5 (Tag Along: Time Limitation) or 3.3.1 (Drag Along; Exercise) to the extent necessary to obtain any applicable governmental approval or other required approval or to satisfy other conditions), (b) if no proposed Transfer date was required to be specified in the applicable notice, at such time as the Tag Along Initiating Sellers or Drag Along Initiating Sellers shall specify by notice to each Tag Along Participating Seller or Drag Along Participating Seller and (c) at such place as the Tag Along Initiating Sellers or Drag Along Initiating Sellers shall specify by notice to each Tag Along Participating Seller or Drag Along Participating Seller, as applicable. At the closing of such Sale, each Tag Along Seller and Drag Along Seller shall, to the extent that the Shares are certificated, deliver the certificates evidencing the Shares to be Sold by such Tag Along Seller and Drag Along Seller, duly endorsed, or with stock (or equivalent) powers duly endorsed, for transfer with signature guaranteed, free and clear of any liens or encumbrances (other than those imposed by securities Laws), with any stock (or equivalent) transfer tax stamps affixed, against delivery of the applicable consideration, and any comparable transfer materials for any Convertible Securities to be Sold.

**4. RIGHTS OF PARTICIPATION IN ISSUANCES**

4.1 Issuances Allowed. Subject to Section 4.4 (Excluded Transactions), Section 4.6 (Period), and any applicable provision hereof, the Company shall not, and shall not permit any direct or indirect subsidiary of the Company (the Company and each such subsidiary, an "Issuer") to, issue or sell any shares of any of the Company's or its subsidiaries' capital stock (whether common, preferred or otherwise) or any securities convertible into or exchangeable for any shares of their respective capital stock, issue or grant any Convertible Securities for the purchase of, or enter into any agreements providing for the issuance (contingent or otherwise) of, any of their respective capital stock or any stock or securities convertible into or exchangeable for any shares of their respective capital stock, in each case, to any Person (each an "Issuance" of "Subject Securities"), except in compliance with the provisions of this Section 4.

4.2 Rights of Participation.

4.2.1 *Notice*. In connection with any Issuance other than as provided in Section 4.4 (Excluded Transactions), the Issuer shall furnish a notice not fewer than fifteen (15) Business Days prior to the consummation of such Issuance (the "Participation Notice") to each holder of record of Participation Shares (the "Participation Offerees"). The Participation Notice shall include:

(a) the material terms and conditions of the proposed Issuance, including (i) the amount, kind and terms of the Subject Securities to be included in the Issuance, (ii) the number of Equivalent Shares represented by such Subject Securities (if applicable), (iii) the fraction, expressed as a percentage, the numerator of which is the number of Participation Shares held by such Participation Offeree as of the date of the Participation Notice, and the denominator of which is the total number of Shares held by all Participation Offerees as of the date of the Participation Notice, based on the Issuer's books and records, (iv) the product of the numbers specified in clauses (ii) and (iii), rounded to the nearest whole number (the "Participation Portion"), (v) the maximum and minimum cash price (including if applicable, the maximum and minimum Price Per Equivalent Share) per unit of the Subject Securities, (vi) the proposed manner of issuance, (vii) the Person(s) to whom the Subject Securities are proposed to be issued (the "Prospective Subscriber"), and (viii) if known, the proposed or expected Issuance date or a good faith estimate thereof; and

(b) an offer by the Issuer to issue to such Participation Offeree such portion of the Subject Securities up to the Participation Portion, and such additional Subject Securities as may be allocated pursuant to Section 4.2.4 (Determination of the Number of Subject Securities to Be Issued), on the same terms and conditions (subject to Section 4.2.6 (Investor Rights in the Event of Certain Legal Restrictions)), with respect to each unit of Subject Securities as each of the Prospective Subscribers is contemplated to be issued in the Issuance.

4.2.2 *Exercise*. Each Participation Offeree desiring to accept the offer contained in the Participation Notice shall accept such offer by furnishing a written notice of such acceptance to the Issuer (each, a "Participation Acceptance") within ten (10) Business Days after the date of delivery of the Participation Notice (the "Participation Acceptance Deadline") specifying the amount of Subject Securities (which may be less than, equal to or greater than the product of such Participation Offeree's Participation Portion) (the "Participation Requested Amount") which such Participation Offeree desires to be issued to it (each such accepting Participation Offeree, a "Participating Buyer"). Each Participation Offeree who does not accept such offer in compliance with the above requirements, including the Participation Acceptance Deadline, shall be deemed to have waived all of such Participation Offeree's rights to participate only in such Issuance, and the Issuer shall thereafter be free to issue Subject Securities in such Issuance to the Prospective Subscriber and any Participating Buyers, at a price no less than the minimum price set forth in the Participation Notice and on other terms not materially more favorable to the Prospective Subscriber and the Participating Buyer than those set forth in the Participation Notice, without any further obligation to such non-accepting Participation Offerees pursuant to this Section 4 with respect to such Issuance.

4.2.3 *Irrevocable Acceptance*.

(a) The acceptance by each Participating Buyer in its Participation Acceptance shall be irrevocable except as provided in this Section 4.2.3 and Sections 4.2.5 (Time Limitation) and 4.2.6 (Investor Rights in the Event of Certain Legal Restrictions), and each such Participating Buyer shall be bound and obligated to acquire in the Issuance on the same terms and conditions, with respect to each unit of Subject Securities issued, as was offered to the Prospective Subscriber (if any), at a cash price not in excess of the maximum price set forth in the Participation Notice and on other terms not materially less favorable in the aggregate to the Participating Buyer than those set forth in the Participation Notice, such amount of Subject Securities as determined in accordance with Section 4.2.4 (Determination of the Number of Subject Securities to Be Issued).

(b) If, prior to consummation, the terms of such proposed Issuance shall change with the result that the price shall be higher than the maximum price or less than the minimum price set forth in the Participation Notice or the other terms shall be materially less favorable or materially more favorable in the aggregate to the Prospective Subscriber than those set forth in the Participation Notice, the acceptance by each Participating Buyer shall be deemed to be revoked, and it shall be necessary for a separate Participation Notice to be furnished, and the terms and provisions of this Section 4.2 separately complied with, in order to consummate such Issuance pursuant to this Section 4.2; provided, however, that the applicable period to which reference is made in the first sentence of Section 4.2.1 (Notice) and in the first sentence of Section 4.2.2 (Exercise) shall be three (3) Business Days and two (2) Business Days, respectively.

4.2.4 *Determination of the Number of Subject Securities to Be Issued*. The number of Subject Securities that each Participating Buyer is entitled to acquire in the Issuance will be determined as follows. Each Participating Buyer shall be allocated at least a number of Subject Securities equal to the lesser of its Participation Requested Amount and its Participation Portion. In addition, any Subject Securities not allocated pursuant to the preceding sentence shall be allocated among all of the Participating Buyers with a Participation Requested Amount greater than its respective Participation Portion, as nearly as practicable, pro rata with respect to each such Participating Buyer's Participation Portion and up to such Participating Buyer's Participation Requested Amount, until either all of the Subject Securities have been allocated, or each Participating Buyer has been allocated its Participation Requested Amount. If not all of the Subject Securities specified in the Participation Notice have been allocated in accordance with the preceding two sentences, the Issuer shall thereafter be free to issue such remaining Subject Securities to the Prospective Subscriber, at a price no less than the minimum price set forth in the Participation Notice and on other terms not materially more favorable to the Prospective Subscriber than those set forth in the Participation Notice, at the same time and on the same terms as it issues all such allocated Subject Securities to the Participating Buyers. The Company shall be responsible for determining the total number of Subject Securities to be issued to each Participating Buyer and the Prospective Subscriber in accordance with this Section 4.2.4, and shall provide notice to each Participating Buyer of the number of Subject Securities that such Participating Buyer will be issued no later than ten (10) Business Days following the Participation Acceptance Deadline.

4.2.5 *Time Limitation*. If at the end of the ninetieth ($90^{th}$) day after the date of the delivery of the Participation Notice the Issuer has not completed the Issuance (unless the failure to complete such Issuance resulted directly from any failure by the FCC to consent to such Issuance; provided, that such consent is received within one hundred twenty (120) days following such ninetieth ($90^{th}$) day), each Participating Buyer shall be released from such Participating Buyer's obligations under its Participation Acceptance, the Participation Notice and each Participation Acceptance shall be null and void, and it shall be necessary for a separate Participation Notice to be furnished, and the terms and provisions of this Section 4.2 separately complied with, in order to consummate such Issuance pursuant to this Section 4.2.

4.2.6 *Investor Rights in the Event of Certain Legal Restrictions*.

(a) FCC Ownership Restrictions. Notwithstanding anything to the contrary herein, no Participation Offeree shall have the right to purchase Subject Securities that would cause, with respect to Participation Offerees other than Televisa Investors, the Company or such Participation Offeree to be in violation of any applicable Laws or regulations, including the Federal Communications Laws; it being understood that with respect to Televisa Investors, Section 4.2.6(b) (Foreign Ownership Restrictions) shall govern their compliance with applicable Laws or regulations, including the Federal Communications Laws, with respect to their purchase of Subject Securities. If Televisa reasonably believes (in good faith, after consultation with its outside regulatory counsel and with outside regulatory counsel to the Company) that the right of any Televisa Investor to purchase to the full extent set forth under this Section 4.2 (or any lesser amount that the Televisa Investors desire to be issued to them) and the purchase of the Subject Securities pursuant thereto would not be prudent in light of applicable Law, the Company shall, after good faith consultation with Televisa, issue to Televisa warrants in substantially the form of the TV Warrants (it being understood that the economic terms of any such TV Warrants shall be determined so as to be as equivalent as reasonably practicable to the economic terms of the Class A Common Stock and/or Class B Common Stock which Televisa would have otherwise acquired, but in any case the number of shares of Class A Common Stock and/or Class B Common Stock underlying such warrants shall be no less than the number of shares of Class A Common Stock and/or Class B Common Stock that Televisa would have otherwise acquired) in lieu of the Subject Securities, as applicable.

(b) Foreign Ownership Restrictions. In the event that Televisa reasonably believes, after consultation with outside regulatory counsel and with outside regulatory counsel to the Company, that the Televisa Investors' exercise of their right to purchase Subject Securities to the full extent set forth under this Section 4.2 (or any lesser amount that the Televisa Investors desire to be issued to them) could reasonably be expected to be subject to regulatory review due to, or restricted by, Foreign Ownership Restrictions, then each Televisa Investor may, but is not required to, after notice to, and an opportunity for comment by, the Company (it being agreed that any such assignment shall be the sole decision of Televisa and the Company shall have no consent right) assign such participation rights to (i) an FCC-Approved Trust, (ii) any other Person while regulatory or judicial relief is being sought with respect to such Foreign Ownership Restrictions or (iii) any other Person if the FCC has ordered that Televisa reduce its voting or equity ownership in the Company, or Televisa has received written notification from the FCC of an investigation with respect to Televisa's ownership of the Company, and provided, that, in either case in this clause (iii), (x) such Televisa Investor may not assign any participation rights to any of the foregoing Persons if such assignment would cause such Person or the Company to be in violation of any applicable Laws or regulations, including the Federal Communications Laws, and (y) Televisa seeks regulatory or judicial relief related to such order or investigation within four (4) months of the transfer to such Person. The assignment set forth in the preceding sentence shall only be for the period during which such Foreign Ownership Restrictions prevent Televisa from holding such Subject Securities or while Televisa is actively seeking regulatory or judicial relief with respect to the Foreign Ownership Restrictions or from the applicable order or investigation, as applicable (or in the case of clause (iii) of the preceding sentence, prior to the four (4) month anniversary of the transfer to the other Person and thereafter while Televisa is seeking regulatory or judicial relief related to such order or investigation) and once such period terminates, such FCC-Approved Trust or other Person shall assign such rights and transfer such Subject Securities to Televisa or as otherwise permitted under the Transaction Documents or otherwise comply with the terms of any applicable order of the FCC or regulatory or judicial decision. Upon any such assignment set forth in this Section 4.2.6(b), the FCC-Approved Trust or other Person to which such assignment is made shall agree to be bound by the terms of this Agreement in accordance with Section 2.3 (Certain Transferees to Become Parties) as a "Televisa Investor," if Televisa is then a Major Investor, or as an "Other Stockholder," if Televisa is then no longer a Major Investor.

4.3 Certain Terms Applicable to Issuances.

4.3.1 *Further Assurances*. Each Participating Buyer shall use commercially reasonable efforts to take or cause to be taken all such reasonable actions as may be necessary or reasonably desirable to expeditiously consummate each Issuance pursuant to Section 4.2 (Rights of Participation), including executing, acknowledging and delivering consents, assignments, waivers and other documents or instruments; filing applications, reports, returns, filings and other documents or instruments with governmental authorities; and otherwise reasonably cooperating with the Issuer and the Prospective Subscriber (if any). Without limiting the generality of the foregoing, each such Participating Buyer agrees to execute and deliver such subscription and other agreements as may be reasonably specified by the Issuer to which the Prospective Subscriber will be party, the form of which is materially consistent with the form provided to such Participating Buyer with the Participation Notice, or is otherwise reasonably acceptable to such Participating Buyer. In connection with any FCC approval required with regard to any Issuance, the Issuer shall file such FCC applications as it is required to file in order to obtain such FCC approval, and each Participating Buyer shall promptly provide the Issuer with any and all information reasonably necessary, as determined by the Issuer's outside legal counsel (which shall be a nationally recognized law firm with expertise in Federal Communications Laws) in consultation with such Participating Buyer's outside legal counsel, to complete the filing of such applications. The Issuer shall use its reasonable best efforts to obtain such FCC approval, including (a) diligently prosecuting such applications, including opposing any petitions to deny, or other objections filed with respect to, such FCC applications, and (b) promptly taking all other actions reasonably requested by the Participating Buyers as necessary, desirable and/or appropriate to facilitate obtaining such FCC approval. Without limitation to the above, upon prior written request from a Participating Buyer, the Issuer shall convert any voting Subject Securities to be issued to such Participating Buyer into non-voting Subject Securities immediately prior to such Issuance.

4.3.2 *Expenses*. All costs and expenses incurred by (a) the Issuer and (b) the members of the Investor Groups (other than incremental costs incurred in connection with an assignment pursuant to Section 4.2.6 (b) (Foreign Ownership)), in connection with any proposed Issuance of Subject Securities (whether or not consummated), including all attorney's fees and charges, all accounting fees and charges and all finders, brokerage or investment banking fees, charges or commissions, shall be paid by the Company or the Issuer. In addition, all fees and charges of one attorney representing the Participating Buyers (other than the members of the Investor Groups) shall be paid by the Company or the Issuer.

4.3.3 *Closing*. The closing of an Issuance pursuant to Section 4.2 (Rights of Participation) shall take place (a) on the proposed date of Issuance, if any, set forth in the Participation Notice; provided, that consummation of any Issuance may be extended beyond such date in accordance with Section 4.2.5 (Rights of Participation in Issuances: Time Limitation) to the extent necessary to obtain any applicable governmental approval or other required approval (other than any Regulatory Amendment or Waiver) or to satisfy other conditions, (b) if no proposed Issuance date was required to be specified in the Participation Notice, at such time as the Issuer shall specify by notice to each Participating Buyer; provided, that no individual Participating Buyer shall be required, without its consent, to close its particular transaction prior to the date that is fifteen (15) Business Days after the Issuer issues the Participation Notice, and (c) at such place as the Issuer shall specify by notice to each Participating Buyer. At the closing of any Issuance under this Section 4.3.3, each Participating Buyer and the Prospective Subscriber (if any) shall be delivered the notes, certificates or other instruments evidencing the Subject Securities to be issued to such Participating Buyer and Prospective Subscriber, registered in the name of such Participating Buyer or Prospective Subscriber or such holder's designated nominee, free and clear of any liens or encumbrances, with any transfer tax stamps affixed, against delivery by such Participating Buyer and the Prospective Subscriber of the applicable consideration.

4.4 Excluded Transactions. The provisions of Section 4.2 (Rights of Participation) shall not apply to Issuances by any Issuer, subject in all cases to the rights of the Investors under the Governing Documents, as follows:

4.4.1 *Intracompany Issuances*. Any Issuance by a wholly owned subsidiary of the Company to the Company or any wholly owned subsidiary of the Company in their capacity as parent entities of the Issuer;

4.4.2 *Convertible Securities*. Any Issuance of securities upon the exercise or conversion of any capital stock or Convertible Securities outstanding at the Effective Time or issued after the Effective Time in a transaction that complied with the provisions of Section 4.2 (Rights of Participation) (including any conversion of Class A Common Stock or Class B Common Stock into any Common Stock of the other class in accordance with the Charter, or the exercise by Televisa Investors of other rights under the Governing Documents to exchange Shares);

4.4.3 *Equity Pool*. Any Issuance of shares of capital stock or Convertible Securities (in an aggregate amount not to exceed the Equity Pool Cap applicable to the period in which such Issuance is made), in each case to the extent approved by the Board or pursuant to an employment benefit plan or arrangement approved by the Board, to officers, employees, directors or consultants (other than a member of an Investor Group or an Affiliate thereof) of the Company or its subsidiaries in connection with such Person's employment or consulting arrangements with the Company or its subsidiaries;

4.4.4 *Equity Kickers*. Any Issuance of securities, to the extent approved by the Board, to financial institutions, bona fide providers of debt financing, or commercial lenders, in each case that are not Restricted Persons, in connection with the bona fide incurrence or guarantee of Indebtedness (other than Convertible Securities) by the Company or any of its subsidiaries; provided, that such Issuance of securities is not intended to circumvent any provisions of the Governing Documents, including in connection with a Change of Control or Transfer to a Restricted Person, and provided, further, that such Issuance of securities is made together with the issuance of non-convertible/non-exchangeable debt securities and at least 90% of the value received for such Issuance shall be in respect of such non-convertible/non-exchangeable debt securities included in such Issuance;

4.4.5 *Stock Splits*. Any Issuance of securities in connection with any stock split or stock dividend paid on a proportionate basis (which include adjustments pursuant to the provisions in Convertible Securities held by the Televisa Investors or Liberty Ventures) to all holders of Common Stock;

4.4.6 *Joint Ventures and Strategic Transactions*. Any Issuance of shares of Common Stock or Convertible Securities at Fair Market Value as of the date of issuance, in an amount not to exceed, for all such Issuances described in this Section 4.4.6, 10% of the Company's Adjusted Outstanding Common Stock, in connection with any joint venture or strategic transaction, including a business combination or acquisition, entered into primarily for purposes other than raising capital (as determined in good faith by the Board); provided, that if the Person being issued shares of Common Stock or Convertible Securities is an Investor or an Affiliate of an Investor, the members of the Investor Groups Corresponding to the other Investors shall have participation rights under Section 4.2 (Rights of Participation) on any such Issuance; and provided, further that, for the avoidance of doubt, the members of the Investor Groups shall have participation rights under Section 4.2 (Rights of Participation) on any such Issuance to the extent the amount of all such Issuances described in this Section 4.4.6 exceed 10% of the Company's Adjusted Outstanding Common Stock; and

4.4.7 *Spin-Offs*. Any issuance on of capital stock of any direct or indirect subsidiary of the Company to the Stockholders of the Company in order to effect a "spin-off" transaction of a direct or indirect subsidiary of the Company where the percentage of capital stock issued to each Stockholder representing the same percentage of the fully-diluted outstanding equity interests of such subsidiary as the percentage of Shares held by such Stockholder immediately prior to such transaction.

4.5 Period. Each of the foregoing provisions of this Section 4 shall expire (a) with respect to the Managers and Other Stockholders on the earlier of (i) a Change of Control or (ii) the closing of the Initial Public Offering and, (b) with respect to the members of the Investor Groups, upon a Governance Fall-Away Event with respect to the Corresponding Investor.

**5. COVENANTS**

5.1 Annual Budget. Subject to Section 5.3 (Disclosure of Confidential Information), the Company will furnish each Investor with a proposed annual operating budget for the Company and its subsidiaries, as well as any proposed material modifications to such budget or notice of any proposed action that is or would be reasonably likely to result in material variance therefrom.

5.2 Directors' and Officers' Insurance. The Company shall purchase, prior to the Effective Time, and maintain for such periods as the Board shall in good faith determine (provided, that such period shall not be less than six (6) years following cessation of service), at its expense, insurance in an amount determined in good faith by the Board to be appropriate, on behalf of any person who after December 20, 2010 is or was a director or officer of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including any direct or indirect subsidiary of the Company, against any expense, liability or loss asserted against such Person and incurred by such Person in any such capacity, or arising out of such Person's status as such, subject to customary exclusions. The provisions of this Section 5.2 shall survive any termination of this Agreement.

5.3 Disclosure of Confidential Information. The Chairperson may, or at the request of the Chief Executive Officer shall, in each case, in consultation with the Company's outside counsel and outside counsel for any potential Conflicted Investor, determine for such potential Conflicted Investor, whether any information of the Company or any of its subsidiaries should be deemed to be Confidential Information and whether any such Investor should be treated as a Conflicted Investor with respect thereto (other than the case in which the Chairperson is an Affiliate of such potential Conflicted Investor, in which case the disinterested members of the Board shall make such determination); provided, that, notwithstanding the determination of the Chairperson, an Investor will not be treated as a Conflicted Investor with respect to any information if a majority of the disinterested members of the Board agree that such Investor is not a Conflicted Investor with respect to such information. In the event of uncertainty as to whether any particular information should be classified as Confidential Information, the Chairperson and Chief Executive Officer should, acting reasonably, consult with the Company's outside counsel and outside counsel for any potential Conflicted Investor to assure the Company complies with the Company's policies and applicable competition and antitrust Laws. The Chairperson and Chief Executive Officer also should, acting reasonably, discuss with the Company's outside counsel any practical methods to limit the amount of Confidential Information (e.g., by consolidating information on any single competitive market with a broad group of markets that are not competitive vis-à-vis such Conflicted Investor), with the objective of providing as much meaningful information to Conflicted Investors as is practical under the circumstances and does not present a risk of violating or the appearance of violating applicable competition or antitrust Laws. The Company, its subsidiaries, and their respective directors, officers, employees, equity holders, agents and representatives shall not disclose Confidential Information with respect to which any Investor has been found to be a Conflicted Investor to such Conflicted Investor or any Affiliate thereof (including any Board Designee or Board Observer designated by such Investor). Each Conflicted Investor shall cause any Board Designee or Board Observer designated by such Investor to recuse himself, herself or themself from any portion of a meeting of the Board regarding the applicable Confidential Information. The Investors will use good faith efforts to conduct meetings of the Board (and its committees) in a manner that limits the amount of time such Board Designees or Board Observer are required to be recused from the meetings. For the avoidance of doubt, Televisa shall not be deemed to be a Conflicted Investor for ***-related matters (other than disputes under the *** and negotiations regarding any commercial terms of the ***).

5.4 Company Debt. Each of the members of the Investor Groups agrees that it will not, in its capacity as a holder of any Indebtedness of the Company or its subsidiaries, take action that would result in an event of default or acceleration under such Indebtedness, or initiate an involuntary bankruptcy filing with respect to the Company or any of its subsidiaries; provided, that the foregoing shall not in any respect restrict the ability of any member of an Investor Group to exercise its rights in the event of that the Company or any of its subsidiaries commences or becomes subject to (voluntarily or involuntarily) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors or any general assignment for the benefit of creditors, composition, marshaling of assets for creditors, or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors, in each case undertaken under the Laws of any jurisdiction.

5.5 Historical Financial Information. The Company will furnish the following to each Person that is an Investor as of the date hereof, with respect to any fiscal year beginning prior to the later of (a) the date such Person is no longer an Investor and (b) the date such Person, together with its Corresponding Investor Group, ceases to own at least ten percent (10%) of the Shares then outstanding:

5.5.1 *Annual Financial Statements*. As soon as available, and in any event within ninety (90) days after the end of each fiscal year of the Company, (a) the consolidated balance sheet of the Company and its subsidiaries as at the end of each such fiscal year and the consolidated statements of income, cash flows and changes in stockholders' equity for such year of the Company and its subsidiaries, in each case as would be required to be included in an annual report on Form 10-K (or any successor form) if the Company were subject to the filing requirements of the Exchange Act and setting forth in each case in comparative form the figures for the next preceding fiscal year, (b) the report of independent certified public accountants of recognized national standing, to the effect that, except as set forth therein, such consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a basis consistent with prior years and fairly present in all material respects the financial condition of the Company and its subsidiaries at the dates thereof and the results of their operations and changes in their cash flows and stockholders equity for the periods covered thereby, (c) the information described in Item 303 of Regulation S-K under the Securities Act (or any successor item) with respect to such period, and (d) all pro forma and historical information in respect of any significant transaction, as determined in accordance with Rule 3-05 of Regulation S-X under the Securities Act (or any successor rule), consummated more than 75 days prior to the date such information is furnished, for the time period for which such information would be required to be included in a current report on Form 8-K (or any successor form) as of such date if the Company were subject to the filing requirements of the Exchange Act.

5.5.2 *Quarterly Financial Statements*. As soon as available, and in any event within forty-five (45) days after the end of each fiscal quarter of the Company for the first three fiscal quarters of a fiscal year, (a) the consolidated balance sheet of the Company and its subsidiaries as at the end of such quarter and the consolidated statements of income for such quarter and the portion of the fiscal year then ended of the Company and its subsidiaries, in each case in each case as would be required to be included in a quarterly report on Form 10-Q (or any successor form) if the Company were subject to the filing requirements of the Exchange Act, prepared in accordance with generally accepted accounting principles applied on a basis consistent with prior years (without footnote disclosure and subject to year-end adjustments), and setting forth in each case the figures for the corresponding periods of the previous fiscal year, or, in the case of such balance sheet, for the last day of such fiscal year, in comparative form, all in reasonable detail, (b) a Statement on Auditing Standards 100 review by the Company's independent accountants, (c) the information described in Item 303 of Regulation S-K under the Securities Act (or any successor item) with respect to such period, and (d) all pro forma and historical information in respect of any significant transaction, as determined in accordance with Rule 3-05 of Regulation S-X under the Securities Act (or any successor rule), consummated more than 75 days prior to the date such information is furnished, for the time period for which such information would be required to be included in a current report on Form 8-K (or any successor form) as of such date if the Company were subject to the filing requirements of the Exchange Act and.

5.5.3 *IFRS Reconciliation*. The Company shall prepare and provide to Televisa, at Televisa's sole cost and expense, concurrently with and for so long as the Company is obligated to provide to Televisa the financial information set forth in Sections 5.5.1 (Annual Financial Statements) and 5.5.2 (Quarterly Financial Statements), reconciliations of the financial information set forth in Sections 5.5.1 (Annual Financial Statements) and 5.5.2 (Quarterly Financial Statements) from generally accepted accounting principles in the United States or other basis on which such financial information is prepared to the International Financial Reporting Standards, consistent with the accounting principles agreed by Televisa and the Company from time to time, for use by Televisa in preparing, and incorporation into, Televisa's financial reporting (the "Reconciliation Information"). In this respect:

(a) The Audit Committee shall approve the terms upon which the accountants and other professionals are engaged to prepare the Reconciliation Information including compensation (the "Reconciliation Compensation") on a yearly basis; provided, however, that to the extent that the proposed Reconciliation Compensation for any year is more than (i) five percent (5%) higher than the Reconciliation Compensation approved by the Audit Committee in the previous year, or (ii) $250,000, the Company (A) shall notify Televisa of the proposed Reconciliation Compensation prior to its submission to the Audit Committee and (B) shall not agree or pay such Reconciliation Compensation without Televisa's consent to the proposed Reconciliation Compensation, such consent not to be unreasonably withheld; provided, further, that to the extent the accountants or other professionals engaged to prepare the Reconciliation Information are not those engaged in the previous year, the Company shall notify Televisa of such proposed change.

(b) Televisa may request that for a particular fiscal year, the Reconciliation Information is not provided, in which case Televisa shall not pay any Reconciliation Compensation. In the event that the reconciliation of the financial information contemplated by this Section 5.5.3 is suspended for any cause at any time, Televisa shall only be required to pay the Reconciliation Compensation incurred for the portion of the work performed by the accountants and professionals engaged to do so, up to the date of the suspension.

(c) Televisa shall reimburse the Company for all costs and expenses incurred by outside accountants or other professionals, from time to time, in connection with preparing and providing the Reconciliation Information, within ten (10) Business Days of being provided with an invoice or invoices for such costs and expense.

5.6 Tax Reporting Information. The Company shall furnish on a timely basis any information reasonably requested in writing by any member of an Investor Group that is required for such member (or one or more of such Stockholder's direct or indirect equity owners) to satisfy its tax return filing requirements, if any, arising from such member of an Investor Group's investment in the Company. Any such requesting member of an Investor Group shall reimburse the Company for any reasonable expenses incurred by the Company in connection with furnishing such information.

5.7 Confidentiality. Each Stockholder agrees that it will keep confidential and will not disclose, divulge or use for any purpose, other than to monitor its investment in the Company and its subsidiaries (or, in the case of information relating to a Change of Control, to evaluate, negotiate and implement the terms and conditions of such Change of Control, as applicable), any Confidential Information obtained from the Company, unless such Confidential Information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 5.7 by such Stockholder or its Affiliates), (b) is or has been independently developed or conceived by such Stockholder without use of the Company's Confidential Information or (c) is or has been made known or disclosed to such Stockholder by a third party (other than an Affiliate of such Stockholder) without a breach of any obligation of confidentiality such third party may have to the Company that is known to such Stockholder; provided, that a Stockholder may disclose Confidential Information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company (or, in the case of information relating to a Change of Control, to evaluate, negotiate and implement the terms and conditions of such Change of Control, as applicable), (ii) to any prospective purchaser of any Shares from such Stockholder permitted under this Agreement as long as such prospective purchaser agrees to be bound by a customary confidentiality agreement with respect to any such information, (iii) to any Affiliate, partner or member of such Stockholder and their respective directors, employees and consultants, in each case in the ordinary course of business, (iv) as may be reasonably determined by such Stockholder to be necessary in connection with such Stockholder's enforcement of its rights in connection with this Agreement or its investment in the Company and its subsidiaries or (v) as may otherwise be required by applicable Law or legal, judicial, tax or regulatory process, provided, that such Stockholder takes reasonable steps to minimize the extent of any required disclosure described in this clause (v) (other than in connection with filings required under applicable securities or stock exchange Laws); and provided, further, that the acts and omissions of any Person to whom such Stockholder may disclose Confidential Information pursuant to clauses (i) through (iii) of the preceding proviso shall be attributable to such Stockholder for purposes of determining such Stockholder's compliance with this Section 5.7. Each of the parties hereto acknowledge that the Investors or any of their Affiliates may review the business plans and related proprietary information of any enterprise, including any enterprise which may have products or services which compete directly or indirectly with those of the Company and its subsidiaries, and may trade in the securities of such enterprise.

5.8 Indemnity and Liability, Reimbursement.

5.8.1 *Indemnification by the Company, Midco and UCI*. Each of the Company, Midco and UCI, jointly and severally, will indemnify, exonerate and hold each of the Investors, and each of their respective partners, shareholders, members, Affiliates, directors, officers, fiduciaries, managers, controlling Persons, employees and agents and each of the partners, shareholders, members, Affiliates, directors, officers, fiduciaries, managers, controlling Persons, employees and agents of each of the foregoing (collectively, the "Indemnitees") free and harmless from and against any and all actions, causes of action, suits, claims, liabilities, losses, damages and costs and out-of-pocket expenses in connection therewith (including reasonable attorneys' and accountants' fees and expenses) incurred by the Indemnitees or any of them before or after the date of this Agreement (collectively, the "Indemnified Liabilities") solely in respect of or in connection with, any Third-Party Claims arising as a result of, arising out of, or in any way relating to:

(a) (i) this Agreement and the other Governing Documents, (ii) the Purchase Agreement, the Subscription Agreement, the 2020 Transaction, and all other agreements entered into in connection therewith, or (iii) any transaction to which any of the Company, Midco or UCI is a party or any other circumstances with respect to any of the Company, Midco or UCI (other than any such Indemnified Liabilities to the extent such Indemnified Liabilities arise out of any breach of the Governing Documents by such Indemnitee or its affiliated or associated Indemnitees or other related Persons); or

(b) operations of, or services provided by any of the Indemnitees to, any of the Company, Midco or UCI, or any of their Affiliates pursuant to the Service Agreements;

provided, that the foregoing indemnification rights shall not be available in the event that any such Indemnified Liabilities arose on account of such Indemnitee's gross negligence or willful misconduct; provided, further that, if and to the extent that the foregoing undertaking may be unavailable or unenforceable for any reason, the Company, Midco or UCI will make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable Law. For purposes of this Section 5.8.1, none of the circumstances described in the limitations contained in the two provisos in the immediately preceding sentence shall be deemed to apply absent a final non-appealable judgment of a court of competent jurisdiction to such effect, in which case to the extent any such limitation is so determined to apply to any Indemnitee as to any previously advanced indemnity payments made by any of the Company, Midco or UCI, then such payments shall be promptly repaid by such Indemnitee to the Company, Midco and UCI. The indemnification set forth in this Section 5.8.1 shall not apply, and there shall be no indemnification by the Company, Midco, UCI or any of their subsidiaries, with respect to any investment losses or other liabilities that may be incurred by any Stockholder or its associated Indemnitees arising solely in such Stockholder's capacity as a stockholder (directly or indirectly) of the Company and its subsidiaries.

5.8.2 *Other Indemnification Rights*. The rights of any Indemnitee to indemnification hereunder will be in addition to any other rights any such Person may have under any other agreement or instrument referenced above or any other agreement or instrument to which such Indemnitee is or becomes a party or is or otherwise becomes a beneficiary or under law or regulation. None of the Indemnitees shall in any event be liable to any of the Company, Midco or UCI or any of their Affiliates, for any act or omission suffered or taken by such Indemnitee that does not constitute gross negligence or willful misconduct (for purposes of this Section 5.8.2, gross negligence or willful misconduct shall not be deemed to apply absent a final, non-appealable judgment of a court of competent jurisdiction to such effect). A "Third-Party Claim" means any (a) claim brought by a Person other than the Company, Midco, UCI or any of their subsidiaries or, with respect to an Investor, other than a member of the Corresponding Investor Group or, with respect to an Indemnitee, other than such Indemnitee and (b) any derivative claim brought in the name of the Company, Midco, UCI or any of their respective subsidiaries that is initiated by a Person, with respect to an Investor, other than a member of the Corresponding Investor Group or, with respect to any Indemnitee, other than such Indemnitee.

5.9 No Fiduciary Duties. Notwithstanding any other provision of this Agreement, to the extent that, at law or in equity, any Investor, members of the Board and the Board Observer designated by the Investors, members of the Investor Groups and Affiliates thereof (with respect to any Investor, "Covered Persons") has duties (including fiduciary duties) to the Company, Midco, or UCI, to another Stockholder, to any Person who acquires an interest in any Shares or to any other Person bound by this Agreement, all such duties (including fiduciary duties) are hereby eliminated, to the fullest extent permitted by Law, and replaced with the duties or standards expressly set forth herein, if any. This elimination of duties (including fiduciary duties) and replacement thereof with the duties or standards expressly set forth herein, if any, are approved by the Board, the Company, Midco, and UCI, each Stockholder, and each other Person bound by this Agreement, and shall be deemed to be approved be each Person who acquires an interest in any Shares.

5.10 Opportunities. Subject to Section 5.7, (Confidentiality) each of the parties hereto acknowledge that the members of the Investor Groups or any of their Affiliates may review the business plans and related proprietary information of any enterprise, including an enterprise which may have products or services which compete directly or indirectly with those of the Company, and may trade in the securities of such enterprise. Nothing in this Agreement shall preclude or in any way restrict the members of the Investor Groups or their Affiliates from investing or participating in any particular enterprise, or trading in the securities thereof whether or not such enterprise has products or services that compete with those of the Company. Notwithstanding anything to the contrary herein, the parties expressly acknowledge and agree that: (a) the Investors, members of the Board of Directors and the Board Observer designated by the Investors, members of the Investor Groups, and Affiliates thereof, have the right to, and shall have no duty (contractual or otherwise) not to, directly or indirectly, engage in the same or similar business activities or lines of business as the Company, Midco or UCI or any of their respective Affiliates, including those deemed to be Competitors or Restricted Persons, (b) in the event an Investor, member(s) of the Board of Directors or the Board Observer designated by such Investor, members of the Investor Groups or Affiliates thereof, directly or indirectly, engage (whether as owner, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than 5% of the outstanding stock of a publicly traded company) in the same or similar business activities or lines of business as the Company, Midco or UCI or any of their respective Affiliates, including those deemed to be Competitors or Restricted Persons, such Investor shall promptly disclose to the Board, in reasonable detail, the nature and identity of such business activities or lines of business and shall provide the Board additional information as reasonably requested thereby in connection with such activity, subject in all respects to the right not to communicate or present information regarding corporate opportunities set forth in the following clause (c), and (c) in the event that an Investor, members of the Board of Directors or the Board Observer designated by such Investor, members of the Investor Groups or any Affiliate thereof acquires knowledge of a potential transaction or matter that may be a corporate opportunity for any of the Company, Midco, UCI or any Affiliate thereof, such Investor, members of the Board of Directors or the Board Observer designated by such Investors, members of the Corresponding Investor Group or Affiliate thereof shall have no duty (contractual or otherwise) to communicate or present such corporate opportunity to the Company, Midco, UCI or any Affiliate thereof, as the case may be, and, notwithstanding any provision of this Agreement to the contrary, shall not be liable to the Company, Midco, UCI or any Affiliate thereof or the Stockholders for breach of any duty (contractual or otherwise) by reason of the fact that such Investor, or any Affiliate thereof, directly or indirectly, pursues or acquires such opportunity for itself, directs such opportunity to another Person, or does not present such opportunity to the Company.

**6. REGISTRATION RIGHTS**

6.1 Demand Registration Rights.

6.1.1 *General*. Following an Initial Public Offering, each Investor (the "Demand Initiating Investor"), by notice to the Company specifying the amount and intended method or methods of disposition, may request (a "Demand Registration Request") that the Company effect the registration under the Securities Act for a Public Offering (including by means of a shelf registration pursuant to Rule 415 if so requested by the Demand Initiating Investor if the Company is then eligible to use such registration) (a "Demand Registration") of all or a specified part of the Registrable Securities held by such Demand Initiating Investor and the Corresponding Investor Group; provided, that:

(a) the Company shall not be obligated to file a registration statement relating to any Demand Registration Request under this Section 6.1.1 within a period of 180 days after the effective date of any other registration statement relating to any Demand Registration Request without the consent of the Board (provided, that if the Company determines to include shares for its own account in a registration statement filed pursuant to a Demand Registration Request resulting in the Demand Initiating Investor being permitted to register not more than 50% of the Registrable Securities that it requested to register, then this clause (a) shall not limit the ability of any Demand Initiating Investors to make additional Demand Registration Requests within such 180 day period);

(b) the Company shall not be obligated to file (i) registration statements pursuant to more than two (2) Demand Registration Requests in any 365 day period if such registration cannot be effected by the filing of a registration statement on Form S-3 (or more than three (3) Demand Registration Requests in any 365 day period if such registration could be effected by the filing of a registration statement on Form S-3) or (ii) registration statements in response to more than two (2) Demand Registration Requests of any one Demand Initiating Investor (provided, that if the Company determines to include shares for its own account in such registration statement resulting in the Demand Initiating Investor being permitted to register not more than 80% of the Registrable Securities that it requested to register, then such request shall not be deemed to be a Demand Registration Request for purposes of this clause (b)); and

(c) the value of Registrable Securities that the Demand Initiating Investor proposes to sell in such Public Offering must be at least (i) fifty million dollars ($50,000,000), if such registration cannot be effected by the filing of a registration statement on Form S-3 or (ii) twenty-five million dollars ($25,000,000), if such registration could be effected by the filing of a registration statement on Form S-3.

6.1.2 *Company Efforts*. For the avoidance of doubt, the Company shall not include any securities, other than Registrable Securities, for its own account in a registration pursuant to this Section 6.1. The Company will then use its best efforts to (a) effect the registration under the Securities Act of the Registrable Securities which the Company has been requested to register by the Demand Initiating Investor together with all other Registrable Securities which the Company has been requested to register pursuant to Section 6.2 (Piggyback Registration Rights), all to the extent required to permit the disposition (in accordance with the intended methods thereof specified in the Demand Registration Request) of the Registrable Securities which the Company has been so requested to register, and (b) obtain acceleration of the effective date of the registration statement relating to such registration; provided, that the Company shall not be obligated to effect any such registration pursuant to this Section 6.1:

(a) during the unwaived effectiveness of any Lock-Up Agreement entered into by the Demand Initiating Investor in connection with any registration statement pertaining to an underwritten Public Offering; and

(b) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act.

6.1.3 *Form*. Except as otherwise provided above or required by applicable Law, so long as the Company is eligible and qualified to register Registrable Securities on Form S-3 (or any successor or similar short form registration statement) each registration requested pursuant to Section 6.1.1 (General) shall be effected by the filing of a registration statement on Form S-3 (or any other form which includes substantially the same information as would be required to be included in a registration statement on such form as currently constituted); provided, that if any registration requested pursuant to this Section 6.1 is proposed to be effected on Form S-3 (or any successor or similar short form registration statement) and is in connection with an underwritten offering, and if the managing underwriter shall advise the Company in writing that, in its opinion, it is of material importance to the success of such proposed offering to file a registration statement on Form S-1 (or any successor or similar registration statement) or to include in such registration statement information not required to be included pursuant to Form S-3 (or any successor or similar short form registration statement), then the Company will file a registration statement on Form S-1 or supplement Form S-3 (or any successor or similar short form registration statement) as reasonably requested by such managing underwriter.

6.1.4 *Payment of Expenses*. The Company shall pay all Registration Expenses in connection with registrations of Registrable Securities pursuant to this Section 6.1, including all reasonable expenses (other than fees and disbursements of counsel that do not constitute Registration Expenses) that any member of an Investor Group incurs in connection with each registration of Registrable Securities requested pursuant to this Section 6.1.

6.1.5 *Additional Procedures*. In the case of a registration pursuant to this Section 6.1, whenever the Demand Initiating Investor shall direct that such registration shall be effected pursuant to an underwritten offering, the Company shall include such information in the written notices to holders of Registrable Securities referred to in Section 6.2.1(a) (General). In such event, the right of any member of an Investor Group to have Registrable Securities owned by such member of an Investor Group included in such registration pursuant to this Section 6.1 shall be conditioned upon such Person's participation in such underwriting and the inclusion of such Person's Registrable Securities in the underwriting. If directed to do so by the Demand Initiating Investor, the Company together with the members of the Investor Groups proposing to distribute their Registrable Securities through the underwriting, will enter into an underwriting agreement with the underwriters for such offering containing such representations and warranties by the Company and such members of the Investor Groups and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions, including customary indemnity and contribution provisions (subject, in each case, to the limitations on such liabilities set forth in this Agreement).

6.1.6 *Suspension of Registration*. If the filing, initial effectiveness or continued use of a registration statement, including a shelf registration statement pursuant to Rule 415, in respect of a registration pursuant to this Section 6.1 at any time would require the Company to make a public disclosure of material non-public information, which disclosure in the good faith judgment of the Board (after consultation with the Company's outside legal counsel) (a) would be required to be made in any registration statement so that such registration statement would not be materially misleading, (b) would not be required to be made at such time but for the filing, effectiveness or continued use of such registration statement and (c) would have a material adverse effect on the Company or its business or on the Company's ability to effect a material proposed acquisition, disposition, financing, reorganization, recapitalization or similar transaction, then the Company may, upon giving prompt written notice of such action to the Investors participating in such registration, delay the filing or initial effectiveness of, or suspend use of, such registration statement; provided, that the Company shall not be permitted to do so (i) more than two (2) times during any twelve (12) month period, (ii) for a period exceeding forty-five (45) days on any one occasion or (iii) for periods exceeding, in the aggregate, ninety (90) days in any twelve (12) month period. In the event the Company exercises its rights under the immediately preceding sentence, such Investors and the members of their Corresponding Investor Groups agree to suspend, promptly upon their receipt of the notice referred to above, their use of any Prospectus relating to such registration in connection with any sale or offer to sell Registrable Securities. The Company shall promptly notify such Investors of the expiration of any period during which it exercised its rights under this Section 6.1.6. The Company agrees that, in the event it exercises its rights under this Section 6.1.6, it shall, within forty-five (45) days following such Investors' receipt of the notice of suspension, update the suspended registration statement as may be necessary to permit the members of the Investor Groups to resume use thereof in connection with the offer and sale of their Registrable Securities in accordance with applicable Law.

6.2 Piggyback Registration Rights.

6.2.1 *Piggyback Registration*.

(a) General. Each time the Company proposes to register any shares of Common Stock under the Securities Act on a form which would permit registration of Registrable Securities for sale to the public, for its own account and/or for the account of any other Person (pursuant to Section 6.1 (Demand Registration Rights) or otherwise) for sale in a Public Offering, the Company will give notice of its intention to do so to each member of the Investor Groups ("Piggyback Eligible Holder"). Any Piggyback Eligible Holder may, by written response delivered to the Company within fifteen (15) days after the date of delivery of such notice, request that all or a specified part of such Piggyback Eligible Holder's Registrable Securities be included in such registration. The Company thereupon will use its best efforts to cause to be included in such registration under the Securities Act all Registrable Securities which the Company has been so requested to register by such Piggyback Eligible Holders, to the extent required to permit the disposition (in accordance with the methods to be used by the Company or, pursuant to Section 6.1 (Demand Registration Rights), other Piggyback Eligible Holders in such Public Offering) of the Registrable Securities to be so registered; provided, that (i) if, at any time after giving written notice of its intention to register any securities, the Company shall for any reason not proceed with the proposed registration of the securities to be sold by it and/or for the account of any other Person (pursuant to Section 6.1 (Demand Registration Rights) or otherwise), the Company shall give written notice thereof to each Piggyback Eligible Holder and, thereupon, if the Company so specifies in such notice, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith), and (ii) if such registration involves an underwritten offering, all Piggyback Eligible Holders requesting to be included in the Company's registration must sell their Registrable Securities to the underwriters on the same terms and conditions as apply to the Company (with such differences as may be customary or appropriate in combined primary and secondary offerings); provided, further, for the avoidance of doubt, that no holder of Registrable Securities shall be obligated to sell any Registrable Securities unless and until, and then only, to the extent that, such holder has agreed to do so at the pricing of the relevant offering. No registration of Registrable Securities effected under this Section 6.2 shall relieve the Company of any of its obligations to effect registrations of Registrable Securities pursuant to Section 6.1 (Demand Registration Rights).

(b) Excluded Transactions. The Company shall not be obligated to effect any registration of Registrable Securities under this Section 6.2 incidental to the registration of any of its securities in connection with:

(i) Any Public Offering relating to employee benefit plans or dividend reinvestment plans;

(ii) Any Public Offering relating to the acquisition or merger after the date hereof by the Company or any of its subsidiaries of or with any other businesses except to the extent such Public Offering is for the sale of securities for cash; or

(iii) Any Public Offering up to and including the Qualified Public Offering in which no Investor or other Stockholder participates, except to the extent the Board otherwise determines.

6.2.2 *Payment of Expenses*. The Company will pay all Registration Expenses in connection with registrations of Registrable Securities pursuant to this Section 6.2.

6.2.3 *Additional Procedures*. Piggyback Eligible Holders participating in any Public Offering pursuant to this Section 6.2 shall take all such actions and execute all such documents and instruments that are reasonably requested by the Company to effect the sale of their Registrable Securities in such Public Offering, including being parties to any underwriting agreement entered into by the Company and any other selling shareholders in connection therewith and being liable in respect of the representations and warranties and the other agreements (including customary selling stockholder representations, warranties and indemnifications) for the benefit of the underwriters contained therein; provided, that (a) with respect to individual representations, warranties, indemnities and agreements of sellers of Registrable Securities in such Public Offering, the aggregate amount of such liability shall not exceed such Piggyback Eligible Holder's net proceeds from such offering, and (b) to the extent selling stockholders give further representations, warranties and indemnities in respect of the Company or the business of the Company, then with respect to all other representations, warranties and indemnities of sellers of shares in such Public Offering, the aggregate amount of such liability shall not exceed the lesser of (i) such Piggyback Eligible Holder's pro rata portion of any such liability, in accordance with such holder's portion of the total number of Registrable Securities included in such offering, and (ii) such Piggyback Eligible Holder's net proceeds from such offering.

6.2.4 *Registration Statement Form*. The Company shall select the registration statement form for any registration pursuant to this Section 6.2 (other than a registration that is also pursuant to Section 6.1 (Demand Registration Rights)); provided, that if any registration requested pursuant to this Section 6.2 is proposed to be effected on Form S-3 (or any successor form) and is in connection with an underwritten offering, and if the managing underwriter shall advise the Company in writing that, in its opinion, it is of material importance to the success of such proposed offering to include in such registration statement information not required to be included pursuant to such form, then the Company will supplement such registration statement as reasonably requested by such managing underwriter.

6.3 Other Registration Provisions.

6.3.1 *Underwriter's Cutback*.

(a) In connection with any registration of Shares, the underwriter may determine that marketing factors (including an adverse effect on the per share offering price) require a limitation of the number of Shares to be underwritten. Notwithstanding any contrary provision of this Section 6 and subject to the terms of this Section 6.3.1, the underwriter may limit the number of Shares which would otherwise be included in such registration by excluding any or all Registrable Securities from such registration, it being understood that, if the registration in question involves primarily a registration for sale of securities for the Company's own account, then the number of Shares which the Company seeks to have registered in such registration shall not be subject to exclusion, in whole or in part, under this Section 6.3.1. Upon receipt of notice from the underwriter of the need to reduce the number of Shares to be included in the registration, the Company shall advise all holders of the Company's securities that would otherwise be registered and underwritten pursuant hereto, and the number of Shares of such securities, including Registrable Securities, that may be included in the registration shall be allocated in the following manner: Shares, other than Registrable Securities, requested to be included in such registration by other stockholders shall be excluded unless the Company has granted registration rights which are to be treated on an equal basis with Registrable Securities for the purpose of the exercise of the underwriter cutback (such shares afforded such equal treatment being "Parity Shares"); and, if a limitation on the number of Shares is still required, the number of Registrable Securities and Parity Shares that may be included in such registration shall be allocated among the holders thereof in proportion, as nearly as practicable, as follows: to each such holder requesting that its Registrable Securities or Parity Shares be registered in such registration a number of such shares to be included in such registration equal to the lesser of (A) the number of such shares of Registrable Securities or Parity Shares requested to be registered by such holder, and (B) a number of such shares equal to such holder's Registration Pro Rata Portion.

(b) Upon delivery of a written request that Registrable Securities be included in the underwriting pursuant to Section 6.1.1 (General) or 6.2.1(a) (General), the holder thereof may not thereafter elect to withdraw therefrom without the written consent of the Company; provided, that, if the managing underwriter of any underwritten offering shall advise the holders of Registrable Securities participating in a registration pursuant to Section 6.1 (Demand Registration Rights) that the Registrable Securities covered by the registration statement cannot be sold in such offering within a price range acceptable to the Demand Initiating Investor, then such Demand Initiating Investor shall have the right to notify the Company that they have determined that the registration statement be abandoned or withdrawn, in which event the Company shall abandon or withdraw such registration statement; provided, further, that if the price to the public at which the Registrable Securities are proposed to be sold will be less than 90% of the average closing price of the class of stock being sold in the offering during the ten (10) trading days preceding the date on which notice of such offering was given pursuant to Section 6.2.1(a) (General), then a holder of Registrable Securities participating in such registration pursuant to Section 6.1 (Demand Registration Rights) or 6.2 (Piggyback Registration Rights) may elect to withdraw from such registration by written notice to the Company. The Company may, but shall not be required to, extend a similar withdrawal right to other holders of Registrable Securities or Parity Shares.

6.3.2 *Registration Procedures*. If and in each case when the Company is required to effect a registration of any Registrable Securities as provided in this Section 6, the Company shall promptly:

(a) prepare and, in any event within sixty (60) days (forty-five (45) days in the case of a Form S-3 registration) after the end of the period under Section 6.2.1(a) (General) within which a piggyback request for registration may be given to the Company, file with the Commission a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective as soon as practicable, and in any event within ninety (90) days after the initial filing;

(b) prepare and file with the Commission such amendments and supplements to such registration statement and the Prospectus or Free Writing Prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period not in excess of two hundred and seventy (270) days or two (2) years in the case of shelf registration statements (or, in either case, such shorter period which will terminate when all Registrable Securities covered by such registration statement have been sold) and to comply with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement; provided, that before filing a registration statement, Prospectus or Free Writing Prospectus, or any amendments or supplements thereto in accordance with Section 6.1 (Demand Registration Rights) or 6.2 (Piggyback Registration Rights), the Company will furnish to counsel selected pursuant to Section 6.3.3 (Selection of Underwriters and Counsel) copies of all documents proposed to be filed, which documents will be subject to the review of such counsel;

(c) furnish to each seller of such Registrable Securities such number of copies of such registration statement and of each amendment and supplement thereto (in each case including all exhibits filed therewith), such number of copies of the Prospectus or Free Writing Prospectus included in such registration statement (including each preliminary prospectus and summary prospectus), in conformity with the requirements of the Securities Act, and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities by such seller;

(d) use its best efforts to register or qualify such Registrable Securities covered by such registration in such jurisdictions as each seller shall reasonably request, and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction where, but for the requirements of this clause (d), it would not be obligated to be so qualified or to consent to general service of process in any such jurisdiction;

(e) promptly notify, each seller of any such Registrable Securities covered by such registration statement, at any time when a Prospectus or a Free Writing Prospectus relating thereto is required to be delivered under the Securities Act, of the Company's becoming aware that the Prospectus or the Free Writing Prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and at the request of any such seller, prepare and furnish to such seller a reasonable number of copies of an amended or supplemental Prospectus or Free Writing Prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such Prospectus or Free Writing Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(f) otherwise use its best efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable (but not more than eighteen (18) months) after the effective date of the registration statement, an earnings statement which shall satisfy the provisions of Section 11(a) of the Securities Act;

(g) use its best efforts to (i) list such Registrable Securities on any securities exchange or authorize for quotation on each other market (including, if applicable, the NASDAQ market ("NASDAQ")) on which the Common Stock is then listed or authorized for quotation if such Registrable Securities are not already so listed or authorized for quotation; and to (ii) provide a transfer agent and registrar for such Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(h) enter into such customary agreements (including an underwriting agreement in customary form), which may include indemnification provisions in favor of underwriters and other Persons in addition to the provisions of Section 6.4 (Indemnification and Contribution) hereof, and take such other actions as the Company or the underwriters, if any, reasonably requested in order to expedite or facilitate the disposition of such Registrable Securities;

(i) obtain a "cold comfort" letter or letters from the Company's independent public accountants in customary form and covering matters of the type customarily covered by "cold comfort" letters as the Company shall reasonably request;

(j) make available for inspection by any seller of such Registrable Securities covered by such registration statement, by any managing underwriter or underwriters participating in any disposition to be effected pursuant to such registration statement and by any attorney, accountant or other agent retained by any such seller or any such managing underwriter(s), all pertinent financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries, and cause all of the Company's and its subsidiaries' officers, directors and employees to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement (subject to each party referred to in this clause (j) entering into customary confidentiality agreements in a form reasonably acceptable to the Company);

(k) notify counsel (selected pursuant to Section 6.3.3 (Selection of Underwriters and Counsel) hereof) for the holders of Registrable Securities included in such registration statement, the Stockholders including Registrable Securities in such registration statement, and the managing underwriter or agent, immediately, and confirm the notice in writing (i) when the registration statement, or any post-effective amendment to the registration statement, shall have become effective, or any supplement to the Prospectus or the Free Writing Prospectus or any amendment to the Prospectus or the Free Writing Prospectus shall have been filed, (ii) of the receipt of any comments from the Commission, (iii) of any request of the Commission to amend the registration statement or amend or supplement the Prospectus or the Free Writing Prospectus or for additional information, and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the registration statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the registration statement for offering or sale in any jurisdiction, or of the institution or threatening of any proceedings for any of such purposes;

(l) make commercially reasonable efforts to prevent the issuance of any stop order suspending the effectiveness of the registration statement or of any order preventing or suspending the use of any preliminary Prospectus and, if any such order is issued, to obtain the withdrawal of any such order as soon as practicable;

(m) if requested by the managing underwriter or agent or any holder of Registrable Securities covered by the registration statement, incorporate in a Prospectus or Free Writing Prospectus supplement or post-effective amendment such information as the managing underwriter or agent or such holder reasonably requests to be included therein, including, with respect to the number of Registrable Securities being sold by such holder to such underwriter or agent, the purchase price being paid therefor by such underwriter or agent and with respect to any other terms of the underwritten offering of the Registrable Securities to be sold in such offering; and make all required filings of such Prospectus or Free Writing Prospectus supplement or post-effective amendment as soon as practicable after being notified of the matters incorporated in such Prospectus or Free Writing Prospectus supplement or post-effective amendment;

(n) cooperate with the holders of Registrable Securities covered by the registration statement and the managing underwriter or agent, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing securities to be sold under the registration statement, and enable such securities to be in such denominations and registered in such names as the managing underwriter or agent, if any, or such holders may request;

(o) obtain for delivery to the holders of Registrable Securities being registered and to the underwriter or agent an opinion or opinions from counsel for the Company in customary form and in form, substance and scope reasonably satisfactory to such holders, underwriters or agents and their counsel;

(p) cooperate with each seller of Registrable Securities and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with NASDAQ; and

(q) use its best efforts to make available the executive officers of the Company to participate with the holders of Registrable Securities and any underwriters in any "road shows" that may be reasonably requested by such holders in connection with distribution of the Registrable Securities.

6.3.3 *Selection of Underwriters and Counsel*. The underwriters to be retained by the Company in connection with any Demand Registration pursuant to Section 6.1 (Demand Registration Rights) shall be selected by the Demand Initiating Investor with the consent of the Company (such consent not to be unreasonably withheld or delayed). The legal counsel to be retained by the Company in connection with any Demand Registration pursuant to Section 6.1 (Demand Registration Rights) shall be selected by the Company, subject to the approval of the Demand Initiating Investor (such consent not to be unreasonably withheld or delayed). The underwriters and legal counsel to be retained by the Company in connection with any other Public Offering to which Section 6.2 (Piggyback Registration Rights) applies shall be selected by the Board. In connection with any registration of Registrable Securities pursuant to Sections 6.1 (Demand Registration Rights) and 6.2 (Piggyback Registration Rights), the Company may select one counsel to represent all holders of Registrable Securities covered by such registration; provided, that in the event that the counsel selected as provided above is also acting as counsel to the Company in connection with such registration, those holders of Registrable Securities (each, a "Registration Participating Investor") shall be entitled to select one additional counsel to represent all such Registration Participating Investors (the "Additional Registration Counsel"). The Additional Registration Counsel shall be approved by the Registration Participating Investors who, in the aggregate, hold a majority of the Shares then held by all Registration Participating Investors.

6.3.4 *Company Lock-Up*. If any registration pursuant to Section 6.1 (Demand Registration Rights) or 6.2 (Piggyback Registration Rights) shall be in connection with an underwritten public offering, the Company agrees not to effect any public sale or distribution of any equity securities of the Company, including any Common Stock or Convertible Securities (in each case, other than as part of such underwritten public offering and other than pursuant to a registration on Form S-4 or S-8) for its own account, within 90 days (or such shorter period as the managing underwriters may agree to with the Board) after the effective date of such registration (except as part of such registration).

6.3.5 *Stockholders Lock-Up*. Each Stockholder that is then entitled to registration rights pursuant to this Article 6 shall enter into a Lock-Up Agreement promptly upon the request of the Company or the managing underwriter, as applicable, and comply with the provisions of the Lock-Up Agreement as though such agreement was set forth herein.

6.3.6 *Other Agreements*. The Company covenants and agrees that, so long as any Person holds any Registrable Securities in respect of which any registration rights provided for in Sections 6.1 (Demand Registration Rights) and 6.2 (Piggyback Registration Rights) remain in effect, the Company will not, directly or indirectly, grant to any Person or agree to or otherwise become obligated in respect of (a) rights of registration in the nature or substantially in the nature of those set forth in Sections 6.1 (Demand Registration Rights) and 6.2 (Piggyback Registration Rights) that would have priority over, or that are pari passu with, the Registrable Securities ("Senior or Pari Registration Rights") with respect to the inclusion of such securities in any registration, in each case, without the prior approval of the Board, or if in a manner that disproportionately affect the rights of any Investor Group, without the prior approval of the Corresponding Investor (provided, however, that in the event any Investor Group receives rights in the nature or substantially in the nature of those set forth in Section 6.2 (Piggyback Registration Rights) in connection with the Company's grant of any such Senior or Pari Registration Rights, then all Investor Groups shall receive such rights on a pro rata basis), or (b) demand registration rights exercisable prior to such time as the Investors can first exercise their rights under Section 6.1 (Demand Registration Rights).

6.3.7 *Other Registration-Related Matters*.

(a) The Company may require any Stockholder that is registering Registrable Securities pursuant to Section 6.1 (Demand Registration Rights) or 6.2 (Piggyback Registration Rights) to furnish to the Company in writing such information regarding such Stockholder and its Affiliates and pertinent to the disclosure requirements relating to the registration and the distribution of the Registrable Securities which are included in such Public Offering as the Company may from time to time reasonably request in writing and such other information as may be legally required in connection with such registration.

(b) Each Stockholder agrees that, upon receipt of any notice from the Company of the occurrence of any event of the kind described in Section 6.3.2(e) (Registration Procedures), it will forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until its receipt of the copies of the amended or supplemented Prospectus or Free Writing Prospectus contemplated by Section 6.3.2(e) (Registration Procedures) and, if so directed by the Company, each holder of Registrable Securities will, subject to applicable Law or any direction of the Commission, deliver to the Company or destroy all copies, other than permanent file copies then in their possession, of the Prospectus or the Free Writing Prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event the Company gives any such notice, the period for which the Company will be required to keep the registration statement effective will be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Section 6.3.2(e) (Registration Procedures) to and including the date when each seller of Registrable Securities covered by such registration statement has received the copies of the supplemented or amended Prospectus or Free Writing Prospectus contemplated by Section 6.3.2(e) (Registration Procedures).

(c) Each holder of Registrable Securities agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 6.3.2(k)(iv) (Registration Procedures), it will forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until the lifting of such stop order, other order or suspension or the termination of such proceedings and, if so directed by the Company, each Stockholder will, subject to applicable Law or any direction of the Commission, deliver to the Company or destroy all copies, other than permanent file copies then in its possession, of the Prospectus or the Free Writing Prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event the Company gives any such notice, the period for which the Company will be required to keep the registration statement effective will be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Section 6.3.2(k)(iv) (Registration Procedures) to and including the date when such stop order, other order or suspension is lifted or such proceedings are terminated.

6.3.8 *Public Dispositions Without Registration*. With a view to making available the benefits of certain rules and regulations of the Commission which may at any time permit the sale of Registrable Securities to the public without registration after such time as a public market exists for Common Stock, the Company agrees:

(a) to make and keep public information available, as those terms are understood and defined in Rule 144, at all times after the effective date of the first registration under the Securities Act filed by the Company for an offering of its Common Stock to the public;

(b) to use its commercially reasonable efforts to then file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act any time after it has become subject to such reporting requirements; and

(c) to furnish to any holder of Registrable Securities promptly upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time after one hundred and eighty (180) days after the effective date of the first registration statement filed by the Company for an offering of its Common Stock to the public), and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), (ii) a copy of the most recent annual or quarterly report of the Company, and (iii) such other reports and documents of the Company as such holder may reasonably request in availing himself of any rule or regulation of the Commission allowing such holder to sell any such Registrable Securities without registration.

6.4 Indemnification and Contribution.

6.4.1 *Indemnities of the Company*. In the event of any registration of any Registrable Securities or other debt or equity securities of the Company or any of its subsidiaries under the Securities Act pursuant to this Section 6 or otherwise, and in connection with any registration statement or any other disclosure document produced by or on behalf of the Company or any of its subsidiaries including reports required and other documents filed under the Exchange Act, and other documents pursuant to which any debt or equity securities of the Company or any of its subsidiaries are sold (whether or not for the account of the Company or its subsidiaries), the Company will, and hereby does, and will cause each of its subsidiaries, jointly and severally, to indemnify and hold harmless each holder of Registrable Securities, any Person who is or might be deemed to be a controlling Person of the Company or any of its subsidiaries within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, their respective direct and indirect general and limited partners, advisory board members, directors, officers, employees, trustees, managers, members, affiliates and shareholders, and each other Person, if any, who controls any such holder or any such controlling Person within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each such Person being referred to herein as a "Covered Person"), against any losses, claims, damages or liabilities (or actions or proceedings in respect thereof), joint or several, and reasonable expenses to which such Covered Person may be or become subject under the Securities Act, the Exchange Act, any other securities or other Law of any jurisdiction, insofar as such losses, claims, damages or liabilities or actions or proceedings in respect thereof arise out of or are based upon (a) any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in the Disclosure Package, registration statement under the Securities Act, any Prospectus, any Free Writing Prospectus, or any amendment or supplement thereto, or any document incorporated by reference therein, or any other such disclosure document (including reports and other documents filed under the Exchange Act and any document incorporated by reference therein) or other document or report, (b) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or (c) any violation or alleged violation by the Company or any of its subsidiaries of any Law applicable to the Company or any of its subsidiaries and relating to action or inaction in connection with any such registration, disclosure document or other document or report, and will reimburse such Covered Person for any legal or any other expenses incurred by it in connection with investigating or defending any such loss, claim, damage, liability, action or proceeding; provided, that neither the Company nor any of its subsidiaries shall be liable to any Covered Person in any such case to the extent that any such loss, claim, damage, liability, action or proceeding or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such Disclosure Package, registration statement under the Securities Act, Prospectus, Free Writing Prospectus, amendment or supplement, in reliance upon and in conformity with written information furnished to the Company or to any of its subsidiaries through an instrument duly executed by such Covered Person specifically stating that it is for use in the preparation thereof. The indemnities of the Company and of its subsidiaries contained in this Section 6.4.1 shall remain in full force and effect regardless of any investigation made by or on behalf of such Covered Person and shall survive any transfer of securities or any termination of this Agreement.

6.4.2 *Indemnities to the Company*. Subject to Section 6.4.4 (Limitation on Liability of Holders of Registrable Securities), the Company and any of its subsidiaries may require, as a condition to including any securities in any registration statement filed pursuant to this Section 6, that the Company and any of its subsidiaries shall have received an undertaking reasonably satisfactory to it from the prospective seller of such securities, severally and not jointly, to indemnify and hold harmless in the same manner and to the same extent as provided in Section 6.4.1 (Indemnities of the Company), the Company and any of its subsidiaries, each director of the Company or any of its subsidiaries, each officer of the Company or any of its subsidiaries who shall sign such registration statement and each other Person (other than such seller), if any, who controls the Company and any of its subsidiaries within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act and each other prospective seller of such securities and prospective underwriter with respect to any untrue statement in or omission from such Disclosure Package, registration statement under the Securities Act, Prospectus, Free Writing Prospectus, amendment or supplement, or any other disclosure document (including reports and other documents filed under the Exchange Act or any document incorporated therein) or other document or report, if such untrue statement or omission was made in reliance upon and in conformity with written information furnished to the Company or any of its subsidiaries through an instrument executed by such seller specifically stating that it is for use in the preparation of such Disclosure Package, registration statement under the Securities Act, Prospectus, Free Writing Prospectus, amendment or supplement, or other document or report. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company, any of its subsidiaries or any such director, officer or controlling Person and shall survive any transfer of securities or any termination of this Agreement.

6.4.3 *Contribution*. If the indemnification provided for in Section 6.4.1 (Indemnities of the Company) or 6.4.2 (Indemnities to the Company) is unavailable to a party that would have been entitled to indemnification pursuant to the foregoing provisions of this Section 6.4 for reasons other than described in the proviso to Section 6.4.1 (Indemnities of the Company) (an "Indemnitee") in respect of any losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expense referred to therein, then each party that would have been an indemnifying party thereunder shall, subject to Section 6.4.4 (Limitation on Liability of Holders of Registrable Securities) and in lieu of indemnifying such Indemnitee, contribute to the amount paid or payable by such Indemnitee as a result of such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expense in such proportion as is appropriate to reflect the relative fault of such indemnifying party on the one hand and such Indemnitee on the other in connection with the untrue statements or omissions which resulted in such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expense. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or such Indemnitee and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The parties agree that it would not be just or equitable if contribution pursuant to this Section 6.4.3 were determined solely by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the preceding sentence. The amount paid or payable by a contributing party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expense referred to above in this Section 6.4.3 shall include any legal or other expenses reasonably incurred by such Indemnitee in connection with investigating or defending any such action or claim. No Person found guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) by a court of competent jurisdiction shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

6.4.4 *Limitation on Liability of Holders of Registrable Securities*. The liability of each holder of Registrable Securities in respect of any indemnification or contribution obligation of such holder arising under this Section 6.4 shall not in any event exceed an amount equal to the net proceeds realized by such holder (after deduction of all underwriters' discounts and commissions) from the disposition of the Registrable Securities disposed of by such holder pursuant to such registration.

6.4.5 *Indemnification Procedures*. Promptly after receipt by an Indemnitee of written notice of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Section 6.4 such Indemnitee will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action or proceeding; provided, that the failure of the Indemnitee to give notice as provided herein shall not relieve the indemnifying party of its obligations under this Section 6.4, except to the extent that the indemnifying party is materially prejudiced by such failure to give notice. In case any such action or proceeding is brought against an Indemnitee, the indemnifying party will be entitled to participate in and to assume the defense thereof (at its expense), jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such Indemnitee, and after notice from the indemnifying party to such Indemnitee of its election so to assume the defense thereof, the indemnifying party will not be liable to such Indemnitee for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation and shall have no liability for any settlement made by the Indemnitee without the consent of the indemnifying party, such consent not to be unreasonably withheld. Notwithstanding the provisions hereof, at any time, regardless of whether an indemnifying party has initiated participation in or assumed the defense of any such action or proceeding, the Indemnitee may retain separate counsel at its own expense. Notwithstanding the foregoing, if in such Indemnitee's reasonable judgment a conflict of interest between such Indemnitee and the indemnifying parties may exist in respect of such action or proceeding or the indemnifying party does not assume the defense of any such action or proceeding within a reasonable time after notice of commencement, the Indemnitee shall have the right to assume or continue its own defense and the indemnifying party shall, subject to Section 6.4.4 (Limitation on Liability of Holders of Registrable Securities) (if applicable), be liable for any reasonable expenses therefor, but in no event will bear the expenses for more than one firm of counsel for all Indemnitees in each jurisdiction who shall be approved by the Board in the registration in respect of which such indemnification is sought. No indemnifying party will settle any action or proceeding or consent to the entry of any judgment without the prior written consent of the Indemnitee, unless such settlement or judgment (a) includes as an unconditional term thereof the giving by the claimant or plaintiff of a release to such Indemnitee from all liability in respect of such action or proceeding and (b) does not involve the imposition of equitable remedies or the imposition of any obligations on such Indemnitee and does not otherwise adversely affect such Indemnitee, other than as a result of the imposition of financial obligations for which such Indemnitee will be indemnified hereunder.

6.4.6 *Non-Exclusivity*. The obligations of the parties under this Section 6.4 will be in addition to any liability, without duplication, which any party may otherwise have to any other party.

6.5 Shelf Take-Downs. At any time that a shelf registration statement covering Registrable Securities pursuant to this Section 6 is effective, if any holder of Registrable Securities or group of such holders delivers a notice to the Company (a "Take-Down Notice") stating that it intends to effect an offering of all or part of its Registrable Securities included by it on the shelf registration statement, whether such offering is underwritten or non-underwritten (provided, that such non-underwritten offering is for more than five million dollars ($5,000,000)) (a "Shelf Offering") and stating the number of the Registrable Securities to be included in the Shelf Offering, then the Company shall amend or supplement the shelf registration statement as may be necessary in order to enable such Registrable Securities to be distributed pursuant to the Shelf Offering (taking into account the inclusion of Registrable Securities by any other holders of Registrable Securities pursuant to this Section 6.5). In connection with any Shelf Offering: the Company shall also deliver copies of the Take-Down Notice to all other holders of Registrable Securities and permit each such holder to include its Registrable Securities included on the shelf registration statement in the Shelf Offering if such holder notifies the Company within five (5) Business Days after delivery of the Take-Down Notice to such holder, and in the event that the underwriter, if any, determines that marketing factors (including an adverse effect on the per share offering price) require a limitation on the number of shares which would otherwise be included in such takedown, the underwriter, if any, may limit the number of shares which would otherwise be included in such take-down offering in the same manner as is described in Section 6.3.1 (Underwriter's Cutback) with respect to a limitation of shares to be included in a registration.

6.6 Assignment of Registration Rights. Except as otherwise expressly provided herein, no holder of Registrable Securities or other party hereto may assign any of its respective rights or delegate any of its respective obligations under this Section 6 without the prior written consent of each Investor, and any attempted assignment or delegation in violation of the foregoing shall be null and void. Notwithstanding the foregoing sentence, the rights of a member of an Investor Group hereunder may be assigned (but only with all related obligations as set forth below) in connection with a Transfer of Shares compliant with the terms of this Agreement and the other Governing Documents (a) pursuant to Section 2.1.1 (Permitted Transferees) or 2.1.8 (Other Televisa Transfers), (b) with respect to the provisions of Section 6.2 (Piggyback Registration Rights), to any other transferee that, together with its Affiliates, acquires shares of Registrable Securities in such Transfer either (A) for consideration of at least thirty-five million dollars ($35,000,000) or (B) having a then Fair Market Value of at least thirty-five million dollars ($35,000,000); provided, that no assignment of any rights under this Section 6 may be made to a Restricted Person. Without prejudice to any other or similar conditions imposed hereunder with respect to any such Transfer, no assignment permitted under the terms of this Section 6 shall be effective unless the transferee to which such assignment is being made, if not a Stockholder, has delivered to the Company a written acknowledgment and agreement in form and substance reasonably satisfactory to the Company that such transferee shall be bound by, and shall be a party to, the provisions of this Section 6 to which such assignment relates to the same extent, and in the same capacity, as the member of an Investor Group that Transfers such Shares to such transferee, and otherwise shall be bound by, and shall be a party to, this Agreement as required by Section 2.3 (Certain Transferees to Become Parties).

**7. LEGENDS; STOCK CERTIFICATES; TELEVISA SHARES**

7.1 Restrictive Legend. Each certificate representing Shares shall have the following legend endorsed conspicuously thereupon:

**"THE VOTING OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE, AND THE SALE, ENCUMBRANCE OR OTHER DISPOSITION THEREOF, ARE SUBJECT TO THE PROVISIONS OF A STOCKHOLDERS AGREEMENT (AS MAY BE AMENDED FROM TIME TO TIME) TO WHICH THE ISSUER AND CERTAIN OF ITS STOCKHOLDERS ARE PARTY. SUCH AGREEMENT INCLUDES RESTRICTIONS AND LIMITATIONS ON THE TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE. A COPY OF SUCH AGREEMENT MAY BE INSPECTED AT THE PRINCIPAL OFFICE OF THE ISSUER OR OBTAINED FROM THE ISSUER WITHOUT CHARGE UPON REQUEST."**

Any Person who acquires Shares pursuant to Section 2.1.2 (Public Transfers) shall have the right to have such legend (or the applicable portion thereof) removed from certificates representing such Shares.

7.2 1933 Act Legends. Each certificate representing Shares shall have the following legend endorsed conspicuously thereupon:

**"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ISSUED IN A PRIVATE PLACEMENT, WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE TRANSFERRED (A) IN THE ABSENCE OF AN EFFECTIVE REGISTRATION UNDER THE ACT COVERING THE TRANSFER, OR (B) IN A TRANSACTION WHICH IS EXEMPT FROM REGISTRATION UNDER THE PROVISIONS OF THE ACT; PROVIDED THAT THE ISSUER MAY REQUIRE THE TRANSFEROR TO DELIVER AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER REGARDING THE AVAILABILITY OF SUCH AN EXEMPTION."**

7.3 Stop Transfer Instruction. The Company and its subsidiaries will instruct any transfer agent not to register the Transfer of any Shares until the conditions specified in the foregoing legends and this Agreement are satisfied.

7.4 Termination of 1933 Act Legend. The requirement imposed by Section 7.2 (1933 Act Legends) shall cease and terminate as to any particular Shares (a) when, in the opinion of counsel reasonably acceptable to the Company, such legend is no longer required in order to assure compliance by the Company with the Securities Act or (b) when such Shares have been registered pursuant to an effective registration statement under the Securities Act or transferred pursuant to Rule 144. Whenever (i) such requirement shall cease and terminate as to any Shares or (ii) such Shares shall be transferable under Rule 144 without volume restrictions, the holder thereof shall be entitled to receive from the Company without expense, new certificates not bearing the legend set forth in Section 7.2 (1933 Act Legends).

7.5 Lost Certificates. If any Stockholder fails to (a) deliver to the purchaser thereof the certificate or certificates evidencing Shares to be Sold pursuant to Section 3 (Rights with Respect to Transfers and Changes of Control) or (b) deliver to the Company an affidavit of the registered owner of such Shares with respect to the ownership and the loss, theft, destruction or mutilation of the certificate evidencing such Shares accompanied by an indemnity reasonably satisfactory to the Company (it being understood that if the holder is a member of an Investor Group meeting such requirements of creditworthiness as may reasonably be imposed by the Company such Person's own agreement will be satisfactory) such that the Company is willing to issue a new certificate to the purchaser evidencing the Shares being Sold (an "Affidavit and Indemnity"), then such purchaser may, provided it signs an agreement agreeing to be bound by the terms of this Section 7.5 if it is not otherwise already agreeing to be bound by the terms of this Agreement generally, at its option and in addition to all other remedies it may have, deposit the purchase price for such Shares with any national bank or, trust company having combined capital, surplus and undivided profits in excess of Ten Billion Dollars ($10,000,000,000) (the "Escrow Agent") and the Company shall cancel on its books the certificate or certificates representing such Shares and thereupon all of such holder's rights in and to such Shares (other than the right to receive the applicable purchase price in accordance with the terms of this Section 7.5) shall terminate. Thereafter, upon delivery to such purchaser stock powers duly endorsed, for transfer, with signature guaranteed, free and clear of any liens or encumbrances, and with any transfer tax stamps affixed) or upon delivery by such holder of an Affidavit and Indemnity to the Company such purchaser shall instruct the Escrow Agent to deliver the purchase price for such Shares (without any interest from the date of the closing to the date of such delivery, any such interest to accrue to such purchaser), less the reasonable fees and expenses of the Escrow Agent, to such holder. Each Stockholder (other than any members of an Investor Group) hereby constitutes and appoints each Major Investor, or any of them, with full power of substitution, as such Stockholder's true and lawful representative and attorney-in-fact, in such Stockholder's name, place and stead, to execute and deliver any escrow agreement in customary form entered into with respect to such Stockholder in accordance with this Section 7.5, and such Major Investor shall provide a copy of such agreement to such Stockholder within five (5) Business Days of execution; provided, however, that failure to deliver such documents within such time period shall not impair or affect the validity of such agreements. The foregoing power of attorney is coupled with an interest and shall continue in full force and effect notwithstanding the subsequent death, incapacity, bankruptcy or dissolution of any Stockholder.

7.6 Shares Held by Televisa. At any time where there is not in effect a Regulatory Amendment or Waiver providing for a Foreign Ownership Cap of 100% with respect to voting interests in the Company:

7.6.1 If any stockholder converts its voting shares of Common Stock into non-voting shares of Common Stock, the Company shall promptly notify the Televisa Investors of such conversion and the number of voting shares of Common Stock that is or will be held by such stockholder and all stockholders following such conversion and shall provide the Televisa Investors with a certificate signed by an authorized officer of the Company stating that such conversion has occurred, the number of shares of Common Stock which have been converted and, if actually known to the Company, the reasons for effectuating such conversion. Not later than the fifteenth (15th) Business Day after the Televisa Investors receive such notice and certificate, the Televisa Investors will convert (by delivery to the Company of (i) written notice of such conversion and (ii) the certificate(s), duly endorsed for transfer, evidencing such shares to be converted), and each Televisa Investor hereby authorizes the Company to convert on its behalf, and such conversion shall be deemed to automatically have occurred, in the event it fails to deliver to the Company within such 15 Business Day period the items set forth in clauses (i) and (ii) above, in accordance with the provisions of the Charter with respect to such Common Stock, an amount of the Televisa Investors' voting shares of Common Stock (pro-rata amongst the Televisa Investors, based on the number of voting shares of Common Stock held by such Televisa Investors or as otherwise determined by Televisa) into non-voting shares of Common Stock such that the Televisa Investors' in the aggregate do not own more than the maximum percentage of voting shares of the Company that the Televisa Investors are then permitted to own under any Regulatory Amendment or Waiver then in effect (or if there is no Regulatory Amendment or Waiver then in effect specifically limiting the voting ownership of the Televisa Investors, the Foreign Ownership Cap applicable to the Company) (the "Televisa Voting Limit").

7.6.2 If any Stockholder converts its non-voting shares of Common Stock into voting shares of Common Stock, the Company shall promptly notify the Televisa Investors of such conversion and the number of non-voting shares of Common Stock that is or will be held by such Stockholder and all Stockholders of the Company following such conversion and shall provide the Televisa Investors with a certificate signed by an authorized officer of the Company stating that such conversion has occurred and the number of shares of Common Stock which have been converted and, if actually known to the Company, the reasons for effectuating such conversion. The Televisa Investors will be permitted to convert (by delivery to the Company of (i) written notice of such conversion and (ii) the certificate(s), duly endorsed for transfer, evidencing such shares to be converted), in accordance with the provisions of the Charter with respect to such Common Stock, an amount of the Televisa Investors' non-voting shares of Common Stock (pro-rata amongst the Televisa Investors, based on the number of non-voting shares of Common Stock held by all Televisa Investors or as otherwise determined by Televisa) into voting shares of Common Stock subject to the Televisa Voting Limit. Notwithstanding the foregoing, nothing contained herein shall be deemed to limit or restrict in any way the right of the Televisa Investors, at any time and from time to time, to convert their non-voting shares of Common Stock into voting shares of Common Stock subject to the Televisa Voting Limit.

7.6.3 In each case, the Company shall promptly thereafter issue and send to the applicable Televisa Investors new certificates, registered in the name of such Televisa Investors, evidencing the applicable shares of Common Stock into which such Televisa Investors converted their respective shares of Common Stock.

7.7 Waiver of Rights. Each Stockholder (other than Televisa Investors) hereby unconditionally and irrevocably waives and relinquishes any and all rights of first offer, right of first refusal, tag-along or other rights hereunder with respect to any issuance of Shares pursuant to the exercise of the TV Warrants.

**8. AMENDMENT, TERMINATION, ETC.**

8.1 Amendments and Modifications. This Agreement may not be orally amended, modified, extended or terminated, nor shall any oral waiver of any of its terms be effective. Except as otherwise provided in this Section 8.1, this Agreement may be amended, modified, extended, terminated or waived ("Amendment"), only by an agreement in writing signed by the Company and each Investor (or Stockholders holding a majority of the Shares held by Stockholders party hereto if there are no Investors remaining). The consent of Searchlight, whether or not a Governance Fall-Away Event has occurred for Searchlight, shall be required for any Amendment to the provisions of this Section 8.1 (or any definitions used herein) and any Amendment that, by its terms, Discriminates against any of the Searchlight Investors under this Agreement. The consent of Forgelight, whether or not a Governance Fall-Away Event has occurred for Forgelight, shall be required for any Amendment to the provisions of this Section 8.1 (or any definitions used herein) and any Amendment that, by its terms, Discriminates against any of the Forgelight Investors under this Agreement. The consent of Televisa, whether or not a Governance Fall-Away Event has occurred for Televisa, shall be required for (a) any Amendment to the provisions of Section 2.1.8 (Other Televisa Transfers), 2.1.10 (Transfer of Public Company Interests), 2.2.3 (Restricted Persons), 4.2.6 (Investor Rights in the Event of Certain Legal Restrictions), 7.6 (Shares Held by Televisa) or this Section 8.1 (or any definitions used therein) and (b) any Amendment that, by its terms, Discriminates against any of the Televisa Investors under this Agreement. The consent of Liberty Ventures, whether or not a Governance Fall-Away Event has occurred for Liberty Ventures, shall be required for (i) any Amendment to the provisions of Section 2.1.10 (Transfer of Public Company Interests) or this Section 8.1 (or any definitions used therein) and (ii) any Amendment that, by its terms, Discriminates against any of the Liberty Ventures Investors under this Agreement. The consent of holders of a majority of the Shares held by Managers then employed by the Company shall be required for any Amendment that, by its terms, Discriminates against the Managers as such under this Agreement; provided, that it is understood and agreed that, for the purposes of interpreting and enforcing this amendment and waiver provision, Amendments that affect all Stockholders will not be deemed to Discriminate against the Managers as such simply because Managers (A) own or hold more or less Shares than any other Stockholders, (B) invested more or less money in the Company or its direct or indirect subsidiaries than any other Stockholders or (C) have greater or lesser voting rights or powers than any other Stockholders. The consent of holders of a majority of the Shares held by Other Stockholders shall be required for any Amendment that, by its terms, Discriminates against the Other Stockholders as such under this Agreement; provided, that it is understood and agreed that, for the purposes of interpreting and enforcing this amendment and waiver provision, Amendments that affect all Stockholders will not be deemed to Discriminate against the Other Stockholders as such simply because Other Stockholders (1) own or hold more or less Shares than any other Stockholders, (2) invested more or less money in the Company or its direct or indirect subsidiaries than any other Stockholders or (3) have greater or lesser voting rights or powers than any other Stockholders. A copy of each such Amendment shall be sent to each Stockholder and shall be binding upon each party hereto and each holder of Shares subject hereto except to the extent otherwise required by applicable Law; provided, that the failure to deliver a copy of such Amendment shall not impair or affect the validity of such Amendment. In addition, each party hereto and each holder of Shares subject hereto may waive any right hereunder by an instrument in writing signed by such party or holder. To the extent the Amendment of any Section of this Agreement would require a specific consent pursuant to this Section 8.1, any Amendment to the definitions used in such Section as applied to such Section shall also require the specified consent. The parties hereto agree that the rights set forth in this Section 8.1 shall be qualified and subject to the rights and obligations set forth in Section 8.2 (Initial Public Offering). Notwithstanding anything to the contrary herein, transferees or purchasers of Shares or Convertible Securities that have complied with the applicable provisions of Sections 2 (Transfer Restrictions), 3 (Rights with Respect to Transfers and Changes of Control) and 4 (Rights of Participation in Issuances) shall be added as parties to this Agreement without obtaining any additional consent of the parties hereto.

8.2 Initial Public Offering. Prior to any Initial Public Offering that the Board determines in good faith is expected to be a Qualified Public Offering, the Investors shall discuss and negotiate in good faith any amendments to this Agreement and the other Governing Documents that (after consultation with any underwriter or financial advisor engaged with respect to such Initial Public Offering) the Investors believe would be appropriate for a publicly traded company and that would take effect upon the consummation of such Initial Public Offering. In the event of any such Initial Public Offering, each Investor shall be obligated to agree (on behalf of the Corresponding Investor Group) to any such amendment that would result in such Investor having the same rights that it has under this Agreement and the Governing Documents and would not result in any material enhancements to the rights of any Investor or group of Investors (or their Corresponding Investor Groups) relative to the other Investors (and their Corresponding Investor Groups).

8.3 Termination. This Agreement shall automatically terminate, without action by any party hereto, as to any Stockholder that ceases to own, beneficially or of record, any Shares of the Company, and from and after such termination, such Stockholder shall cease to have any rights or privileges hereunder. No termination under this Agreement shall relieve any Person of liability for breach prior to termination.

8.4 Additional Limitations on Amendments. In addition to any other approval required by the organizational documents of the Company, Midco or UCI, by Section 1.3 (Actions that Require Board Approval) or 8.1 (Amendments and Modifications) or by applicable Law, subject to Section 8.2 (Initial Public Offering), the parties hereto agree that the approval of each of Searchlight, Forgelight, Televisa and Liberty Ventures shall be required for any of the Company, Midco and/or UCI to take any of the following actions, and the Company shall not, and shall cause its subsidiaries not to, take any of the following actions without the written approval of each such Person:

8.4.1 *Amendments to Other Agreements*. Amend, alter or repeal any provision of the Governing Documents to the extent that such amendment, alteration or repeal would, by its terms, Discriminate against any member of the Corresponding Investor Group.

8.4.2 *Modification to Board Composition or Board Committees*. Amend, modify or waive the provisions hereof or any provision of the Governing Documents in a manner that changes the committees the board is required to maintain or the number of directors that such Investor is entitled to designate to each committee.

8.4.3 *Transfer Restrictions*. Amend, modify or waive any provision of the Governing Documents, if such amendment, modification or waiver imposes additional transfer restrictions on any members of the Corresponding Investor Group, other than amendments, modifications or waivers that are (a) required by applicable Law (but subject to Section 10.6 (Severability)), (b) customary insider information trading windows imposed by the Company following the Company's Initial Public Offering and (c) restrictions in customary underwriters' lock-ups.

8.4.4 *Information Rights*. Amend, modify or waive the provisions of Section 1.2.2 (Composition of Committees), 1.6 (Information Rights) or 5.5 (Historical Financial Information) in a manner that adversely changes such Investor's information rights thereunder.

8.4.5 *Participation Rights*. Amend, modify or waive any provision of Section 4 (Rights of Participation in Issuances) that adversely changes the rights of any member of the Corresponding Investor Group to participate (or terms and conditions of such rights) in issuances of securities.

8.4.6 *Registration Rights*. Amend, modify or waive any provision of Section 6 (Registration Rights) in a manner that adversely changes the rights of any member of the Corresponding Investor Group to initiate or participate in registered offerings of Common Stock.

8.4.7 *Indemnification Rights*. Amend, modify or waive the provisions of Section 5.8 (Indemnity and Liability, Reimbursement) or 6.4 (Indemnification and Contribution) in a manner that adversely changes the rights or obligations of any member of the Corresponding Investor Group thereunder.

8.4.8 *Certain Reverse Stock Splits*. Amend, modify or waive the provisions of the Charter to effect a reverse stock split in which any of the Common Stock held by any member of the Corresponding Investor Group is converted into the right to receive cash in lieu of a fractional share.

8.4.9 *Certain Sections*. Amend, modify or waive Section 10.7 (No Recourse) or 10.8 (Aggregation of Shares) in a manner adverse to any member of the Corresponding Investor Group.

8.5 Period. The rights granted to each Investor pursuant to this Section 8.4 shall expire upon a Governance Fall-Away Event for such Investor; provided, that each Investor's rights pursuant to Sections 8.4.1 (Amendments to Other Agreements), 8.4.3 (Transfer Restrictions), 8.4.5 (Participation Rights), 8.4.6 (Registration Rights), 8.4.7 (Indemnification Rights) and 8.4.9 (Certain Sections) will survive, and may not be amended without the consent of such Investor, so long as such Investor and its Affiliates (whether or not still an "Investor" hereunder) hold any Shares.

**9. DEFINITIONS**

9.1 Certain Matters of Construction. In addition to the definitions referred to or set forth below in this Section 9:

(a) The words "hereof," "herein," "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular Section or provision of this Agreement, and reference to a particular Section of this Agreement shall include all subsections thereof;

(b) The word "including" shall mean including without limitation;

(c) Definitions shall be equally applicable to both nouns and verbs and the singular and plural forms of the terms defined;

(d) The masculine, feminine and neuter genders shall each include the other;

(e) Any reference to any agreement, contract, instrument, statute or regulation shall mean such agreement, contract, instrument, statute or regulation as may be amended from time to time, unless otherwise specified;

(f) For the avoidance of doubt, unless otherwise specified, the term "outstanding," as used in this Agreement in reference to capital stock, shall not include Convertible Securities or shares issuable upon conversion, exchange or exercise thereof; as used in this Agreement in reference to Convertible Securities, shall mean Convertible Securities that are outstanding (without giving effect to the conversion, exchange or exercise of such Convertible Securities); and as used in this Agreement in reference to Shares, shall include shares issuable upon conversion, exchange or exercise of any Convertible Securities; and

(g) For the avoidance of doubt, "fully diluted," as used in this Agreement in reference to capital stock, shall mean after giving effect to the conversion, exchange or exercise of all outstanding Convertible Securities.

9.2 Definitions. The following terms shall have the following meanings:

"Acquiror" shall mean a Person formed for the purpose of effecting a Change of Control or other Rollover Transaction, any prospective acquiror of all or substantially all the assets of the Company and its subsidiaries and any Person prospectively acquiring Shares in a direct Sale of Shares by Stockholders (it being understood that in no event shall any parent entities of either the party to the merger or such prospective acquiror be deemed to be an "Acquiror"), together with any successors thereto (including any surviving Person, whether the Company or otherwise, in a Rollover Transaction).

"Acquisition Holdco" shall mean any direct or indirect parent entity of an Acquiror or of the surviving entity following a merger, consolidation or similar business combination, the majority of whose value (which, for purposes of the definition of "Compliant Change of Control Transaction," shall be determined as of the effective date of the Change of Control) consists of the Shares or assets of the Company and/or the Company's subsidiaries.

"Adjusted Outstanding Common Stock" shall mean, as of any date of determination, (a) the number of shares of then outstanding Common Stock (excluding any Equity Award Shares), plus (b) the number of shares of Common Stock for which or into which any outstanding Convertible Securities (other than Convertible Securities held by officers, employees or consultants of the Company or any direct or indirect subsidiary of the Company and any Equity Award Shares) may at the time be exercised, converted or exchanged, plus (c) the number of Vested Shares that are then outstanding Common Stock, plus (d) the number of shares of Common Stock for which or into which in-the-money Vested Shares may at the time be exercised, converted, or exchanged, calculated on a treasury method basis.

"Affiliate" (including, with correlative meaning, the term "Affiliated") shall mean, with respect to any specified Person, any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person; provided, that neither the Company nor any of its subsidiaries shall be deemed an Affiliate of any of the Stockholders (and vice versa), and, in addition, such specified Person's Affiliates shall also include, (a) if such specified Person is an investment fund, any other investment fund that is advised by the same investment adviser as such Person or by an Affiliate of such investment adviser, and (b) if such specified Person is a natural Person, any Family Member of such natural Person; provided, further, in the case of Liberty Global or any subsidiary of Liberty Global and except solely for purposes of Section 1.5 and the definition of "Conflicted Investor" (in which cases the foregoing definition of "Affiliate" shall apply), "Affiliate" (including, with correlative meaning, the term "Affiliated") shall mean Liberty Global and any Person which directly or indirectly through one or more intermediaries is controlled by Liberty Global.

"Board" shall mean the board of directors of the Company or any authorized committee thereof.

"Business" shall mean the business of the Company and its subsidiaries conducted at any given time or which the Board has authorized the Company to develop or pursue (by acquisition or otherwise), which currently consists of (primarily but not necessarily exclusively) Spanish-language media in the U.S., including Spanish-language television broadcast networks, Spanish-language radio broadcast networks, ownership and operation of Spanish-language television and radio stations and Spanish-language Internet portals.

"Business Day" shall mean any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in the City of New York or Mexico City, Mexico.

"Capital Percentage" shall mean at any given time a fraction, expressed as a percentage, (a) the numerator of which is the aggregate number of shares of Common Stock outstanding, including the number of shares of Common Stock issuable in respect of outstanding Convertible Securities, which are held at such time by the Televisa Investors, and (b) the denominator of which is the number of all shares of Common Stock outstanding as of such time, including the number of shares of Common Stock issuable in respect of the Company's Convertible Securities at such time. For the avoidance of doubt, (i) the Shares for which outstanding TV Warrants would be exercisable if all conditions to such exercise were satisfied shall be considered outstanding, (ii) the Shares for which outstanding Series A Preferred Stock would be convertible if all conditions to such conversion were satisfied shall be considered outstanding, and (iii) any shares of Common Stock issuable in respect of or under the Equity Incentive Plan shall not be considered outstanding for purposes of this definition.

"Change of Control" shall mean the occurrence of (a) any consolidation or merger of the Company with or into any other Person, or any other corporate reorganization, business combination, transaction or Transfer of securities of the Company by its stockholders, or a series of related transactions (including the acquisition of capital stock of the Company), whether or not the Company is a party thereto, in which the stockholders of the Company immediately prior to such consolidation, merger, reorganization, business combination, transaction or Transfer, own, directly or indirectly, capital stock either (i) representing directly, or indirectly through one or more entities, less than fifty percent (50%) of the equity of the Company or other surviving entity immediately after such consolidation, merger, reorganization, business combination, transaction or Transfer or (ii) that does not directly, or indirectly through one or more entities, afford the holders thereof the power to elect (by contract, share ownership or otherwise) a majority of the entire Board or other similar governing body of the Company or other surviving entity immediately after such consolidation, merger, reorganization, business combination, transaction or Transfer; (b) any transaction or series of related transactions, whether or not the Company is a party thereto, after giving effect to which in excess of fifty percent (50%) of the Company's voting power (by contract, share ownership or otherwise) is owned directly, or indirectly through one or more entities, by any Person and its "affiliates" or "associates" (as such terms are defined in the Exchange Act Rules) or any Group, excluding, in any case referred to in clause (a) or (b), any Initial Public Offering or any bona fide primary or secondary public offering following the occurrence of an Initial Public Offering; or (c) a sale, lease or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries; provided, that for purposes of this sentence, any transactions with the same third party or any of its Affiliates, or with the members of any Group, shall be deemed to be a series of related transactions. For the avoidance of doubt, a spin-off of one of the businesses of the Company or any subsidiary thereof, or a comparable transaction, shall not, in and of itself, constitute a "Change of Control."

"Class A Common Stock" shall mean the voting Class A Common Stock, par value $.001 per share, of the Company and shall include any shares of common stock issued in exchange for or in consideration of (including shares of common stock of the surviving company in connection with a merger or similar business combination) or in substitution for the Class A Common Stock, including shares of common stock issued in exchange for or in substitution for such Class A Common Stock, or as such shares of Class A Common Stock may be reclassified.

"Class B Common Stock" shall mean the nonvoting Class B Common Stock, par value $.001 per share, of the Company and shall include any shares of common stock issued in exchange for or in consideration of (including shares of common stock of the surviving company in connection with a merger or similar business combination) or in substitution for the Class B Common Stock, including shares of common stock issued in exchange for or in substitution for such Class B Common Stock, or as such shares of Class B Common Stock may be reclassified.

***

"Commission" shall mean the United States Securities and Exchange Commission.

"Common Stock" shall mean the common stock of the Company, including the Class A Common Stock and the Class B Common Stock.

"Competitor" shall mean ***.

"Compliant Change of Control Transaction" shall mean any Change of Control (a) that is conducted in accordance with the Change of Control Procedures, (b) in which the Acquiror is not a Restricted Person and, in the case of a Change of Control involving a merger, consolidation, similar business combination or sale of assets, is a newly formed Acquiror that has no material assets or liabilities other than the equity or Indebtedness used to effect such Change of Control, but in any case shall have no assets or liabilities of an operating business, and (c) in connection with which, following the consummation of such transaction, (i)(A) the Televisa Investors' board rights pursuant to Section 1 (Board of Directors) shall continue with respect to the Acquiror and any Acquisition Holdco to the extent provided therein, (B) the Televisa Investors' other governance rights pursuant to the Governing Documents (other than immaterial rights and in any case consent rights of the Televisa Investors under Section 8.4 (Additional Limitations on Amendments) and Sections 4.4.3 and 4.4.4 of the Charter shall not be considered immaterial) shall continue with respect to the Acquiror (or its parent, if the Acquiror is a wholly-owned subsidiary of such parent) or any Acquisition Holdco to the extent provided therein, (C) the Televisa Investors' rights (other than governance rights referred to in clauses (A) and (B) above) (other than immaterial rights and in any case consent rights of the Televisa Investors under Section 8.4 (Additional Limitations on Amendments) and Sections 4.4.3 and 4.4.4 of the Charter shall not be considered immaterial) and obligations pursuant to the Governing Documents shall continue with respect to the Acquiror and any Acquisition Holdco to the extent provided therein; except, for the sake of clarity, in the case of each of clauses (A), (B) and (C) above, to the extent those rights have otherwise terminated in accordance with their respective terms; (ii) the Televisa Investors shall have no greater obligations with respect to the Acquiror and its stockholders and any Acquisition Holdco and its stockholders under the Governing Documents than they had to the Company, its subsidiaries and its parent entities and the members of the other Stockholders under the Governing Documents immediately prior to such Change of Control; and (iii) the Acquiror (or its parent, if the Acquiror is a wholly owned subsidiary of such parent) or any Acquisition Holdco shall become a party as an "Other Stockholder" to this Agreement and to the other Governing Documents to which the Company or the selling stockholders, as applicable, are a party and assume all obligations of the Stockholders pursuant thereto in effect immediately prior to the Change of Control (including, for the avoidance of doubt, the Change of Control Procedures) and the selling stockholders, if applicable, shall remain bound by the terms of the Governing Documents to the extent they retain any Shares.

"Confidential Information" shall mean any confidential or proprietary information or other competitively sensitive information, in each case, of the Company or any of its subsidiaries, including information regarding strategic plans, sales, marketing, talent contracts, acquisition targets, and current or future pricing obtained from the Company or any subsidiary thereof, unless such confidential or proprietary information (a) is known or becomes known to the public in general (other than as a result of a breach of this Agreement or the divulging Persons' contractual or fiduciary obligations to the Company), (b) is or has been independently developed or conceived by the party holding such information without use of the Company's or its subsidiaries' Confidential Information, or (c) is or has been made known or disclosed to the party holding such information by a third party without a breach of any obligation of confidentiality such third party may have to the Company or any of its subsidiaries that is known to such party.

"Conflicted Investor" shall mean, as of any applicable time, with respect to any Confidential Information of the Company or its subsidiaries relating to any portion of the Business (including any potential asset or business acquisition by the Company or any subsidiary thereof), any Investor that has, alone or with its Affiliates, a material conflict of interest to which such Confidential Information is reasonably directly related. For the avoidance of doubt, for purpose of this definition, the ownership by an Investor and its Affiliates of less than *** of each class of the voting securities of a Competitor *** shall not alone result in the Investor being deemed to be a Conflicted Investor pursuant to the preceding sentence. For the avoidance of doubt, Televisa shall not be deemed to be a Conflicted Investor solely as a result of discussions by the Board or a committee thereof or information related to (i) the *** (other than disputes under any such agreement and negotiations regarding any of their commercial terms) or (ii) compliance with Federal Communications Laws.

"Contract" shall mean any note, bond, mortgage, indenture, loan or credit agreement, or any other legally binding contract, agreement, lease, license, deed of trust, permit, franchise or other instrument or obligation.

"control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"Convertible Securities" shall mean any evidence of Indebtedness, shares of stock (including the Series A Preferred Stock), options, warrants (including the TV Warrants) or other securities which are directly or indirectly convertible into or exchangeable or exercisable for shares of Common Stock, including any options and warrants.

"Correspond" (including, with correlative meaning, the term "Corresponding") shall mean the reciprocal relationship between any of (i) Searchlight and the Searchlight Investors, (ii) Forgelight and the Forgelight Investors, (iii) Televisa and the Televisa Investors, and (iv) Liberty Ventures and the Liberty Ventures Investors.

"Disclosure Package" shall mean, with respect to any offering of securities, (a) the preliminary Prospectus, (b) each Free Writing Prospectus, and (c) all other information, in each case, that is deemed, under Rule 159 promulgated under the Securities Act, to have been conveyed to purchasers of securities at the time of sale of such securities (including a contract of sale).

"Discriminate(s)" shall mean, with respect to a specified Person, to discriminate against such specified Person as compared to other holders of Shares in a manner that is, or is reasonably expected to be, (a) with respect to all Persons other than the members of Investor Groups, materially and disproportionately adverse to such specified Person and, (b) with respect to any member of an Investor Group, disproportionately adverse to such Person.

"Equity Award Shares" shall mean any options, restricted stock or other awards issued under the Equity Incentive Plan or any other equity incentive plan of the Company or pursuant to any employment or consulting agreement with the Company.

"Equity Incentive Plan" shall mean the 2010 Equity Incentive Plan, as amended or restated from time to time.

"Equity Pool Cap" shall mean, with respect to each successive five (5) year period after the Effective Time, *** of the Adjusted Outstanding Common Stock (as adjusted for recapitalizations, stock splits and the like) as of the first day of such successive five (5) year-period.

"Equivalent Shares" shall mean, at any date of determination, (a) as to any outstanding shares of Common Stock, such number of shares of Common Stock, (b) as to any outstanding Convertible Securities (other than the TV Warrants), the maximum number of shares of Common Stock for which or into which such Convertible Securities may at the time be exercised, converted or exchanged (or which will become exercisable, convertible or exchangeable on or prior to, or by reason of, the transaction or circumstance in connection with which the number of Equivalent Shares is to be determined assuming all of the conditions to exercise, conversion or exchange thereof have been satisfied), and (c) as to any outstanding TV Warrants, the maximum number of shares of Common Stock for which such TV Warrants, as the case may be, may then be converted or exercised, assuming all of the conditions to the conversion or exercise thereof have been satisfied.

"Exchange Act" shall mean the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as amended from time to time.

"Exchange Act Rules" shall mean the rules adopted by the Commission under the Exchange Act.

"Fair Market Value" shall mean, as of any date, as to any Share, the Board's good faith determination of the fair market value of such Share (which, in the case of options, shall equal the Fair Market Value of the share underlying such option less the exercise price for such option) as of the applicable reference date.

"Family Member" shall mean, with respect to any natural Person, (a) any lineal descendant or ancestor or sibling (by birth or adoption) of such natural Person, (b) any spouse or former spouse of any of the foregoing, (c) any legal representative or estate of any of the foregoing, or the ultimate beneficiaries of the estate of any of the foregoing, if deceased and (d) any trust or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing Persons described in clauses (a) through (c) above.

"FCC" shall mean the United States Federal Communications Commission or any successor entity.

"FCC-Approved Trust" shall mean a bona fide trust arrangement to which the transfer of Shares would not cause the Company or any of its subsidiaries, the Televisa Investors or such trust to be in violation of applicable Laws, including the Federal Communications Laws.

"Federal Communications Laws" shall mean the Communications Act of 1934, as amended, and any successor statute thereto, and the rules, regulations and policies promulgated by the FCC thereunder.

"Foreign Ownership Cap" shall mean the lesser of (i) the maximum percentage of the equity interests of a U.S. entity that directly or indirectly controls a broadcast licensee that non-U.S. individuals, corporations and governments may own, in the aggregate, and (ii) the maximum percentage of the voting rights of a U.S. entity that directly or indirectly controls a broadcast licensee that non-U.S. individuals, corporations and governments may possess, in the aggregate, in each case without FCC approval.

"Foreign Ownership Restrictions" shall mean any and all restrictions imposed by the Federal Communications Laws on the direct or indirect ownership by non-U.S. citizens of entities that directly or indirectly control broadcast licensees such as the Company and its broadcast licensee subsidiaries.

"Forgelight Investors" shall mean, as of any date, Forgelight and its Permitted Transferees, in each case only if such Person is a Stockholder as of such date.

"Free Writing Prospectus" shall mean any "free writing prospectus" as defined in Rule 405 promulgated under the Securities Act.

"Governance Fall-Away Event" shall mean as to any Investor, a *** Sell-Down.

"Governing Documents" shall mean this Agreement, the TV Warrants, the Charter and the bylaws of the Company, and the organizational documents of Midco and UCI.

"Governmental Authority" shall mean any United States (federal, state or local) or foreign government, or governmental, regulatory, judicial or administrative authority, agency, commission or court (including the FCC and applicable stock exchange(s)).

"Group" shall mean "group" (within the meaning of Section 13(d)(3) of the Exchange Act); provided, that a "group" must be formed knowingly in order to constitute a Group, and the existence of any Group may not be established by mere parallel action.

"Indebtedness" shall mean, without duplication, the following obligations of the Company or any of its subsidiaries: (i) indebtedness for borrowed money or evidenced by notes, bonds, debentures or similar instruments; (ii) capitalized lease obligations; (iii) the net positive or negative value payable under any interest rate, currency or other hedging agreement (valued at the termination value thereof); (iv) obligations under acceptance, surety bond, performance bond, letter of credit or similar facilities, in each case only to the extent drawn; or (v) obligations for deferred purchase price of property or services.

"Initial Public Offering" shall mean an initial Public Offering of the equity securities of the Company or any of its subsidiaries or a listing of the equity securities of the Company or any of its subsidiaries on any national securities exchange (for the avoidance of doubt, excluding any over-the-counter market of or affiliated with any national securities exchange).

"Initial Shares" of any Investor or Investor Group shall mean all of the Shares owned beneficially and of record by any member of the Corresponding Investor Group of such Investor or such Investor Group, respectively, without duplication, as of the Effective Time.

"Investor" shall mean any one of (a) the Major Investors, and (b) Liberty Ventures; provided, that Liberty Ventures shall cease to be an Investor at such time, and at all times thereafter, as there has been a Governance Fall-Away Event for Liberty Ventures; provided, further, that no adjustment or modification to the term "Governance Fall-Away Event" shall cause Liberty Ventures to again become an Investor.

"Investor Group" shall mean any one of the Searchlight Investors, the Forgelight Investors, the Televisa Investors and the Liberty Ventures Investors, in each case until such time as the Corresponding Investor ceases to be an Investor, after which time each member of the former Investor Group shall thereafter be an Other Stockholder for all purposes hereunder until it ceases to own any Shares.

"Law" shall mean any statute, law, ordinance, regulation, rule, code, injunction, judgment, decree, order or any other judicially enforceable legal requirement (including common law) of any Governmental Authority or any listing requirement, rule or regulation of any stock exchange or other self-regulatory organization.

"Liberty Global" shall mean Liberty Global plc, a public limited company incorporated under the laws of England and Wales (or any successor thereof).

"Liberty Ventures Investors" shall mean, as of any date, Liberty Ventures and its Permitted Transferees, in each case only if such Person is a Stockholder as of such date.

"Lock-Up Agreement" shall mean a lock-up agreement entered into by each Stockholder in connection with each underwritten Public Offering at the request of the Company or the managing underwriter(s) of such Public Offering restricting such Stockholder's right to (a) Transfer, directly or indirectly, any shares of Common Stock or any Convertible Securities or (b) enter into any swap or other arrangement that transfers to another Person any of the economic consequences of ownership of Common Stock, in each case to the extent that such restrictions are agreed to by each Investor (or a majority of the shares of Registrable Securities if there are no Investors remaining) with the underwriter(s) of such Public Offering; provided, however, that no Stockholder shall be required hereby to be bound by a lock-up agreement covering a period of greater than ninety (90) days (one hundred and eighty (180) days in the case of the Qualified Public Offering) following the effectiveness of the related registration statement or that does not contain a customary lock-up waiver "most favored nation" provision for the benefit of such Stockholder. Notwithstanding the foregoing, such lock-up agreement shall not apply to (i) transactions relating to shares of Common Stock or other securities acquired in (A) open market transactions or block purchases after the completion of the Qualified Public Offering or (B) a Public Offering, (ii) Transfers pursuant to Section 2.1.1 (Permitted Transferees), (iii) conversions of shares of Common Stock into other classes of Common Stock or securities without change of holder, (iv) any exercise of the Convertible Securities and (v) during the period preceding the execution of the underwriting agreement.

"Major Investor" shall mean any one of Searchlight, Forgelight and Televisa; provided, that any such Major Investor shall cease to be a Major Investor at such time, and at all times thereafter, as there has been a Governance Fall-Away Event for such Major Investor; provided, further, that no adjustment or modification to the term "Governance Fall-Away Event" shall cause any former Major Investor to again become a Major Investor.

"Major Investor Group" shall mean any Investor Group Corresponding to a Major Investor.

"Major Television Person" shall mean ***.

"New Televisa Investor" shall mean any Person described in clause (c) or (d) of the definition of the Televisa Investors; provided, that such Person shall cease to be a New Televisa Investor hereunder, and shall automatically become a Stockholder hereunder, immediately upon such Person ceasing to be a member of a Group of which Televisa and/or any of its Affiliates is a member with respect to securities of the Company.

"Participation Shares" shall mean all Shares held by an Stockholder and all Vested Shares held by a Manager.

"Permitted Transferee" shall mean, (a) in respect of any Investor or member of the Corresponding Investor Group, any Affiliate of such Investor (other than a portfolio company of any such Investor that is an investment fund); provided, that such Affiliate agrees, in a writing enforceable by the Company, to Transfer all of its Shares back to such Investor or member of the Corresponding Investor Group if it ceases to be an Affiliate of such Investor; (b) in respect of any Stockholder that is not a natural person and not a member of an Investor Group, any Affiliate of such Stockholder (other than a portfolio company of any such Stockholder that is an investment fund); provided, that such Affiliate agrees, in a writing enforceable by the Company, to Transfer all of its Shares back to such Stockholder if it ceases to be an Affiliate of such Stockholder; and (c) in respect of any Stockholder that is a natural person, (i) any Family Member of such Stockholder, (ii) upon the death of such Stockholder, such Stockholder's estate, executors, administrators, personal representatives, heirs, legatees or distributees, in each case, acquiring the Shares in question pursuant to the will or other instrument taking effect at death of such holder or by applicable Laws of descent and distribution, and (iii) any Person acquiring such Shares pursuant to a qualified domestic relations order; in each case described in clauses (a), (b) or (c), only if such transferee agrees to be bound by the terms of the Governing Documents (if not already bound thereby) in accordance with their respective terms to the same extent its transferor is bound thereby (it being understood that any Transfer not meeting the foregoing conditions but purporting to rely on Section 2.1.1 (Permitted Transferees) shall be null and void). In addition, any Stockholder shall be a Permitted Transferee of the Permitted Transferees of itself and any Permitted Transferee of an Investor shall be a Permitted Transferee of any other member of the Corresponding Investor Group. No Restricted Person shall be a "Permitted Transferee."

"Person" shall mean any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

"Post Transaction Percentage" shall mean, with respect to any Televisa Investor, the total percentage of equity (on a fully diluted basis, including the equity issuable upon exercise of any Convertible Securities) in the Company and/or in the Acquiror, as applicable, that such Televisa Investor owns, directly or indirectly, immediately after giving effect to a Rollover Transaction, as applicable.

"Pre Transaction Percentage" shall mean, with respect to any Televisa Investor, the Capital Percentage that such Televisa Investor owns, directly or indirectly, immediately prior to giving effect to a Rollover Transaction.

"Price Per Equivalent Share" shall mean the Board's good faith determination of the price per Equivalent Share of any Convertible Securities which are the subject of an issuance pursuant to Section 4 (Rights of Participation in Issuances).

"Program License Agreement" shall mean the Second Amended and Restated 2011 Program License Agreement, entered into as of July 1, 2015 by and between Televisa, S.A. de C.V. and UCI and all agreements ancillary thereto for programming rights granted to the Company.

"Prospectus" shall mean the prospectus related to any Public Offering (including a prospectus or prospectus supplement that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance on Rule 415, 430A or 430B (or any successor rules or regulations) under the Securities Act), as amended or supplemented by any amendment or prospectus supplement, including post-effective amendments, and all materials incorporated by reference in such prospectus.

"Public Offering" shall mean a public offering and sale of shares of any class of Common Stock pursuant to an effective registration statement under the Securities Act.

"Qualified Public Offering" shall mean the first underwritten public offering and sale of Common Stock for cash (other than any Public Offering or sale pursuant to a registration statement on Form S-4, S-8 or a comparable form), occurring no earlier than the third anniversary of the Effective Time, unless otherwise agreed by each of the Investors, in which the aggregate proceeds to the Company (or its successor or parent) (net of underwriters' discounts) in such offering equals or exceeds $200,000,000.

"Registrable Securities" shall mean (a) all Shares, (b) all Shares directly or indirectly issuable with respect to any Shares by way of stock dividend or stock split or in connection with a combination of Shares, recapitalization, merger, consolidation or other reorganization and (c) all Convertible Securities of the Company, in each case of clauses (a), (b) and (c), that are held by a member of an Investor Group. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (i) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (ii) such securities shall have been Transferred pursuant to Rule 144 or Rule 145, (iii) disposition of such securities may be made by the holder thereof under Rule 144 or 145 and the holder of such securities holds no more than one percent (1%) of the shares of the applicable class outstanding as shown by the most recent report or statement published by the Company, but only to the extent such securities are not restricted from transfer by the provisions of Section 2 (Transfer Restrictions), (iv) subject to the provisions of Section 6.6 (Assignment of Registration Rights), such securities shall have been otherwise transferred to a Person that is not a member of an Investor Group (or, in the case of Televisa, is not a Televisa Investor unless such transferee has acquired from a Televisa Investor in one or more transactions (other than (A) purchasers in the public market who acquired Shares, directly or indirectly, from Televisa in a registered offering that was generally made to the public, (B) Transfers pursuant to Rule 144 or Rule 145, or (C) Transfers pursuant to a bona fide block sale to a market maker) of Shares representing five percent (5%) or more of the outstanding Shares), new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company as part of such transfer and subsequent disposition of them shall not require registration of them under the Securities Act and such securities may be distributed without volume limitation or other restrictions on transfer under Rule 144 or Rule 145, or (v) such securities shall have ceased to be outstanding.

"Registration Expenses" shall mean any and all reasonable expenses incident to performance of or compliance with Section 6 (Registration Rights) (other than underwriting discounts and commissions paid to underwriters and transfer taxes, if any), including (a) all Commission and securities exchange or NASD registration and filing fees, (b) all fees and expenses of complying with securities or blue sky Laws (including reasonable fees and disbursements of counsel for the underwriters in connection with blue sky qualifications of the Registrable Securities), (c) all printing, messenger and delivery expenses, (d) all fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange or NASDAQ pursuant to Section 6.3.2(g) (Registration Procedures) and all rating agency fees, (e) the fees and disbursements of counsel for the Company and of its independent public accountants, including the expenses of any special audits and/or "cold comfort" letters required by or incident to such performance and compliance, (f) the reasonable fees and disbursements of one counsel for the holders of Registrable Securities selected pursuant to the terms of Section 6 (Registration Rights) and any Additional Registration Counsel, (g) any fees and disbursements of underwriters customarily paid by the issuers or sellers of securities, including liability insurance if the Company so desires or if the underwriters so require, and the reasonable fees and expenses of any special expert retained in connection with the requested registration, but excluding underwriting discounts and commissions and transfer taxes, if any, (h) expenses incurred in connection with any road show including the reasonable and documented out-of-pocket expenses of the applicable Stockholders), and (i) any other fees and disbursements customarily paid by the issuers of securities.

"Registration Pro Rata Portion" shall mean, with respect to each member of the Investor Group Corresponding to the Demand Initiating Investor, each Piggyback Eligible Holder, and each holder of Parity Shares, in each case requesting that such shares be registered in such registration statement, a number of such Shares equal to the aggregate number of Shares to be registered in such registration (excluding any shares to be registered for the account of the Company) multiplied by a fraction, the numerator of which is the aggregate number of Registrable Securities and Parity Shares held by such holder, and the denominator of which is the aggregate number of Registrable Securities and Parity Shares held by all such holders requesting that their Registrable Securities or Parity Shares be registered in such registration.

"Regulatory Amendment or Waiver" shall mean an amendment of the Federal Communications Laws by duly enacted legislation or a ruling or waiver by the FCC that increases or grants permission to exceed the foreign ownership limitations established by the Federal Communications Laws that currently imposes a Foreign Ownership Cap of twenty-five percent (25%) and requires approval for any individual non-U.S. holder to hold more than five percent (5%) of the equity or voting interests of a U.S. entity that directly or indirectly controls a broadcast licensee; it being understood that as of the Effective Time, the following are Regulatory Amendments or Waivers that are in effect: (a) Declaratory Ruling of the FCC, DA 17-4, adopted January 3, 2017, *In the Matter of Univision Holdings, Inc. and Grupo Televisa S.A.B.*, which increases the Foreign Ownership Cap with respect to the Company to forty-nine percent (49%) of the Company's equity and voting interests, (b) Declaratory Ruling of the FCC, DA 19-1228, adopted December 5, 2019, *In the Matter of Univision Holdings, Inc. and Grupo Televisa S.A.B.*, which increases the Foreign Ownership Cap to seventy percent (70%) of the Company's equity and voting interests and (c) Declaratory Ruling of the FCC, DA-20-1535, adopted December 23, 2020, In the Matter of Univision Holdings, Inc. Petition for Declaratory Ruling, which increases the Foreign Ownership Cap to one hundred percent (100%) in the aggregate of the Company's equity and voting interests.

"Related Party" shall mean (a) any Affiliate of the Company or any of its subsidiaries, (b) any Investor, member of an Investor Group or any of their respective Affiliates, and (c) any current officer or director of the Company or any of its subsidiaries.

"Restricted Person" shall mean ***.

"Revolving Credit Facility" shall mean the revolving facility commitments issued pursuant to that certain Credit Agreement dated as of March 29, 2007 among United, Univision of Puerto Rico Inc., the lenders party thereto from time to time, and Deutsche Bank AG New York Branch, as administrative agent in effect as of the Effective Time.

"Rule 144" shall mean Rule 144 under the Securities Act (or any successor rule).

"Sale" shall mean a Transfer for value and the terms "Sell" and "Sold" shall have correlative meanings.

"Searchlight Investors" shall mean, as of any date, Searchlight and its Permitted Transferees, in each case only if such Person is a Stockholder as of such date.

"Securities Act" shall mean the Securities Act of 1933 and the rules and regulations promulgated thereunder, as amended from time to time.

"Sell-Down" shall mean as to any Investor and as to any fraction or percentage, the voluntary sale by the Corresponding Investor Group, to Person(s) that, following such Transfer, would not be a member of the Corresponding Investor Group, of a number of Shares equal to such fraction or percentage of the number of such Investor Group's Initial Shares in the aggregate since the Effective Time; provided, that the sale or other disposition of any Share that is not an Initial Share shall not be deemed to be a voluntary sale of a Share for purposes of this definition; provided, further, that as to Televisa, the sale of any Shares by Persons who are "Televisa Investors" pursuant to clause (c) or (d) of the definition thereof shall not count towards a Sell-Down for Televisa except to the extent that such Person acquired such Shares from Televisa.

"Shares" shall mean (a) all shares of Common Stock held by a Stockholder, whenever issued, including all shares of Common Stock issued upon the exercise, conversion or exchange of any Convertible Securities and (b) all Convertible Securities held by a Stockholder (treating such Convertible Securities as a number of Shares equal to the number of Equivalent Shares represented by such Convertible Securities for all purposes of this Agreement except as otherwise specifically set forth herein). For the avoidance of doubt, upon a proposed Transfer of Convertible Securities (including the TV Warrants), such Transfer shall be deemed to be of that number of Shares into which the Convertible Securities are convertible, assuming that all conditions to which the Transfer of the Convertible Securities are subject have been satisfied.

"Specified Counterparty" shall mean ***.

"Specified Restricted Person" shall mean ***.

"Stockholder" shall mean each party hereto (other than the Company and its subsidiaries) that holds any Shares beneficially or of record.

"subsidiary" of any Person, shall mean any corporation, partnership, joint venture or other legal entity of which such Person (either alone or through or together with any other subsidiary), owns, directly or indirectly, more than 50% of the stock or other equity interests, the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation, partnership, joint venture or other legal entity.

"Televisa Investors" shall mean, as of any date, collectively, (a) Televisa and any Permitted Transferee of Televisa; (b) a transferee or assignee of Televisa to the extent provided in Section 2.1.8 (Other Televisa Transfers), 3.1.8 (Foreign Ownership Restrictions) or 4.2.6(b) (Foreign Ownership Restrictions), (c) any Person that is not a Permitted Transferee of Televisa but that is, as of such date, a member of a Group of which Televisa and/or any of its Affiliates is a member with respect to securities of the Company (excluding any member of another Investor Group); and (d) a Permitted Transferee of a Person described in clause (c) above, provided, that such Permitted Transferee is, as of such date, a member of, a Group of which Televisa and/or any of its Affiliates is a member with respect to securities of the Company (excluding any member of another Investor Group);in each case under clauses (a)-(d), only if and to the extent such Person is then a Stockholder.

"TV Warrants" shall mean the Company warrants exercisable for shares of Class A Common Stock and/or Class B Common Stock, as applicable, held by Televisa as of the Effective Time.

"Transfer" (including, with correlative meaning, the term "Transferred") shall mean any sale, pledge, assignment, encumbrance or other transfer or disposition of any Shares (or any voting or economic interest therein) to any other Person, whether directly, indirectly, voluntarily, involuntarily, by operation of law, pursuant to judicial process or otherwise. For the avoidance of doubt, it shall constitute a "Transfer" if any capital stock, equity interests or voting interests of any Person holding Shares, or any Person directly or indirectly controlling such Person, is sold, pledged, assigned, encumbered or otherwise transferred or disposed of, provided that no transaction permitted by Section 2.1.10 (Transfer of Public Company Interests) shall constitute a "Transfer." For the avoidance of doubt, a conversion of Class A Common Stock or Class B Common Stock into the other class of Common Stock pursuant to the Charter shall not constitute a Transfer.

"Unvested Shares" shall mean any Equity Award Shares which are not Vested Shares.

"Vested Shares" shall mean any Equity Award Shares which are not subject to vesting requirements or other time of service or performance based conditions to ownership at such time.

9.3 Terms Defined Elsewhere. Each of the following terms shall be defined as set forth in the Section of this Agreement opposite such term below:

| **Term** | **Section** |
|---|---|
| 2010 Stockholders Agreement | Recital 1 |
| 2020 Reclassification | Recital 3 |
| 2020 Stock Purchase | Recital 2 |
| 2020 Transaction | Recital 4 |
| Act | 7.2 |
| Additional Registration Counsel | 6.3.3 |
| Affidavit and Indemnity | 7.5 |
| Agreement | Preamble |
| Amendment | 8.1 |
| Audit Committee | 1.2.1 |
| Board Designees | 1.1.5 |
| Board Observer | 1.1.5 |
| Chairperson | 1.1.4 |
| Change Notice | 3.4.3 |
| Change of Control Procedures | 3.4 |
| Charter | Recital 3 |

| | |
|---|---|
| Class C Common Stock | Recital 2 |
| Class D Common Stock | Recital 2 |
| COC Buyer | 3.4.1(a) |
| COC Election Deadline | 3.4.2 |
| COC Initiating Party | 3.4.1 |
| COC Notice | 3.4.1 |
| COC Participation Election | 3.4.1(b) |
| COC Participation Rights | 3.4.1(b)(i) |
| COC Rollover Rights | 3.4.1(b)(ii) |
| COC Sellers | 3.4.1(a) |
| COC Termination | 3.4.3 |
| Company | Preamble |
| Company Securities | 2.7.1 |
| Compensation and Nominating Committee | 1.2.1 |
| Covered Matters | 10.11 |
| Covered Person | 6.4.1 |
| Covered Persons | 5.9 |
| Demand Initiating Investor | 6.1.1 |
| Demand Registration | 6.1.1 |
| Demand Registration Request | 6.1.1 |
| Drag Along Holders | 3.3 |
| Drag Along Initiating Sellers | 3.3 |
| Drag Along Participating Seller | 3.3.1 |
| Drag Along Sale | 3.3 |
| Drag Along Sale Notice | 3.3.1 |
| Drag Along Sale Percentage | 3.3 |
| Drag Along Sellers | 3.3.1 |
| Drag Along Transaction | 3.3 |
| Effective Time | Recital 5 |
| Escrow Agent | 7.5 |
| Exit Transaction | 3.5.1 |
| First Offer Acceptance Notice | 3.1.4 |
| First Offer Deadline | 3.1.2(a) |
| First Offer Holder | 3.1.1 |
| First Offer Notice | 3.1.2(a) |
| First Offer Purchaser | 3.1.2(a) |
| First Offer Requested Amount | 3.1.2(a) |
| First Offer Sale | 3.1 |
| First Offer Sale Notice | 3.3.1 |
| First Offer Seller | 3.1 |
| First Offer Shares | 3.1.1(a) |
| Forgelight | Preamble |
| Indemnified Liabilities | 5.8.1 |
| Indemnitee | 6.4.3 |
| Indemnitees | 5.8.1 |
| Issuance | 4.1 |

| | |
|---|---|
| Issuer | 4.1 |
| Liberty Ventures | Preamble |
| Long-Term Plan | 1.4.1 |
| Major Televisa Competitor | Schedule II |
| Managers | Preamble |
| Midco | Preamble |
| NASDAQ | 6.3.2(g) |
| Other Stockholders | Preamble |
| Parity Shares | 6.3.1(a) |
| Participating Buyer | 4.2.2 |
| Participation Acceptance | 4.2.2 |
| Participation Acceptance Deadline | 4.2.2 |
| Participation Notice | 4.2.1 |
| Participation Offerees | 4.2.1 |
| Participation Portion | 4.2.1(a) |
| Participation Requested Amount | 4.2.2 |
| Permitted Person | Schedule III |
| Piggyback Eligible Holder | 6.2.1(a) |
| Prospective Subscriber | 4.2.1(a) |
| Purchase Agreement | Recital 2 |
| Reconciliation Compensation | 5.5.3(a) |
| Reconciliation Information | 5.5.3 |
| Registration Participating Investor | 6.3.3 |
| Rollover Transaction | 3.6.1 |
| Searchlight | Preamble |
| Senior or Pari Registration Rights | 6.3.6 |
| Series A Preferred Stock | Recital 3 |
| Shelf Offering | 6.5 |
| Special Meeting Notice | 1.8 |
| Stockholders | Preamble |
| Subject Securities | 4.1 |
| Subscription Agreement | Recital 4 |
| Tag Along Aggregate Amount | 3.2.4 |
| Tag Along Buyer | 3.2 |
| Tag Along Deadline | 3.2.2 |
| Tag Along Holder | 3.2.1 |
| Tag Along Initiating Sellers | 3.2 |
| Tag Along Notice | 3.2.1 |
| Tag Along Offer | 3.2.2 |
| Tag Along Participating Seller | 3.2.2 |
| Tag Along Requested Amount | 3.2.2 |
| Tag Along Sale | 3.2 |
| Tag Along Sale Percentage | 3.2.1(a) |
| Tag Along Sellers | 3.2.2 |
| Take-Down Notice | 6.5 |
| Televisa | Preamble |

| | |
|---|---|
| Televisa Voting Limit | 7.6.1 |
| Third-Party Claim | 5.8.2 |
| Transfer Restriction Period | 2.2.1 |
| UCI | Preamble |

**10. MISCELLANEOUS**

10.1 Authority; Effect. Each party hereto, severally and not jointly, represents and warrants to and agrees with each other party that (a) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized on behalf of such party and do not violate any agreement or other instrument applicable to such party or by which its assets are bound and (b) this Agreement constitutes a legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, except to the extent that the enforcement of the rights and remedies created hereby is subject to (i) bankruptcy, insolvency, reorganization, moratorium and other Laws of general application affecting the rights and remedies of creditors generally and (ii) general principles of equity. The Company, Midco and UCI shall be jointly and severally liable for all obligations of each such party pursuant to this Agreement.

10.2 Notices. Any notices and other communications required or permitted in this Agreement shall be effective if in writing and (a) delivered personally, (b) sent by overnight courier, or (c) sent by email, in each case, addressed as follows:

If to the Company, Midco or UCI, to it:

c/o Univision Communications Inc.
5999 Center Drive
Los Angeles, California 90045
Attention: John Aceves
Email: jaceves@univision.net

and

c/o Univision Communications Inc.
605 Third Avenue, 12th Floor
New York, New York 10158
Attention: Jonathan Schwartz
Email: jschwartz@univision.net

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

Willkie Farr & Gallagher, LLP
787 Seventh Avenue
New York, NY 10019
Attn: Mark Getachew
Phone: 212-728-8647
Email: mgetachew@willkie.com

If to any Stockholder, to it at the address set forth on Exhibit A, or if not set forth thereon, in the records of the Company.

Notice to the holder of record of any shares of capital stock shall be deemed to be notice to the holder of such shares for all purposes hereof.

Each of the parties hereto shall be entitled to specify a different address by giving notice as aforesaid to each of the other parties hereto. Without limiting any other means by which a party hereto may be able to prove that a notice has been received by another party hereto, all notices and communications shall be deemed to have been duly given: (i) at the time delivered by hand, if personally delivered; (ii) upon the earlier of (A) actual receipt by the intended recipient and (B) seven (7) Business Days after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery; and (iii) when confirmation of receipt is received, if sent by electronic mail; provided that (with respect to this clause (iii)) a paper copy is also sent in accordance with the delivery methods set forth in the prior clauses (i) – (ii). In any case hereunder in which a party hereto is required or permitted to respond to a notice from another party hereto within a specified period, such period shall run from (but exclude) the date on which the notice was deemed duly given as above provided, and the response shall be considered to be timely given if given as above provided by the last day of the period provided for such response.

10.3 Entire Agreement; No Assignment. This Agreement, the Governing Documents, any exhibits or schedules hereto or thereto and any other agreement, document or instrument referred to herein or therein set forth the entire understanding and agreement of the parties, and supersede all prior agreements, arrangements and communications, whether oral or written, with respect to the subject matter hereof (including the Project United Governance Term Sheet, entered into on February 24, 2020, by and among certain of the parties hereto). Except as otherwise expressly provided herein or therein, no Stockholder party hereto may assign any of its respective rights or delegate any of its respective obligations under this Agreement without the prior written consent of the other parties hereto, and any attempted assignment or delegation in violation of the foregoing shall be null and void. For the avoidance of doubt, nothing contained herein or in any of the Governance Documents shall impact or affect any of the applicable parties' rights and obligations under the Program License Agreement.

10.4 Descriptive Heading. The descriptive headings of this Agreement are for convenience of reference only, are not to be considered a part hereof and shall not be construed to define or limit any of the terms or provisions hereof.

10.5 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one instrument. A facsimile signature shall be considered due execution and shall be binding upon. the signatory thereto with the same force and effect as if the signature were an original.

10.6 Severability. In the event that any provision hereof would, under applicable Law (other than Federal Communications Laws, in which case any modification or limitation must be agreed by each of the Investors (or if there are no Investors, the agreement of Televisa and the Board shall be required)), be invalid or unenforceable in any respect, such provision shall be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, applicable Law. The provisions hereof are severable, and in the event any provision hereof should be held invalid or unenforceable in any respect pursuant to the preceding sentence, it shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

10.7 No Recourse. Notwithstanding anything that may be expressed or implied in this Agreement, and notwithstanding the fact that certain of the parties hereto may be corporations, partnerships, limited liability companies or trusts, each party to this Agreement covenants, agrees and acknowledges that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement shall be had against any current or future director, officer, employee, general or limited partner, member, manager or trustee of any Stockholder or of any partner, member, manager, trustee, Affiliate or assignee thereof, in its capacity as such (provided, that, for the avoidance of doubt, such recourse may be had against any such Person in its capacity as a party signatory hereto), whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable Law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any current or future officer, agent or employee of any Stockholder or any current or future member of any Stockholder or any current or future director, officer, employee, partner, member, manager or trustee of any Stockholder or of any Affiliate or assignee thereof, in its capacity as such (provided, that, for the avoidance of doubt, such recourse may be had against any such Person in its capacity as a party signatory hereto), for any obligation of any Stockholder under this Agreement or any documents or instruments delivered in connection with this Agreement for any claim based on, in respect of or by reason of such obligations or their creation.

10.8 Aggregation of Shares. All Shares held by a Stockholder and its Affiliates, or in the case of an Investor, such Investor and its Corresponding Investor Group, shall be aggregated together for purposes of determining the availability of any rights or incurrence of any obligations hereunder. Within any Investor Group, the members of such Investor Group may allocate the ability to exercise any rights and/or the incurrence of any obligations under this Agreement in any manner that such members of the Investor Group sees fit.

10.9 Consent to Notice of Stockholders Meetings. Each Stockholder hereby agrees and consents to receive notices by the Company of any stockholders meetings (including any notices required under the bylaws of the Company) by email.

10.10 Remedies. The parties hereto shall have all remedies available at law, in equity or otherwise in the event of any breach or violation of this Agreement or any default hereunder. The parties hereto acknowledge and agree that in the event of any breach of this Agreement, in addition to any other remedies which may be available, each of the parties hereto shall be entitled to specific performance of the obligations of the other parties hereto and, in addition, to such other equitable remedies (including preliminary or temporary relief) as may be appropriate in the circumstances. Notwithstanding anything to the contrary contained in this Agreement, no party hereto shall be liable to the other parties under this Agreement for any special, consequential, punitive, indirect or exemplary damages (including lost or anticipated revenues or profits relating to the same) arising from any claim relating to this Agreement, whether such claim is based on warranty, contract, tort (including negligence or strict liability) or otherwise.

10.11 Governing Law. This Agreement and the negotiation, execution, performance or nonperformance, interpretation, termination, construction and all matters based upon, arising out of or related to this Agreement, whether arising in law or in equity (collectively, the "Covered Matters"), and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to the Covered Matters, except for documents, agreements and instruments that specify otherwise, shall be governed by the laws of the State of Delaware without giving effect to its principles or rules of conflict of laws to the extent that such principles or rules would require or permit the application of laws of another jurisdiction.

10.12 Consent to Jurisdiction. Each party to this Agreement, by its execution hereof, (a) hereby irrevocably submits to the exclusive jurisdiction of the Chancery Court of the State of Delaware (and if the Chancery Court does not accept jurisdiction, any federal court located in the District of Delaware, and if such federal court does not accept jurisdiction, any court of the State of Delaware) for the purpose of any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation arising out of or based upon this Agreement or relating to the subject matter hereof, (b) hereby waives to the extent not prohibited by applicable Law, and agrees not to assert, and agrees not to allow any of its subsidiaries to assert, by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that any such proceeding brought in one of the above named courts is improper, or that this Agreement or the subject matter hereof or thereof may not be enforced in or by such court and (c) hereby agrees not to commence or maintain any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation arising out of or based upon this Agreement or relating to the subject matter hereof or thereof other than before one of the above-named courts nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any such action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation to any court other than one of the above-named courts whether on the grounds of inconvenient forum or otherwise. Notwithstanding the foregoing, to the extent that any party hereto is or becomes a party in any litigation in connection with which it may assert indemnification rights set forth in this agreement, the court in which such litigation is being heard shall be deemed to be included in clause (a) above. Notwithstanding the foregoing, any party to this Agreement may commence and maintain an action to enforce a judgment of any of the above-named courts in any court of competent jurisdiction. Each party hereto hereby consents to service of process in any such proceeding in any manner permitted by Delaware Law, and agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 10.2 (Notices) hereof is reasonably calculated to give actual notice.

10.13 WAIVER OF JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH PARTY HERETO HEREBY WAIVES AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE OR ACTION, CLAIM, CAUSE OF ACTION OR SUIT (IN CONTRACT, TORT OR OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY THE OTHER PARTIES HERETO THAT THIS SECTION 10.13 CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH THEY ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 10.13 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

10.14 Exercise of Rights and Remedies. No delay of or omission in the exercise of any right, power or remedy accruing to any party as a result of any breach or default by any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of any similar breach or default occurring later; nor shall any such delay, omission nor waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

10.15 No Third Party Beneficiaries. Nothing expressed or referred to in this Agreement will be construed to give any Person, other than the parties to this Agreement and their permitted transferees, any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement.

10.16 No Derogation of Other Rights. Notwithstanding anything to the contrary herein, nothing in this Agreement derogates from any party's rights and obligations under the Commercial Agreements.

10.17 No Partnership, Agency, or Joint Venture. This Agreement is intended to create, and creates, a contractual relationship and is not intended to create, and does not create, any agency, partnership, joint venture or any like relationship between or among the parties hereto.

[*Signature pages follow*]

IN WITNESS WHEREOF, each of the undersigned has duly executed this Agreement (or caused this Agreement to be executed on its behalf by its officer or representative thereunto duly authorized) under seal as of the date first above written.

*THE COMPANY*: **UNIVISION HOLDINGS, INC.**

By: /s/ Jonathan Schwartz
Name: Jonathan Schwartz
Title: Chief Legal & Corporate Affairs Officer

*MIDCO*: **BROADCAST MEDIA PARTNERS HOLDINGS, INC.**

By: /s/ Jonathan Schwartz
Name: Jonathan Schwartz
Title: Chief Legal & Corporate Affairs Officer

*UCI*: **UNIVISION COMMUNICATIONS INC.**

By: /s/ Jonathan Schwartz
Name: Jonathan Schwartz
Title: Chief Legal & Corporate Affairs Officer

***MAJOR INVESTORS***

**FORGELIGHT INVESTORS**

**FORGELIGHT (UNIVISION) HOLDINGS, LLC**

By: ForgeLight (United) Investors, LLC
Its: Sole Member

By: ForgeLight (United) Investors MM, LLC
Its: Managing Member

By: ForgeLight Holdings LP
Its: Managing Member

By: Hayden Summit Holdings LLC
Its: General Partner

By: /s/ Wade Davis
Name: Wade Davis
Title: Sole Member

**SEARCHLIGHT INVESTORS**

**SEARCHLIGHT III UTD, L.P.**

By: Searchlight III UTD GP, LLC
its general partner

By: /s/ Andrew Frey
Name: Andrew Frey
Title: Authorized Signatory

**TELEVISA INVESTORS**

**GRUPO TELEVISA, S.A.B.**

By: /s/ José Antonio Lara del Olmo
Name: José Antonio Lara del Olmo
Title: Attorney in Fact

By: /s/ Jorge Augustín Lutteroth Echegoyen
Name: Jorge Augustín Lutteroth Echegoyen
Title: Attorney in Fact

*INVESTORS (OTHER THAN MAJOR INVESTORS)*:

**LIBERTY GLOBAL VENTURES LIMITED**

By: /s/ Andrea Salvato
Name: Andrea Salvato
Title: Chief Development Officer

**Exhibit A**
**Stockholder Notice Addresses**

| Stockholder | Address | With Copies to (which shall not constitute notice): |
|---|---|---|
| Searchlight III UTD, L.P. | c/o Searchlight Capital Partners, LP<br>745 Fifth Avenue – 27th Floor<br>New York, NY 10151<br>Attention: Andrew Frey<br>Nadir Nurmohamed<br>Email: afrey@searchlightcap.com<br>nnurmohamed@searchlightcap.com | Paul, Weiss, Rifkind, Wharton & Garrison LLP<br>1285 Avenue of the Americas<br>New York, NY 10019-6064<br>Attention: Taurie M. Zeitzer<br>Justin S. Rosenberg<br>Email: tzeitzer@paulweiss.com<br>jrosenberg@paulweiss.com |
| ForgeLight Univision Holdings LLC | 5 Bryant Park<br>1065 6th Avenue, 22nd Floor<br>New York, NY 10018<br>Attention: Wade Davis<br>E-mail: wdavis@fogelight.com | Willkie Farr & Gallagher LLP<br>787 Seventh Avenue<br>New York, New York 10019<br>Attention: A. Mark Getachew<br>William Gump<br>E-mail: mgetachew@willkie.com<br>wgump@willkie.com |
| Multimedia Telecom, S.A. de C.V. | Grupo Televisa, S.A.B<br>Building A, 4th Floor<br>No 2000 Colonia Santa Fe<br>Mexico, DF / 01210 / Mexico<br>Attention: General Counsel<br>E-mail: labustoso@televisa.com.mx | Wachtell, Lipton, Rosen & Katz<br>51 West 52nd Street<br>New York, NY 10019<br>Attention: Joshua R. Cammaker<br>DongJu Song<br>Email: jrcammaker@wlrk.com<br>dsong@wlrk.com |
| Liberty Ventures | Liberty Global Ventures Limited<br>Griffin House<br>161 Hammersmith Road<br>London W6 8BS, United Kingdom<br>Attention: Andrea Salvato<br>Email: asalvato@libertyglobal.com<br>LegalUS@libertyglobal.com | Shearman & Sterling LLP<br>599 Lexington Avenue<br>New York, NY 10022-6069<br>Attention: George A. Casey<br>Daniel Litowitz<br>Cody Wright<br>Email: George.Casey@Shearman.com<br>Daniel.Litowitz@Shearman.com<br>Cody.Wright@Shearman.com |

**SCHEDULE I**

[Please see attached.]

**SCHEDULE II**

***

Schedule II

**SCHEDULE III**

***

**SCHEDULE IV**

***

**Exhibit 4.18**

EXECUTION VERSION

**TRANSACTION AGREEMENT**

by and among

**GRUPO TELEVISA, S.A.B,**

**UNIVISION HOLDINGS, INC.**

and for the limited purposes set forth herein,

**SEARCHLIGHT III UTD GP, LLC,**

**FORGELIGHT UNIVISION HOLDINGS LLC,**

and

**LIBERTY GLOBAL VENTURES LIMITED**

dated as of

April 13, 2021

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**TRANSACTION AGREEMENT**

This TRANSACTION AGREEMENT (this "Agreement"), dated as of April 13, 2021, is by and among Grupo Televisa, S.A.B., a Mexican *sociedad anónima bursatil* ("Torch"), Univision Holdings, Inc., a Delaware corporation ("United"), and for the limited purposes of the covenants and representations and warranties set forth herein that are expressly obligations of such persons, Searchlight III UTD GP, LLC, a Delaware limited liability company ("Smoke"), ForgeLight Univision Holdings LLC, a Delaware limited liability company ("Flame"), and Liberty Global Ventures Limited, a private limited company organized under the laws of England and Wales, a private limited company organized under the laws of England and Wales ("Lava"). All capitalized terms used in this Agreement shall have the meanings ascribed to such terms in Annex A or as otherwise defined elsewhere in this Agreement. United and Torch, and for the limited purposes of the covenants and representations and warranties set forth herein that are expressly obligations of such Persons, Smoke, Flame and Lava, are each sometimes referred to herein as a "Party" and collectively, as the "Parties."

**RECITALS**

WHEREAS, each of Canal XXI, S.A. de C.V., Gyali, S.A. de C.V., T.V. de los Mochis, S.A. de C.V., Televisa Music Publishing, S.A. de C.V., Televisa, S.A. de C.V. ("OpCo"), Televisión de Puebla, S.A. de C.V., Televisora de Mexicali, S.A. de C.V., Torali, S.A. de C.V., and Recursos Administrativos Televisa, S.A. de C.V. is a *sociedad anónima de capital variable* and wholly-owned indirect subsidiary of Torch (each, a "ContentCo" and collectively with their respective Subsidiaries and the Purchased Entities and their respective Subsidiaries to be transferred to United or one of its Subsidiaries pursuant to this Agreement, in each case, set forth on Schedule 1 hereto, each, a "ContentCo Entity," and collectively, the "ContentCo Group");

WHEREAS, the ContentCo Group is engaged in the business of developing, producing, licensing (including to United under that certain Second Amended and Restated 2011 Program License Agreement, entered into as of July 1, 2015 and effective as of January 1, 2015) and otherwise exploiting Audio-Visual Content and all Allied and Ancillary Rights thereto, with rights to exploit certain audio content ancillary thereto, and selling sponsorships and advertising inventory associated with such Audio-Visual Content (such business, (a) as operated by Torch and its Subsidiaries as of the date hereof and (b) as and to the extent reflected in the balance sheet as of the ContentCo Balance Sheet Date and statement of income for the nine-month period ended the ContentCo Balance Sheet Date (and the notes thereto) set forth on, and giving effect to the adjustments set forth on, Schedule 2 hereto, subject to increases, decreases or dispositions thereof, and additions thereto, occurring after the ContentCo Balance Sheet Date, or arising after the ContentCo Balance Sheet Date and of the nature and type of the assets (excluding cash and cash equivalents) and liabilities reflected therein, in each case in the ordinary course of business and not resulting from actions that, if taken after such date, would constitute a breach of Section 4.1(b) (where, for purposes of determining such breach, any such action taken prior the date hereof would be deemed taken between the date hereof and the Closing), in each case, except as otherwise disclosed in Schedule 2 hereto, and in any case, for the avoidance of doubt, including the Purchased Rights and the Included Assets and Liabilities and excluding the Excluded Business and the Excluded Assets and Liabilities, the "ContentCo Business");

WHEREAS, in addition to the ContentCo Business, Torch and its Subsidiaries are engaged in other businesses, including the holding and operation of broadcasting concessions in Mexico and the broadcasting of Audio-Visual Content, cable and satellite distribution of Audio-Visual Content and related services (including multichannel video programming distribution and internet-based distribution), with rights to exploit certain audio content ancillary thereto (and producing linear channels and selling sponsorships and advertising inventory in connection with the foregoing (for the avoidance of doubt, excluding the pay television channels included in the Included Assets and Liabilities)), certain activities relating to the production of news and news related programming through assets included in the Excluded Assets and Liabilities, print publications, telephony, internet and related telecommunications services, soccer team and soccer stadium operations, and gaming (collectively, the "Excluded Business"), which will be retained by Torch and not transferred in the Transactions;

WHEREAS, the Parties desire to effect the merger of the ContentCos with a newly formed merger subsidiary, a Mexican *sociedad de responsabilidad limitada de capital variable* and indirect wholly-owned subsidiary of United ("Merger Sub"), in a *fusión por absorción* (the "Merger"), in which OpCo will be the surviving entity in the Merger, upon the terms and subject to the conditions set forth in this Agreement and the Merger Agreement and the Corporate Resolutions to be executed and delivered at Closing, in substantially the form set forth as Attachment U attached hereto (the "Merger Documents");

WHEREAS, following the Merger, Torch (or its applicable Subsidiary) desires to contribute its equity interests in OpCo (the "Contribution") to United, and, as consideration therefor, United desires to issue certain capital stock, including Class A Common Stock and Series B Convertible Preferred Stock, par value $0.001, of United (the "United Series B Preferred Stock"), as set forth herein, to Torch (or its applicable Subsidiary), upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, contemporaneously with and in connection with the Merger and the Contribution, Torch and certain of its Subsidiaries desire to sell, and United or certain of its Subsidiaries desire to purchase, for the cash consideration set forth opposite each such asset on Schedule 3 hereto, (i) all equity interests held by Torch or its Subsidiaries in each of the Subsidiaries and other entities set forth on Schedule 3 hereto (such entities, the "Purchased Entities," and such interests, the "Purchased Entity Interests"), and (ii) certain contracts and intellectual property rights set forth on Schedule 3 hereto (the "Purchased Rights"), in each case, upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, contemporaneously with and in connection with the Merger, Contribution, and the sale and purchase of the Purchased Equity Interests and the Purchased Rights, United desires to sell and issue to certain investors shares of Series C Convertible Participating Preferred Stock, par value $0.001 per share, of United (the "United Series C Preferred Stock"), upon the terms and subject to the conditions set forth in this Agreement and the Investment Agreement (as defined below);

WHEREAS, contemporaneously with and in connection with the Merger, Contribution, the sale and purchase of the Purchased Entity Interests and the Purchased Rights, and the issuance of United Common Stock, United Series B Preferred Stock and the United Series C Preferred Stock as contemplated hereby, (a) United desires to (i) amend and restate its Certificate of Incorporation (the "United Existing Charter") into substantially the form attached hereto as Attachment A (the "United New Charter"), (ii) amend and restate its By-Laws (together with the United Existing Charter, the "United Existing Organizational Documents") into substantially the form attached hereto as Attachment B (the "United New Bylaws"), and (iii) adopt the certificates of designation for the United Series B Preferred Stock and the United Series C Preferred Stock in substantially the form attached hereto as Attachment C and D, respectively (the "Series B Certificate of Designations," and "Series C Certificate of Designations", respectively, and together with the United New Charter and United New Bylaws, the "United New Organizational Documents"), and (b) the Parties desire to amend and restate the Amended and Restated Stockholders Agreement, by and among United, Broadcast Media Partners Holdings, Inc., Univision Communications Inc. and the other parties named therein (the "United Existing Stockholders Agreement") in substantially the form attached hereto as Attachment E (the "New Stockholders Agreement");

WHEREAS, contemporaneously with and in connection with the Merger, Contribution, the sale and purchase of the Purchased Equity Interests and the Purchased Rights, and issuance of United Series C Preferred Stock, United and/or its Subsidiaries party thereto, on the one hand, and Torch and/or its Subsidiaries party thereto, on the other hand, desire to enter into a short-term transition services agreement in substantially the form set forth in Attachment F (the "Transition Services Agreement");

WHEREAS, contemporaneously with and in connection with the Merger, Contribution, the sale and purchase of the Purchased Equity Interests and the Purchased Rights, and issuance of United Series C Preferred Stock, United and/or its Subsidiaries party thereto, on the one hand, and Torch and/or its Subsidiaries party thereto, on the other hand, desire to enter into various commercial agreements in substantially the forms (in the case of form agreements) or on the material terms (in the case of term sheets) set forth in Attachments G through T (together with the New Stockholders Agreement, the Merger Documents, the Contribution Agreement and the Transition Services Agreement, the "Ancillary Agreements" and, the Ancillary Agreements, together with the United New Organizational Documents, the "Transaction Documents");

WHEREAS, the boards of directors of United and Torch have deemed it advisable and in the best interests of United and Torch, respectively, and their respective equity holders, that United and Torch engage in the transactions contemplated by this Agreement, including the Merger, Contribution, the sale and purchase of the Purchased Equity Interests and the Purchased Rights, issuance of United Series C Preferred Stock, making effective the United New Organizational Documents and entering into the Ancillary Agreements (collectively, the "Transactions");

WHEREAS, each of Torch, Searchlight III UTD, L.P. ("New HoldCo"), Flame and Lava, as holders of a majority of the aggregate equity and voting interests of United, have approved this Agreement and the Transactions, upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, as a result of the transactions contemplated by this Agreement, Torch and/or its Subsidiaries will receive, in addition to the equity consideration contemplated hereby, aggregate cash consideration of three billion dollars ($3,000,000,000), upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, Annex B sets forth, as of immediately following the Closing and after giving effect to the Transactions, a true and complete capitalization table of United showing each holder of capital stock of United and the number and class of capital stock of United held by such holder; provided, that officers and employees of United other than the Chief Executive Officer of United are shown on an aggregated basis; and

WHEREAS, the Parties desire to make certain representations, warranties, covenants and agreements in connection with the Transactions, and also prescribe various terms of and conditions to the Transactions.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

## ARTICLE I

## THE TRANSACTIONS

Section 1.1. The Closing. The closing of the Transactions (the "Closing") shall take place remotely by exchange of documents and signatures (or their electronic counterparts) at 9:00 a.m., Eastern Time, on the third Business Day after the satisfaction or, to the extent permitted by applicable Law, waiver of the last of the conditions set forth in Article VIII to be satisfied or waived (other than any such conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or, to the extent permitted by applicable Law, waiver of such conditions at the Closing), unless another date or place is agreed to in writing by Torch and United. The date on which the Closing actually takes place is referred to as the "Closing Date." Notwithstanding the foregoing, if the Marketing Period has commenced but has not ended at the time of the satisfaction or waiver of the conditions set forth in Article VIII (other than any such conditions that by their nature are to be satisfied at the Closing), the Parties shall not be required to effect the Closing until the earlier of (i) a Business Day during the Marketing Period specified by United on no less than two (2) Business Days' prior written notice to Torch and (ii) the third ($3^{rd}$) Business Day after the final day of the Marketing Period.

Section 1.2. Closing Transactions. Upon the terms and subject to the satisfaction or waiver of the conditions set forth in this Agreement, on the Closing Date, in the order set forth below but substantially contemporaneously (it being agreed that none of the following shall be deemed to have occurred unless all of the following shall have occurred):

(a) United shall adopt, by all requisite corporate action, the United New Organizational Documents. United shall cause the United New Charter to be executed in accordance with the relevant provisions of the DGCL and filed with the Secretary of State of the State of Delaware.

(b) In accordance with and pursuant to the Investment Agreement, United shall issue the United Series C Preferred Stock to the subscribers party thereto.

(c) Prior to the Merger, (i) immediately following the assignment of the Second Amended and Restated 2011 Program License Agreement, by and between OpCo and Univision Communications Inc. from Torch to a Subsidiary of United pursuant to the Assignment, Assumption and Termination Agreement for such agreement attached hereto as Attachment O, Torch shall pay to OpCo any amounts then owing by Torch to OpCo pursuant to the Content Licensing Agreement, by and between Torch and OpCo (the "CLA" and, such amount, the "CLA Payable"), (ii) following receipt by OpCo of payment in full of the CLA Payable, Torch (or its applicable Subsidiary) shall cause OpCo to declare and pay a dividend in an amount not to exceed the CLA Payable (the transactions contemplated by clause (i) and this clause (ii), the "Torch CLA Transactions"), (iii) to the extent the amount set forth in clause (i) exceeds the amount set forth in clause (ii), Torch (or its applicable Subsidiary) shall cause OpCo to approve a capital reduction, pursuant to which OpCo shall be bound to consummate such capital reduction by redeeming shares for an amount of cash equal to such excess (the "Capital Reduction Amount"), which Capital Reduction Amount shall be paid by OpCo no later than immediately prior to the Merger (the transactions contemplated by this clause (iii), the "Capital Reduction"), and (iv) Torch (or its applicable Subsidiary), shall cause (or have previously caused) certain programming rights and other related agreements set forth on Schedule 3 hereto (the "TV Programming Rights") to be assigned to a ContentCo Entity in exchange for a payable in an amount equal to the amount set forth in Schedule 3 hereto (such amount, the "TV Programming Rights Amount"), which TV Programming Rights Amount shall be paid by such ContentCo Entity immediately following the Merger and as set forth below.

(d) Immediately prior to the Merger, Torch or certain of its Subsidiaries shall sell, and United or certain Subsidiaries of United (each such entity, a "United Purchaser Sub") shall purchase, (i) each of the Purchased Equity Interests and (ii) each of the Purchased Rights, in each case, for the cash consideration set forth on Schedule 3 hereto opposite such Purchased Equity Interest or Purchased Right (such amounts in the aggregate, the "Aggregate Purchased Equity and Purchased Rights Consideration").

(e) Immediately prior to the Merger, OpCo shall pay, or cause to be paid, to Torch, if the following amount is a positive amount, or Torch shall pay, or cause to be paid, to OpCo, if the following amount is a negative amount, the sum of (A) the Estimated ContentCo Working Capital *less* (C) the Target Working Capital Amount *plus* (D) the Estimated ContentCo Cash *less* (E) the absolute value of the Estimated ContentCo Indebtedness (such resulting amount, the "Closing Consideration"). The Closing Consideration so determined shall be treated, for all Mexican legal and tax purposes, as giving rise to an adjustment in accordance with Section 5.14(f).

(f) Merger Sub, which United shall have previously caused to be incorporated with initial capital of not less than $1,946,500,000, shall be merged, in accordance with and pursuant to the Merger Documents, with the ContentCos in a *fusión por absorbción*, with OpCo as the surviving entity in the Merger. The Merger shall have the effects provided in this Agreement and the Merger Documents.

(g) In the Merger, United (or its applicable Subsidiary) shall receive common stock of OpCo representing fifty six and five tenths percent (56.5%) percent of the equity capitalization of OpCo.

(h) Immediately following the Merger, OpCo shall (i) repay in full the intercompany payable in respect of the TV Programming Rights and (ii) shall repay in full any Permitted Intercompany Payables (as defined in Section 5.13 of the Torch Disclosure Letter) owing by OpCo (the "OpCo Payable Settlement").

(i) Immediately following the Merger, pursuant to a contribution agreement in the form of Attachment V hereto (the "Contribution Agreement"), Torch (or its applicable Subsidiary) shall contribute all of its equity interests in OpCo to United and receive as aggregate consideration therefor (i) 3,589,664 shares of United Class A Common Stock, free and clear of all Liens (except for restrictions on transfer generally arising under applicable federal securities Laws or state securities Law or pursuant to the terms of the United New Organizational Documents) (the "Common Share Consideration") and (ii) 750,000 shares of United Series B Preferred Stock free and clear of all Liens (except for restrictions on transfer generally arising under applicable federal securities Laws or state securities Law or pursuant to the terms of the United New Organizational Documents) (the "Preferred Share Consideration" and, together with the Common Share Consideration, the "Share Consideration"). The Parties shall use reasonable best efforts to structure such contribution as a taxable sale or exchange for United States federal income tax purposes, and to do so in a manner that does not create adverse consequences that are material to Torch or United.

(j) Each of the Parties party thereto shall, and shall cause each of their Subsidiaries party thereto to, execute, deliver and enter into each of the Ancillary Agreements.

Section 1.3. Pre-Closing and Closing Deliveries.

(a) *Pre-Closing Deliveries*. At least three (3) Business Days prior to the Closing:

(i) Torch shall deliver to United a written schedule (as revised in accordance with this section, the "Closing Consideration Notice") setting forth Torch's good-faith calculation in accordance with the Transaction Accounting Principles, together with reasonable supporting detail, of the Closing Consideration and the components thereof, including (i) ContentCo Cash (the "Estimated ContentCo Cash"), (ii) ContentCo Indebtedness (the "Estimated ContentCo Indebtedness") and (iii) ContentCo Working Capital (the "Estimated ContentCo Working Capital"). Torch will consider in good faith United's comments and may (but shall not be required to) make changes to implement such comments in whole or in part, in which case the notice as so revised shall thereafter be the Closing Consideration Notice and the applicable amounts therein as so revised shall be the Estimated ContentCo Cash, Estimated ContentCo Indebtedness and Estimated ContentCo Working Capital; provided, that such review by United and any resulting changes to the Closing Consideration Notice shall not modify the date on which Closing shall occur pursuant to Section 1.1; and

(ii) United shall deliver to Torch a written statement, accompanied by a certificate of the Chief Executive Officer of United, setting forth the final amount of the Expense Cap (giving effect to the Closing).

(b) *United Closing Deliveries*. On the Closing Date, United shall deliver:

(i) to Torch, at or prior to the Closing, a certificate, dated as of the Closing Date and duly executed on behalf of United by the Chief Executive Officer of United, certifying that the conditions set forth in Section 8.3(a), Section 8.3(b) and Section 8.3(c) have been satisfied;

(ii) to each of the Parties other than United, at or prior to the Closing, evidence, in form and substance reasonably satisfactory to such Parties, that the United New Organizational Documents have been duly adopted by all requisite corporate action, other than the filing of the United New Charter with the Secretary of State of the State of Delaware;

(iii) to Torch, at or prior to the Closing, counterparts to each Ancillary Agreement (other than the New Stockholders Agreement) executed by United and each of its Subsidiaries to the extent party thereto;

(iv) to each of the Parties other than United, at the Closing, counterparts to the New Stockholders Agreement executed by United;

(v) to Torch (or its designated Subsidiary), at the Closing, evidence of the OpCo Payable Settlement;

(vi) to one or more accounts designated by Torch at least three (3) days prior to the Closing, a cash payment equal to the Aggregate Purchased Equity and Purchased Rights Consideration, *plus* the Closing Consideration pursuant to Section 1.2(e) (if such amount is positive) or *minus* the absolute value of the Closing Consideration pursuant to Section 1.2(e) (if such amount is negative);

(vii) to Torch (or its designated Subsidiary), at the Closing, share certificates reflecting all shares of capital stock of United held by Torch and each of its Subsidiaries immediately following the Closing; and

(viii) to each of the Parties other than United, as promptly as practicable following the Closing (and in any event on the Closing Date), a copy, certified on behalf of United by an executive officer of United as true and complete, of the share register of United as of immediately following the Closing, which shall be consistent in all respects with Annex B (other than changes reflecting issuances of shares expressly permitted by Section 4.2).

(c) *Torch Closing Deliveries*. On the Closing Date, Torch shall deliver:

(i) to United, at or prior to the Closing, a certificate, dated as of the Closing Date and duly executed on behalf of Torch by a co-Chief Executive Officer of Torch, certifying that the conditions set forth in Section 8.2(a), Section 8.2(b) and Section 8.2(c) have been satisfied;

(ii) to United, at or prior to the Closing, counterparts to each Ancillary Agreement (other than the New Stockholders Agreement) executed by Torch and each of its Subsidiaries to the extent party thereto;

(iii) to each of the Parties other than Torch, at the Closing, counterparts to the New Stockholders Agreement executed by Torch (or its applicable Subsidiaries); and

(iv) to United or its applicable Subsidiaries, at or prior to the Closing, a duly executed IRS Form W-9, from any Subsidiary of Torch that transfers Purchased Equity Interests in any entity organized under the laws of the United States.

(d) *Smoke Closing Deliveries*. At the Closing, Smoke shall cause the delivery to each of the Parties other than Smoke, counterparts to the New Stockholders Agreement executed by an entity for which Smoke serves as a general partner (it being understood that such entity is referred to in the Reorganization Agreement as SL New Holder).

(e) *Flame Closing Deliveries*. At the Closing, Flame shall deliver to each of the Parties other than Flame, counterparts to the New Stockholders Agreement executed by Flame (or its applicable Subsidiary(ies)).

(f) *Lava Closing Deliveries*. At the Closing, Lava shall deliver to each of the Parties other than Lava, counterparts to the New Stockholders Agreement executed by Lava (or its applicable Subsidiary(ies)).

(g) *OpCo Delivery*. At the Closing, Torch shall cause OpCo to deliver to United a certificate pursuant to Treasury Regulations Section 1.1446(f)-2(b)(4) certifying that no withholding is required under Section 1446(f) of the Code on the transfer of interests in OpCo by Torch (or its applicable Subsidiary) to United pursuant to the Contribution.

Section 1.4. Further Assurances. From time to time following the Closing, each of Torch and United shall, and shall cause its Affiliates to, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, to the other Party, at the reasonable request of and without further expense to such other Party, such other further assignments, conveyances and other assurances, documents and instruments of transfer as such other Party may reasonably request or take such other actions consistent with the terms of this Agreement as may otherwise be necessary to consummate the transactions contemplated by this Agreement.

Section 1.5. Certain Governance Matters.

(a) Upon the filing of the United New Charter with the Secretary of State of the State of Delaware, the name of United shall be Televisa Univision, Inc., which shall be set forth in the United New Charter. Prior to the Closing, each of United and Torch shall take all actions necessary or advisable so that effective upon the Closing, the name of OpCo shall be Televisa S.R.L. de C.V. From and after the Closing, without the prior written consent of Torch, United shall not, and shall cause its Subsidiaries not to, approve, authorize or commit to any change to (i) the name of United prior to the first anniversary of the Closing Date or (ii) the name of OpCo.

(b) Prior to the Closing, Univision and Torch shall cooperate to establish, effective no later than the Closing, (i) an advisory integration committee consisting of the Chief Executive Officer of United and the Co-Chief Executive Officer of Torch to oversee integration matters relating to the Transactions and (ii) an advisory programming committee consisting of the individuals set forth on Schedule 4 hereto to oversee programming strategy matters of United and its Subsidiaries, in each case as further set forth on Schedule 4 hereto.

Section 1.6. Treatment of Torch Equity Awards. Prior to the Closing, Torch and its Subsidiaries shall be permitted to adopt and enter into such amendments to any benefit plans of Torch and its Subsidiaries and any award agreements thereunder as shall be necessary or advisable to provide that any portion of an award issued prior to the Closing to an employee or consultant of any ContentCo Entity that remains unvested as of the Closing shall, subject to the consent of the applicable holders, be modified so that, following the Closing, such unvested portion shall have such metrics for vesting based on the performance of United and its Subsidiaries as are mutually agreed by Torch and United, acting reasonably. Following the Closing, United shall, from time to time upon Torch's written request therefor, reimburse Torch for its expense in issuing equity of Torch underlying the foregoing awards (net of any exercise price received by Torch therefor) (the "Equity Award Expense").

Section 1.7. Post-Closing Adjustments.

(a) *Initial Adjustment Statement*. Within ninety (90) days after the Closing Date, United shall prepare and deliver to Torch a statement (the "Initial Adjustment Statement"), setting forth United's good-faith calculation in accordance with the Transaction Accounting Principles, together with reasonable supporting detail, of the Closing Consideration and the components thereof, including (i) ContentCo Cash, (ii) ContentCo Indebtedness, and (iii) ContentCo Working Capital, and the resulting Adjustment Amount. The Initial Adjustment Statement shall be prepared in good faith in accordance with the Transaction Accounting Principles. If United does not deliver to Torch the Initial Adjustment Statement within such ninety (90)-day period, then the Closing Consideration Notice shall be deemed to have been accepted by United for all purposes hereunder and an Adjustment Amount of zero shall be final and binding upon the Parties, including for purposes of Section 1.7(f).

(b) *Cooperation and Access*. Following the Closing through the resolution of any Adjustment Amount contemplated by this Section 1.7, Torch and United will, and will cause their respective Subsidiaries and Representatives to, cooperate with and assist the other Party for purposes of preparing and reviewing the calculations contemplated by this Section 1.7, including by providing, upon reasonable notice, reasonable access to the books and records of such Party and their respective Subsidiaries and making available personnel of such Party and their respective Subsidiaries to the extent reasonably required. Each of Torch and United shall authorize its accountants to disclose work papers generated by such accountants in connection with preparing and reviewing the calculations contemplated by this Section 1.7; provided, that such accountants shall not be obligated to make any work papers available except in accordance with such accountants' normal disclosure procedures and then only after Torch or United, as the case may be, has signed a customary agreement relating to such access to work papers in form and substance reasonably acceptable to such accountants. Each of Torch and United agree that, until the Adjustment Amount is final and binding upon the Parties, it will not take, or permit any of its Subsidiaries or Representatives to take, any actions with respect to any accounting books, records, policies or procedures on which the Initial Adjustment Statement is based, or on which the Adjustment Amount is to be based, that are inconsistent with the Transaction Accounting Principles or that would, or would reasonably be expected to, materially impede or materially delay the determination of the Adjustment Amount or the preparation of any Notice of Disagreement, in each case in the manner and utilizing the methods provided by this Agreement.

(c) *Notice of Disagreement*. Torch shall notify United in writing prior to the expiration of the sixty (60)-day period immediately following Torch's receipt of the Initial Adjustment Statement (the "Review Period") if Torch believes the Initial Adjustment Statement does not correctly state the Adjustment Amount, setting forth in reasonable detail the line items of the Initial Adjustment Statement that Torch believes are misstated, the amount that Torch believes is correct for each such line item, and Torch's calculation of the Adjustment Amount (the "Notice of Disagreement"). If no Notice of Disagreement is delivered by Torch prior to the expiration of the Review Period, then the Initial Adjustment Statement shall be deemed to have been accepted by Torch and the Adjustment Amount set forth therein shall be final and binding upon the Parties, including for purposes of Section 1.7(f).

(d) *Resolution Period*. If Torch delivers a Notice of Disagreement to United within the Review Period, then during the thirty (30) days immediately following the delivery of such Notice of Disagreement (the "Resolution Period"), Torch and United shall seek in good faith to resolve any differences that they may have with respect to the matters specified in the Notice of Disagreement. All such discussions related thereto shall be governed by Rule 408 of the Federal Rules of Evidence and any applicable similar state rule; and evidence of such discussions shall not be admissible or used by any Party in any future Proceedings between the Parties, including any proceedings before or with the Independent Accounting Firm. To the extent that any line item or component thereof is not disputed by Torch in the Notice of Disagreement, the amount with respect thereto set forth in the Initial Adjustment Statement shall be final and shall not be subject to further dispute by the Parties. If Torch and United agree in writing (whether or not during the Resolution Period) on all items specified in the Notice of Disagreement and a revised calculation of the Adjustment Amount reflecting these agreements, then the Adjustment Amount as modified by such agreement shall be final and binding upon the Parties, including for purposes of Section 1.7(f).

(e) *Submission to Independent Accounting Firm*. If, at the end of the Resolution Period, Torch and United have been unable to resolve all of the disputed items specified in the Notice of Disagreement, Torch and United shall submit all such matters that remain in dispute (but only those matters that remain in dispute) with respect to the Notice of Disagreement (along with a copy of the Initial Adjustment Statement marked to indicate those line items that are not in dispute) to Deloitte Touche Tohmatsu Limited, or another independent certified public accounting firm in Mexico of good international standing mutually acceptable to Torch and United (the "Independent Accounting Firm"). Torch and United shall instruct the Independent Accounting Firm to make its determinations within 30 days after the Independent Accounting Firm's selection, based solely on the written submissions of Torch, on the one hand, and United, on the other hand, of the appropriate amount of each of the line items in the Initial Adjustment Statement which remain in dispute as indicated in the Notice of Disagreement which Torch and United have submitted to the Independent Accounting Firm. The Independent Accounting Firm shall recalculate the Adjustment Amount based on these determinations and otherwise based on the amounts set forth in the Initial Adjustment Statement, which Adjustment Amount shall become final and binding upon the Parties, including for purposes of Section 1.7(f). With respect to each disputed line item, such determination, if not in accordance with the position of either Torch or United, shall not be in excess of the higher, nor less than the lower, of the amounts advocated by Torch or United, as applicable, in their respective presentations to the Independent Accounting Firm described above. Notwithstanding the foregoing, the scope of the disputes to be resolved by the Independent Accounting Firm shall be limited to fixing mathematical errors and determining whether any disputed determination of the Adjustment Amount was properly calculated in accordance with the Transaction Accounting Principles. The Independent Accounting Firm is not authorized to, and shall not, make any other determination, including (i) any determination with respect to any matter included in the Initial Adjustment Statement or the Notice of Disagreement other than those matters that were properly submitted for resolution to the Independent Accounting Firm, (ii) any determination as to whether the Transaction Accounting Principles were followed with respect to the ContentCo Financial Statements, (iii) any determination as to whether the ContentCo Target Working Capital or the illustrative Working Capital calculation included in Annex C were properly calculated in accordance with the Transaction Accounting Principles, (iv) any determination as to the accuracy of the representations and warranties set forth in this Agreement, or (v) any determination as to compliance by any party with any of their respective covenants in this Agreement. Any dispute not within the scope of disputes to be resolved by the Independent Accounting Firm pursuant to this Section 1.7(e) shall be resolved as otherwise provided in this Agreement. All fees and expenses relating to the work, if any, to be performed by the Independent Accounting Firm pursuant to this Section 1.7(e) shall be allocated to and borne by Torch, on the one hand, and United, on the other hand, based on the inverse proportion that the Independent Accounting Firm's determination (before such allocation) in favor of Torch or United, as applicable, bears to the total amount of the total items in dispute as submitted to the Independent Accounting Firm. For example, should the items in dispute total in amount to $1,000 and the Independent Accounting Firm awards $600 in favor of Torch's position, then sixty percent (60%) of the costs of its review would be borne by United and forty percent (40%) of the costs of its review would be borne by Torch. During the review by the Independent Accounting Firm, United, Torch and their respective accountants will each make available to the Independent Accounting Firm interviews with such personnel, and such information, books and records and work papers, as may be reasonably required or requested by the Independent Accounting Firm to fulfill its obligations under this Section 1.7(e); provided, that the accountants of Torch or United shall not be obliged to make any work papers available to the Independent Accounting Firm except in accordance with such accountants' normal disclosure procedures and then only after such firm has signed a customary agreement relating to such access to work papers in form and substance reasonably acceptable to such accountants.

(f) *Payment of Adjustment Amount*. If the Adjustment Amount that is final and binding on the Parties, as determined pursuant to Section 1.7(a), Section 1.7(c), Section 1.7(d), or Section 1.7(e), (i) is a positive amount, then OpCo shall (and United shall cause OpCo to) pay in cash to Torch the Adjustment Amount; (ii) is a negative amount, then Torch shall pay in cash to OpCo the absolute value of the Adjustment Amount; or (iii) is zero, then no further payments by Torch or United shall be due to the other under this Section 1.7 or otherwise in respect of the Adjustment Amount. Any payment to be made under this Section 1.7(f) shall be made by wire transfer of immediately available funds no later than the later of (x) ten (10) Business Days after the determination of such final and binding Adjustment Amount and (y) two (2) Business Days after the recipient Party has provided wire instructions to which payment is to be made. Interest shall accrue at the Interest Rate (compounded monthly) on any amounts required to be paid under the preceding sentence that remain unpaid after they become due thereunder. The Adjustment Amount so paid shall be treated, for all Mexican legal and Tax purposes, as giving rise to an adjustment in accordance with the terms of Section 5.14(f).

Section 1.8. Withholding. Each Party and their respective Affiliates shall be entitled to deduct and withhold (or direct any other Person to deduct and withhold on their behalf) from any consideration or amount otherwise payable or deliverable pursuant to this Agreement (including in connection with the Merger, the acquisitions of the Purchased Entities and the Purchased Rights) such amounts as are required to be deducted and withheld with respect to the making of such payment under any applicable Tax Law. Notwithstanding the foregoing, the Parties agree that, except to the extent otherwise required by a change in Law after the date of this Agreement, no such deduction or withholding would be required with respect to the Merger or the payment of the Aggregate Purchased Equity and Purchased Rights Consideration (except to the extent withholding is required pursuant to Section 1445 of the Code as a result of any failure to deliver the form required by Section 1.3(c)(iv)(A)), the Closing Consideration, the OpCo Payable Settlement or delivery of the Common Share Consideration or the Preferred Share Consideration (except to the extent withholding is required pursuant to Section 1446(f) of the Code as a result of any failure to deliver the certification required by Section 1.3(c)(iv)(B)). Except for any withholding required pursuant to Sections 1445 or 1446(f) of the Code as a result of any failure to deliver the form or certification required by Section 1.3(c)(iv)(A) or (B), respectively, if any Party or its Affiliate determines that any deduction or withholding is required in respect of a payment or other consideration otherwise deliverable pursuant to this Agreement (which determination, in the case of any items described in the second sentence hereof, may be based solely on a change in Law after the date of this Agreement), such Party or its Affiliates, as applicable, shall provide written notice to the Party subject to withholding no less than fourteen (14) Business Days prior to the date on which such deduction or withholding is to be made, and the parties shall use commercially reasonable efforts to cooperate to mitigate any such requirement in accordance with applicable Law; provided, however, that if not less than five (5) Business Days prior to the date on which any such deduction or withholding is to be made, Torch provides United with written advice from a nationally recognized accounting or law firm to the effect that it is at least "more likely than not" that no withholding or deduction is required (or that a lesser amount of withholding or deduction is required) in respect of such payment or other consideration, then United and its Affiliates shall not be entitled to deduct or withhold from such payment or other consideration (or shall be entitled to withhold or deduct only such lesser amount).

Section 1.9. Equitable Adjustments. If, between the date of this Agreement and the Closing, (a) the authorized or outstanding shares of United Common Stock or United Preferred Stock are changed into a different number of shares by reason of any reclassification, recapitalization, split-up, combination, exchange of shares, dividend payable in stock or other securities or other similar transaction, the number of shares of United Common Stock or United Preferred Stock to be issued in the Transactions shall be appropriately adjusted to reflect such event, or (b) the consummation of the transactions contemplated by that certain Reorganization Agreement (the "Reorganization Agreement"), by and among United, Torch, Smoke and the other parties named therein, occurs, (i) United and Smoke shall cause New HoldCo to execute a joinder to this Agreement (in form mutually acceptable to United and Torch) pursuant to which New HoldCo shall become a party to this Agreement and agree, jointly with United, to perform the covenants and agreements of United pursuant to, and make the representations and warranties of United (upon which Torch shall be deemed to have relied upon entering into this Agreement) set forth in, this Agreement; provided, that United shall remain a party to this Agreement notwithstanding such joinder and such joinder shall not relieve United of any of its obligations hereunder, for which United and New HoldCo shall be jointly liable, except that references to securities of United shall be deemed to be substituted with references to corresponding securities of New HoldCo and references to organizational documents of United shall, where the context requires, be deemed to be substituted with references to organizational documents of New HoldCo, and (ii) the Ancillary Agreements and other annexes, attachments, exhibits and schedules attached hereto shall be appropriately adjusted to reflect such event through (A) the addition of New HoldCo as a party thereto or, in the case of organizational documents, substitution of New HoldCo for United thereunder, and (B) the substitution of references to securities of United and to United as the principal holding company for United and its Subsidiaries with references to corresponding securities of New HoldCo and to New HoldCo as such principal holding company, respectively; provided, however, that this Section 1.9 shall not be construed to permit United to take any action that is prohibited by the terms and conditions of this Agreement.

## ARTICLE II

## REPRESENTATIONS AND WARRANTIES OF TORCH

Except as disclosed in (x) the reports of Torch filed with the U.S. Securities and Exchange Commission since January 1, 2019 and prior to the date hereof (the "Torch Reports"), (other than (a) any information that is presented solely as a risk factor and not as a statement of historical fact and (b) any forward-looking statements, or other statements that are similarly predictive or forward-looking in nature); it being understood that any matter disclosed in such filings shall not be deemed disclosed for purposes of Sections 2.1 and 2.2, (y) the ContentCo Financial Statements (including the notes thereto) or (z) the applicable section of the disclosure letter delivered by Torch to United immediately prior to the execution of this Agreement (the "Torch Disclosure Letter") (it being understood that any information set forth in one section or subsection of the Torch Disclosure Letter shall be deemed to apply to and qualify the representation and warranty set forth in this Agreement to which it corresponds in number and, whether or not an explicit reference or cross-reference is made, each other representation and warranty set forth in this Article II for which it is reasonably apparent on its face that such information is relevant to such other section), Torch represents and warrants to United as set forth below:

Section 2.1. Organization; Standing.

(a) Each ContentCo is a legal entity in the form, and duly organized and validly existing under the laws of the jurisdictions, identified on Section 2.1(a) of the Torch Disclosure Letter, and has all requisite entity power and entity authority necessary to carry on its business as it is now being conducted. Each ContentCo is duly licensed or qualified to do business and is in good standing (where such concept is recognized under applicable Law) in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed, qualified or in good standing would not have a ContentCo Material Adverse Effect. True and complete copies of the organizational documents of each ContentCo as in effect as of the date of this Agreement, have previously been made available to United, and none of such documents have been amended, modified or terminated as of the date of this Agreement.

(b) Each Subsidiary of each of ContentCo is duly organized, validly existing and in good standing (where such concept is recognized under applicable Law) under the Laws of the jurisdiction of its organization, has all requisite power and authority necessary to carry on its business as it is now being conducted, and is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so organized, existing, licensed, qualified or in good standing would not have a ContentCo Material Adverse Effect. True and complete copies of the organizational documents of each Subsidiary of each ContentCo as in effect as of the date of this Agreement, have previously been made available to United, and none of such documents have been amended, modified or terminated as of the date of this Agreement.

Section 2.2. Capitalization.

(a) The share capital and shareholders of each ContentCo as of the date hereof is set forth in Section 2.2(a) of the Torch Disclosure Letter. All of the outstanding ordinary shares are duly authorized and validly issued, were issued in compliance with applicable Law and all requirements set forth in the organizational documents of each ContentCo and any applicable Contracts to which any ContentCo Entity is a party or by which any ContentCo Entity is bound.

(b) Except as set forth in Section 2.2(a) and except for changes after the date hereof pursuant to the Pre-Closing Restructuring, no shares of capital stock of any ContentCo are issued and outstanding and no ContentCo has outstanding any securities convertible into or exchangeable for any shares of capital stock of such ContentCo, any rights to subscribe for or to purchase or any options for the purchase of, or any agreements providing for the issuance (contingent or otherwise) of, or any warrants, calls, commitments or any other instrument relating to the issuance of, any capital stock of any ContentCo, or any stock or securities convertible into or exchangeable for any capital stock of any ContentCo (in each case, issued by any ContentCo Entity); and no ContentCo is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire, or to register under the Securities Act, any shares of capital stock of such ContentCo. No ContentCo has outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or are convertible into or exercisable for securities having the right to vote) with the stockholders of such ContentCo on any matter. Except as set forth in Section 2.2(a), there are no outstanding stock options, restricted stock units, restricted stock, stock appreciation rights, "phantom" stock rights, performance units or other compensatory rights or awards (in each case, issued by any ContentCo Entity), that are convertible into or exercisable for capital stock of any ContentCo on a deferred basis or otherwise or other rights that are linked to, or based upon, the value of capital stock of any ContentCo.

(c) Each outstanding share of capital stock of, or other equity or voting interests in, each Subsidiary of each ContentCo which is owned, directly or indirectly, beneficially and of record, by one or more ContentCos, is duly authorized, validly issued, fully paid and nonassessable, owned free and clear of all Liens, except for Permitted Liens and transfer restrictions under applicable Laws (including any restriction on the right to vote, sell or otherwise dispose of such shares of capital stock or other equity or voting interests). There are no subscriptions, options, warrants, rights, calls, contracts or other commitments or arrangements relating to the issuance, acquisition, redemption, repurchase or sale of any shares of capital stock or other equity or voting interests of any Subsidiary of any ContentCo, including any right of conversion or exchange under any outstanding security, instrument or agreement and any agreements granting any Person (other than Torch or any Subsidiary of Torch) any rights of first refusal, call rights, put rights, buy-sell rights or similar rights with respect to any securities of any Subsidiary of any ContentCo.

(d) Section 2.2(d) of the Torch Disclosure Letter sets forth, as of the date of this Agreement, a complete and accurate list of the name and jurisdiction of each Person (other than a Subsidiary of a ContentCo), and a description of each ContentCo's (or any of its Subsidiaries') equity ownership of such Person, in which any ContentCo or any of its Subsidiaries holds capital stock or other equity interests the book value of which, as of the ContentCo Balance Sheet Date, exceeds $15,000,000, if any.

Section 2.3. Authority; Noncontravention; Voting and Approval Requirements.

(a) Torch and each applicable Subsidiary of Torch has all necessary entity power and entity authority to execute and deliver this Agreement and such other Transaction Documents to which it is or will be a party and to perform its obligations hereunder and thereunder and to consummate the Transactions. The execution, delivery and performance by Torch of this Agreement and by Torch and each of its Subsidiaries of each other Transaction Document to which it is or will be a party, and the consummation by Torch of the Transactions, have been duly authorized by any required corporate body, and no other entity action on the part of Torch or any of its Subsidiaries is necessary to authorize the execution, delivery and performance by Torch or its Subsidiaries of this Agreement or any of the other Transaction Documents to which it is or will be a party and the consummation by it of the Transactions, except, in the case of Torch, the required approval of shareholders at an ordinary shareholders meeting (the "Torch Shareholder Approval"). This Agreement has been, and each of the other Transaction Documents to which Torch or any of its Subsidiaries is or will be a party has been or will be, as applicable, duly executed and delivered by Torch and such Subsidiaries and, assuming due authorization, execution and delivery hereof or thereof by the other parties hereto or thereto, each constitutes (or will upon due authorization, execution and delivery by the other parties thereto constitute) a legal, valid and binding obligation of Torch and its applicable Subsidiaries, enforceable against Torch and its applicable Subsidiaries in accordance with its terms, except that such enforceability (i) may be limited by bankruptcy, *concurso mercantil*, insolvency, fraudulent transfer, reorganization, moratorium and other similar Laws of general application affecting or relating to the enforcement of creditors' rights generally and (ii) is subject to general principles of equity, whether considered in a proceeding at law or in equity (the "Bankruptcy and Equity Exception").

(b) Neither the execution and delivery by Torch or any of its applicable Subsidiaries of this Agreement or the other Transaction Documents to which it is or will be a party, nor the consummation by Torch and its Subsidiaries of the Transactions, nor performance or compliance by Torch or any of its Subsidiaries with any of the terms or provisions hereof or thereof, will (i) conflict with or violate any provision of the organizational documents of Torch or any of its Subsidiaries or (ii) assuming the authorizations, consents and approvals referred to in Section 2.4 are obtained prior to the Closing, the filings referred to in Section 2.4 are made and any waiting periods thereunder have terminated or expired prior to the Closing, (x) violate any Law or Order applicable to Torch or any of its Subsidiaries, (y) violate or constitute a breach of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, modification, or cancelation of any obligation or to the loss of any benefit pursuant to, any of the terms or provisions of any ContentCo Material Contract or ContentCo Real Property Lease or accelerate Torch's or, if applicable, any of its Subsidiaries' obligations under any ContentCo Material Contract or ContentCo Real Property Lease or (z) result in the creation of any Lien (other than a Permitted Lien) on any properties or assets of Torch or any of its Subsidiaries, except, in the case of clause (ii), as would not be material to Torch and its Subsidiaries, taken as a whole.

Section 2.4. Governmental Approvals. Except for (a) any consent, notice or filing required under the Securities Market Law (*Ley del Mercado de Valores*) of Mexico or the General Law of Commercial Companies (*Ley General de Sociedades Mercantiles*) of Mexico, (b) filings and authorizations (or non-objections) required under, and compliance with other applicable requirements of, any applicable Mexican or other competition laws, including the Mexican Antitrust Law, the HSR Act and the Ley de Competencia (Ley 1340 de 2009) of Colombia, (c) the filing of the FCC Applications and obtaining the FCC Consent, together with any reports or informational filings required in connection therewith under the U.S. Communications Laws, (d) the filing with IFT under the Mexican Telecommunications Law and obtaining the IFT Approval, together with any reports or informational filings required in connection therewith under the Mexican Telecommunications Law, (e) filings with, and compliance with other applicable requirements of, the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector, including notice to the U.S. Department of Justice pursuant to the Letter of Agreement between United and the Department of Justice in its capacity as chair of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector, (f) the authorization from the Mexican Foreign Investment Commission under the Mexican Foreign Investment Law and (g) filings and authorizations (or non-objections) required under, and compliance with other applicable requirements of, any other Laws regarding telecommunications, the provision of broadcasting or Audio-Visual Content services, no consent or approval of, or filing, license, permit or authorization, declaration or registration with, or notice to, any Governmental Entity is necessary for the execution and delivery by Torch or its Subsidiaries of this Agreement or any of the other Transaction Documents to which it is or will be a party, the performance by Torch and its applicable Subsidiaries of its and their respective obligations hereunder or thereunder and the consummation by Torch and its applicable Subsidiaries of the Transactions, other than such other consents, approvals, filings, licenses, permits or authorizations, declarations or registrations that, if not obtained, made or given, would not be material to Torch and its Subsidiaries, taken as a whole.

Section 2.5. ContentCo Financial Statements; Undisclosed Liabilities.

(a) None of the Torch Reports contained any untrue statement of material fact with respect to the ContentCo Group or the ContentCo Business or omitted to state a material fact with respect to the ContentCo Group or the ContentCo Business necessary in order to make the statements therein, in light of the circumstances they were made, not misleading.

(b) Section 2.5(b) of the Torch Disclosure Letter sets forth the ContentCo Financial Statements. The ContentCo Financial Statements have been prepared on a preliminary, unaudited, carve-out, combined basis in accordance with IFRS applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and in accordance with the books and records of the ContentCo Business and fairly present in all material respects the consolidated financial condition and results of operations of the ContentCo Business as of the dates and for the periods referred to therein (subject, in the case of unaudited financial statements, to normal year-end adjustments that are not reasonably expected to be material and the absence of footnote disclosures).

(c) The ContentCo Group has no liabilities of any nature (whether accrued, absolute, contingent or otherwise), except liabilities (i) reflected or reserved against in the balance sheet (or the notes thereto) of the ContentCo Business as of the ContentCo Balance Sheet Date included in the ContentCo Financial Statements, (ii) incurred after the ContentCo Balance Sheet Date in the ordinary course of business consistent with past practice, (iii) incurred in connection with the negotiation, execution, delivery or performance of, or pursuant to the terms of, this Agreement or the other Transaction Documents (for clarity, any liability caused by or resulting from a breach by Torch of this Agreement shall not be deemed a liability "incurred in connection with the negotiation, execution, delivery or performance of, or pursuant to the terms of, this Agreement or the other Transaction Documents") or (iv) that would not be material to the ContentCo Business, taken as a whole.

(d) Torch maintains systems of internal accounting controls with respect to the ContentCo Business designed to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit the preparation of financial statements in conformity with IFRS in all material respects; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) recorded accountability for items is compared with actual levels at reasonable intervals and appropriate action is taken with respect to any differences. Torch has made and kept books, records and accounts in a manner which in all material respects accurately and fairly reflect the transactions and dispositions of the assets and liabilities of the ContentCo Business. Neither Torch nor its independent auditors have identified or been made aware of (x) any "significant deficiency" or "material weakness" in the internal accounting controls utilized by Torch or (y) any fraud, whether or not material, that involves Torch's or any of its Subsidiaries' management or any other current or former employee, consultant, contractor or director of Torch or any of its Subsidiaries who has a significant role in the preparation of financial statements or the internal accounting controls utilized by Torch and its Subsidiaries, in each case if such "significant deficiency," "material weakness" or fraud relates to or arises from the ContentCo Business.

Section 2.6. Absence of Certain Changes.

(a) Since the ContentCo Balance Sheet Date through the date of this Agreement except for (i) Pandemic Measures and (ii) the execution and performance of this Agreement and the other Transaction Documents and the discussions, negotiations and transactions related thereto and to any transaction of the type contemplated by this Agreement, the ContentCo Business has been carried on and conducted in all material respects in the ordinary course of business consistent with past practice.

(b) Since the ContentCo Balance Sheet Date, there has not been any ContentCo Material Adverse Effect.

Section 2.7. Legal Proceedings. Except as would not have a ContentCo Material Adverse Effect, there is no, and there has not been since January 1, 2019, any (a) pending or, to the Knowledge of Torch, threatened Proceeding (i) against any ContentCo Entity, (ii) against Torch or any of its Subsidiaries in respect of the ContentCo Business, (iii) with respect to the obligations of Torch as Preponderant Agent or (iv) that would reasonably be expected to materially adversely affect the Broadcasting Rights of the Subsidiaries of Torch, or (b) outstanding order, judgment, injunction, ruling, writ or decree of any Governmental Entity of competent jurisdiction (an "Order") imposed upon any ContentCo Entity, or upon Torch or any of its Subsidiaries in respect of the ContentCo Business, in each case, by or before any Governmental Entity.

Section 2.8. Compliance with Laws; Permits.

(a) The ContentCo Group, and Torch and each of its Subsidiaries with respect to the ContentCo Business, are, and have been since January 1, 2019, in compliance with all Laws and Orders applicable to the ContentCo Group and to Torch in respect of the ContentCo Business, including as Preponderant Agent, except for such failures to comply as would not be material to the ContentCo Business, taken as a whole. Torch and each of its Subsidiaries with respect to the Programing Rights Agreements, are, and have been since January 1, 2019, in compliance with all Laws and Orders applicable to their Broadcasting Rights, except for such failures to comply as would not be material to the ContentCo Business, taken as a whole. The licenses, franchises, permits, certificates, approvals and authorizations from Governmental Entities held by the ContentCo Group (each, a "ContentCo Permit") constitute all licenses, franchises, permits, certificates, approvals and authorizations that are necessary for the ContentCo Group to lawfully conduct its business and all such ContentCo Permits are valid and in full force and effect, except where the failure to hold the same or to be in full force and effect would not be material to the ContentCo Business, taken as a whole. Each ContentCo Entity and, to the Knowledge of Torch, each of their respective directors, officers and employees acting in such capacity and each of its and their other agents and representatives acting on its or their behalf is and has been, since January 1, 2019, in compliance in all material respects with (i) the U.S. Foreign Corrupt Practices Act of 1977 and any rules and regulations promulgated thereunder (the "FCPA") and the Mexican Anticorruption Laws and the Mexican Anti-Money Laundering Laws and (ii) the provisions of applicable anti-bribery, anti-corruption, anti-money laundering and sanctions Laws of each jurisdiction in which the ContentCo Group operates or have operated, in the case of clauses (i) and (ii), to the extent applicable to the ContentCo Group and such directors, officers, employees, agents and representatives. Since January 1, 2019, each ContentCo Entity, and to the Knowledge of Torch, each of its or any of their respective officers, directors or employees acting in such capacity and each of its or any of their agents and representatives acting on its or their behalf, have not paid, offered or promised to pay, or authorized or ratified the payment, directly or indirectly, of any monies or anything of value to any Government Official or any political party or candidate for political office for the purpose of corruptly influencing any act or decision of such Government Official or any Governmental Entity to obtain or retain business, or direct business to any person, or to secure any other improper benefit or advantage, in each case in violation of the FCPA, the Mexican Anticorruption Laws and the Mexican Anti-Money Laundering Laws or any Laws described in clause (ii) of the preceding sentence. Torch maintains policies and procedures reasonably designed to ensure compliance with the FCPA and other anti-bribery, anti-corruption, and anti-money laundering Laws in each jurisdiction in which the ContentCo Group operates. None of the ContentCo Entities or, to the Knowledge of Torch, any of their respective directors, officers or employees acting in such capacity, or any of their respective agents or representatives acting on their behalf, has been or is designated on the list of Specifically Designated Nationals and Blocked Persons maintained by the United States Department of Treasury Office of Foreign Assets Control (OFAC). To the Knowledge of Torch, as of the date of this Agreement, none of the ContentCo Entities is subject to any actual pending Proceeding involving any ContentCo Entity relating to the FCPA or any other anti-bribery, anti-corruption, anti-money laundering or sanctions Laws.

(b) One or more Subsidiaries of Torch, as the case may be, are the holders of concession titles in Mexico described on Section 2.8(b) of the Torch Disclosure Letter (the "Broadcasting Rights"). The Broadcasting Rights are in effect in accordance with its terms and have not been revoked, suspended, canceled, rescinded, terminated or expired and are valid until January 1, 2042 (with respect to spectrum rights) and until January 1, 2052 (with respect to the digital broadcasting rights).

(c) Except as would not have a ContentCo Material Adverse Effect, Torch or one or more of its Subsidiaries, as the case may be, (i) operate, and since January 1, 2019 have operated, the Broadcasting Rights in compliance with the Mexican Telecommunications Law and applicable Mexican regulations and (ii) have timely filed all registrations and reports required to have been filed with the IFT in respect of the Broadcasting Rights.

(d) Except as would not have a ContentCo Material Adverse Effect, there is not pending, or, to the Knowledge of Torch, threatened, any Proceeding before the IFT to revoke, suspend, cancel, rescind or materially adversely modify any of the Broadcasting Rights or the programming rights agreement set forth on Section 2.8(d) of the Torch Disclosure Letter.

Section 2.9. Tax Matters. Except as would not have a ContentCo Material Adverse Effect:

(a) all Tax Returns required to be filed by or with respect to any ContentCo Entity, have been timely filed (taking into account extensions) and all such Tax Returns are true, correct and complete;

(b) all Taxes required to be paid by or with respect to any ContentCo Entity (whether or not shown to be due on any Tax Return) have been paid or will be timely paid by the due date thereof;

(c) as of the date of this Agreement, there is no pending, or, to the knowledge of Torch, threatened in writing, Tax Proceeding (or deficiency asserted or assessed) by any Taxing Authority with respect to, and no statute of limitations or any extension of time with respect to a Tax assessment or deficiency (other than pursuant to extensions to file Tax Returns) has been agreed to, in each case, with respect to any Taxes of any ContentCo Entity;

(d) each ContentCo Entity has complied with all applicable Laws relating to the withholding of Taxes;

(e) none of the ContentCo Entities are parties to any written Tax sharing, Tax allocation or Tax indemnification agreement (other than (x) agreements solely among ContentCo Entities and (y) commercial agreements the primary purpose of which does not relate to Taxes);

(f) there are no Liens for Taxes upon any of the material assets or properties of any ContentCo Entity or upon the Purchased Rights, other than Permitted Liens;

(g) no ContentCo Entity that is a "United States person" within the meaning of Section 7701(a)(30) of the Code has "participated" in a "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b);

(h) no ContentCo Entity (i) has, in the past six (6) years, been a member of an affiliated group filing a consolidated, combined, unitary, affiliated or similar Tax Return (other than any group of which Torch or its Affiliate was the common parent) or (ii) has any material liability for the Taxes of any person (other than Torch or any of its Affiliates (including any other ContentCo Entity)) due to being a member of a group described in clause (i), or as a transferee or successor;

(i) no ContentCo Entity will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (i) change in method of accounting made prior to the Closing for a taxable period ending on or prior to the Closing Date; (ii) agreement entered into with a Taxing Authority prior to the Closing; (iii) installment sale made prior to the Closing; (iv) prepaid amount received prior to the Closing; or (v) other reason;

(j) in the past six (6) years, (i) no Tax Returns have been filed by any ContentCo Entity outside of such member's country of formation, and (ii) no Taxing Authority has asserted in writing that any Tax Return not currently being filed by, or with respect to, any ContentCo Entity, is required to be filed by or with respect thereto;

(k) none of the ContentCo Entities that is organized under the Laws of Mexico: (i) is or has been listed under the Mexican Tax Administration Service's publication pursuant to article 69-B of the Mexican Federal Tax Code and no Tax invoice has been issued to any ContentCo Entity by a vendor listed under article 69-B of the Mexican Federal Tax Code (or, where such invoice has been issued to a ContentCo Entity, no Tax benefit was claimed by such member in respect of such invoice); (ii) has acquired an ongoing business for purposes of article 26(IV) of the Mexican Federal Tax Code; (iii) has entered into any agreement that could be deemed to constitute an *asociación en participación* in terms of article 17-B of the Mexican Federal Tax Code; or (iv) has entered into any agreement or been a party to any transaction resulting in an unlawful transfer of net operating losses, as provided by article 69-B Bis of the Mexican Federal Tax Code;

(l) each ContentCo Entity that is organized under the Laws of Mexico has, to the extent applicable, complied with any mandatory disclosure obligations under Title VI of the Mexican Federal Tax Code; and

(m) each ContentCo Entity has (i) retained all Tax, accounting and corporate records to the extent required by applicable Tax Law and (ii) prepared and retained any transfer pricing documentation required to be prepared and retained pursuant to any applicable Tax Law.

Section 2.10. Employee Plans.

(a) Torch has made available to United a copy of the form of stock option award relating to the ContentCo Benefit Plans.

(b) None of the ContentCo Entities contributes to or is obligated to contribute to, or within the six (6) years preceding this Agreement contributed to or was obligated to contribute to any defined benefit pension plan.

(c) There are no pending or, to the Knowledge of Torch, threatened material actions, claims or lawsuits against or relating to any ContentCo Benefit Plan or the trusts related thereto with respect to the operation of such plan (other than routine benefits claims). No ContentCo Benefit Plan is presently under audit, investigation or examination (nor has written notice been received of a potential audit, investigation or examination) by any Governmental Entity, except as would not be material to the ContentCo Business, taken as a whole.

(d) Each ContentCo Benefit Plan has been established, maintained, administered and funded in accordance with its terms, and in compliance with the applicable provisions of ERISA, the Code and other applicable Laws, except as would not be material to the ContentCo Business, taken as a whole. All contributions, premium payments or other amounts required to have been made under any ContentCo Benefit Plan to any funds or trusts established thereunder or in connection therewith have been timely made or paid in full or, to the extent not required to be made or paid on or before the date hereof, have been accrued and reported on the ContentCo Financial Statements, except as would not be material to the ContentCo Business, taken as a whole.

(e) None of the ContentCo Benefit Plans provide, and none of the ContentCo Entities has any obligation to provide, retiree health or retiree life insurance benefits or any applicable healthcare continuation coverage, except as required by Law, at the expense of the participant or the participant's beneficiary or that is not material to the ContentCo Business, taken as a whole.

(f) Except as expressly provided in this Agreement, neither the execution and delivery of this Agreement nor the consummation of the Transactions will (either alone or in combination with another event) (i) result in any payment or benefit becoming due to any current or former director, employee or consultant of any ContentCo Entity, (ii) accelerate the time of payment or vesting or result in any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, or increase the amount payable or result in any other obligation pursuant to, any of the ContentCo Benefit Plans or (iii) limit or restrict the right of the ContentCo Group to merge, amend or terminate any ContentCo Benefit Plan.

(g) Neither the execution and delivery of this Agreement nor the consummation of the Transactions will (either alone or in combination with another event) result in the payment of any amount that would, individually or in combination with any other such payment, be an "excess parachute payment" within the meaning of Section 280G of the Code. No ContentCo Benefit Plan provides for the gross-up or reimbursement of Taxes, including under Section 409A or 4999 of the Code or other similar Laws.

Section 2.11. Labor Matters. Except as would not have a ContentCo Material Adverse Effect, (a) none of the ContentCo Entities, nor Torch nor any of its Subsidiaries with respect to the ContentCo Business, is the subject of any Proceeding as of the date hereof asserting that any ContentCo Entity, or Torch or any of its Subsidiaries with respect to the ContentCo Business, has committed any unfair labor practice or is seeking to compel any ContentCo Entity or the ContentCo Business to bargain with any labor union or labor organization, (b) there is no pending or, to the Knowledge of Torch, threatened in writing, nor has there been since January 1, 2019 any, labor strike, walkout, work stoppage, slow-down or lockout affecting any ContentCo Business Employee or any of its Subsidiaries, other than as a result of Pandemic Measures, (c) each ContentCo Entity, and each of Torch and its Subsidiaries with respect to the ContentCo Business, is, and has been since January 1, 2019, in compliance with all applicable Collective Bargaining Agreements to which any ContentCo Entity is party as an employer and all Laws regarding labor, employment and employment practices, and (d) no ContentCo Entity, nor Torch nor any of its Subsidiaries with respect to the ContentCo Business, is delinquent in payment to any of its current or former directors, officers, employees, consultants or other service providers for any wages, fees, salaries, commissions or bonuses or in payments owed upon termination of any such person's employment or service.

Section 2.12. Environmental Matters. Except as would not have a ContentCo Material Adverse Effect:

(a) Each ContentCo Entity, and Torch and each of its Subsidiaries with respect to the ContentCo Business, is, and has been since January 1, 2016, in compliance with all applicable Environmental Laws, no ContentCo Entity has received any written notice, demand, claim or request for information since January 1, 2018 or that otherwise remains unresolved alleging that any ContentCo Entity is in violation of or has any liability under any Environmental Law.

(b) Each ContentCo Entity possesses and is in compliance with all ContentCo Permits required under Environmental Laws for the operation of their respective businesses (such ContentCo Permits, the "ContentCo Environmental Permits"). None of Torch or any of its Subsidiaries has, since January 1, 2016, received any written notice alleging noncompliance with any ContentCo Environmental Permit or threatening to terminate any ContentCo Environmental Permit.

(c) There is no, and there has not been since January 1, 2016, any, Proceeding under or pursuant to any Environmental Law that is pending or, to the Knowledge of Torch, threatened in writing against any ContentCo Entity or the ContentCo Business.

(d) Since January 1, 2016, none of the ContentCo Entities, nor Torch nor any of its Subsidiaries with respect to the ContentCo Business, has been or is subject to any Order arising under Environmental Laws.

(e) Since January 1, 2016, there has been no disposal, discharge, spill, handling or release of any Hazardous Material on or at any real property currently or formerly owned, leased or operated, or any third-party real property used for disposal or recycling, by any ContentCo Entity, nor has there been any exposure to any Hazardous Materials, in each case, that would reasonably be expected to result in a Proceeding or Order pursuant to Environmental Law against any ContentCo Entity.

(f) Since January 1, 2016, none of the ContentCo Entities has provided an indemnity for, or otherwise retained or assumed by contract or by operation of Law, any liabilities, in each case, that would reasonably be expected to form the basis of any Proceeding or Order against any ContentCo Entity pursuant to any Environmental Law.

Section 2.13. Intellectual Property.

(a) Except as would not be material to the ContentCo Business, taken as a whole, the ContentCo Owned IP, the Intellectual Property licensed pursuant to Section 5.21 or to which the ContentCo Group has a valid and enforceable license or otherwise sufficient rights to use and practice, and the Purchased IP Rights constitutes all of the Intellectual Property of Torch and its Subsidiaries used or held for use in or necessary for the ContentCo Business in a manner substantially similar to the manner in which the ContentCo Business was operating as of the date of this Agreement. Except as would not be material to the ContentCo Business, taken as a whole, the ContentCo Group owns all of the rights, title and interest in and to all ContentCo Owned IP, free and clear of all Liens (other than Permitted Liens). Section 2.13(a) of the Torch Disclosure Letter sets forth a complete and accurate list of all trademarks and reserves of rights (*reservas*) included in the ContentCo Registered IP, specifying as to each item, as applicable: (1) the owner thereof, (2) the nature of the item, (3) the jurisdiction in which the item is issued or registered or in which an application for issuance or registration has been filed and (4) the issuance, registration or application numbers. Since January 1, 2019, (i) there are, and have been, no pending or, to the Knowledge of Torch, threatened Proceedings against Torch or any of its Subsidiaries challenging the validity, enforceability, ownership, right to use, sell, distribute, license or sublicense any ContentCo Owned IP or Purchased IP Rights, which Proceedings would be material to the ContentCo Business, taken as a whole, and (ii) no material ContentCo Registered IP or Purchased IP Rights have expired, been abandoned or otherwise terminated except in the ordinary course of business consistent with past practice or that Torch and its Subsidiaries have determined, in their reasonable business judgment, is no longer useful with respect to the ContentCo Business. All ContentCo Registered IP and Purchased Rights are subsisting, and are, to the extent issued or registered, to the Knowledge of Torch, valid and enforceable.

(b) Except as would not be material to the ContentCo Business, taken as a whole, except for the Excluded Assets and Liabilities, and subject to renewals, updates of rights and payments of royalties and licenses fees in the ordinary course of business, (i) the ContentCo Group owns and has a valid and enforceable right to use, distribute, display and otherwise exploit all Audio-Visual Content owned by Torch or any of its Subsidiaries that is primarily used or primarily held for use in the ContentCo Business, in each case as of the date of this Agreement ("ContentCo Owned Media Properties") as used, distributed, displayed and otherwise exploited in the conduct of the business and as of the date of this Agreement, (ii) the ContentCo Group has a valid and enforceable right to use, distribute, display and otherwise exploit all Audio-Visual Content licensed to the ContentCo Group with rights available and that is primarily used or primarily held for use in the ContentCo Business as of the date of this Agreement ("ContentCo Licensed Media Properties") as used, distributed, displayed and otherwise exploited in the conduct of the business as of the date of this Agreement, and (iii) Torch or any its Subsidiaries has a valid and enforceable right to use, distribute, display and otherwise exploit all Audio-Visual Content included in the Purchased Rights as used, distributed, displayed and otherwise exploited in the conduct of the business and as of the date of this Agreement.

(c) Except as would not be material to the ContentCo Business, taken as a whole, the ContentCo Group, and Torch and each of its Subsidiaries with respect to the ContentCo Business, are not currently infringing, misappropriating or otherwise violating the Intellectual Property rights of any third party, nor have they, since January 1, 2019, infringed, misappropriated or otherwise violated the Intellectual Property rights of any third party, nor, since January 1, 2019, other than routine enforcement actions, has Torch or its Subsidiaries sent any written notice to any third party regarding any actual or potential infringement, misappropriation or other unauthorized use of any material ContentCo Owned IP (including ContentCo Owned Media Properties), material Purchased IP Rights or material ContentCo Licensed Programming.

(d) As of the date of this Agreement, except as would not be material to the ContentCo Business, taken as a whole, to the Knowledge of Torch, (i) no third party is infringing, misappropriating or otherwise violating any ContentCo Owned IP or ContentCo Licensed Programming, and (ii) no third party is infringing, misappropriating or otherwise violating any Purchased IP Rights.

(e) Except as would not be material to the ContentCo Business, taken as a whole, all ContentCo Owned Media Properties have been developed, produced and exploited in accordance with all applicable (i) contracts, (ii) Laws, and (iii) collective bargaining, union and guild agreements.

(f) Except as would not be material to the ContentCo Business, taken as a whole, no counterparty to a union, guild or collective bargaining agreement has exercised any audit or similar right under such agreement with any ContentCo Entity, except for exercises of such rights that have been resolved as of the date hereof.

(g) Except as would not be material to the ContentCo Business, taken as a whole, each ContentCo Owned Media Property is covered by adequate and customary insurance, in accordance with standard custom and practice with respect to entertainment productions in Mexico.

(h) Except as would not be material to the ContentCo Business, taken as a whole, Torch and its Subsidiaries take and have taken commercially reasonable measures designed to maintain, preserve and protect the confidentiality of and their respective proprietary interests in all confidential ContentCo Owned IP and other Trade Secrets used by the ContentCo Group (including having entered into nondisclosure agreements with contractors, where applicable, having made available to employees the ContentCo Group's confidentiality policies, having all newly hired employees since July 1, 2019 acknowledge such confidentiality policies, and taking commercially reasonable measures to otherwise ensure that all employees adhere to the ContentCo Group's confidentiality policies), and to the Knowledge of Torch, since January 1, 2019, there have been no material unauthorized disclosures or uses of any such Intellectual Property. Except as would not be material to the ContentCo Business, taken as a whole, to the Knowledge of Torch, no present or former employee, officer, director, agent, consultant or contractor of Torch or its Subsidiaries has materially misappropriated or misused any Trade Secrets or other confidential information of any other Person in the course of the performance of responsibilities to the ContentCo Group.

(i) Except as would not be material to the ContentCo Business, taken as a whole, (i) the Information Technology used by the ContentCo Business, whether owned or controlled by the ContentCo Group ("ContentCo IT Systems"), operates and performs in all material respects as required to permit Torch and its Subsidiaries to conduct the ContentCo Business as currently conducted, (ii) to the Knowledge of Torch, since January 1, 2019, no Person has gained unauthorized access to the ContentCo IT Systems and (iii) since January 1, 2019, there have been no failures, crashes, security breaches or other adverse events affecting the ContentCo IT Systems which have caused disruption to the ContentCo Business. Torch and its Subsidiaries have implemented commercially reasonable backup, security and disaster recovery technology and procedures with respect to the ContentCo IT Systems. Torch and its Subsidiaries have taken commercially reasonable actions to protect the integrity and security of the ContentCo IT Systems and the information stored therein from unauthorized use, access or modification by third parties. To the Knowledge of Torch, and except as would not be material to the ContentCo Business, taken as a whole, the ContentCo IT Systems do not contain any malicious code, viruses, worms, trojan horses, bugs, faults, errors or contaminants that (A) disrupt, disable, erase or harm in any way such software's operation, or cause such software to damage or corrupt any data, hardware, storage media, programs, equipment or communications or (B) permit any Person to access such software or any data, hardware, storage media, programs, equipment or communications without authorization.

(j) Except as would not be material to the ContentCo Business, taken as a whole, (i) the ContentCo Group, and Torch and its Subsidiaries with respect to the ContentCo Business, take commercially reasonable measures to comply with applicable Laws and Orders regarding privacy, Personal Data protection and collection, retention, use and disclosure of personal information, (ii) the ContentCo Group, and Torch and its Subsidiaries with respect to the ContentCo Business, are compliant in all material respects with their respective published privacy policies, (iii) to the Knowledge of Torch, as of the date hereof, there have not been any material incidents of, or written third-party claims related to, any loss, theft, unauthorized access to, unauthorized use of, or unauthorized acquisition, modification, disclosure, corruption or other misuse of any Personal Data in the ContentCo Group's possession, and (iv) except as set forth on Section 2.13(j)(iv) of the Torch Disclosure Letter, in the regular operation of the ContentCo Business, the ContentCo Group does not collect, process, or store Personal Data of any ContentCo Business users or subscribers located in the United States. Except as would not be material to the ContentCo Business, taken as a whole, since January 1, 2019, (A) none of the ContentCo Entities, nor Torch nor any of its Subsidiaries with respect to the ContentCo Business, has been legally required to provide any notices to Governmental Entities, data owners or individuals in connection with a material loss or material disclosure of, or material unauthorized access to, Personal Data and (B) none of the ContentCo Entities, nor Torch nor any of its Subsidiaries with respect to the ContentCo Business, has provided any such notice. Except as would not be material to the ContentCo Business, taken as a whole, since January 1, 2019 and prior to the date of this Agreement, none of the ContentCo Entities, nor Torch nor any of its Subsidiaries with respect to the ContentCo Business, has received any written notice of any material claims, investigations (including investigations by any Governmental Entity), or alleged violations of any Laws and Orders with respect to Personal Data possessed by the ContentCo Group, or by Torch or any of its Subsidiaries with respect to the ContentCo Business.

(k) Notwithstanding any other provisions of this Agreement, no representation or warranty is made by Torch or its Subsidiaries in this Agreement in respect of infringement of Intellectual Property, other than the representations and warranties contained in this Section 2.13.

Section 2.14. Property.

(a) Except as would not be material to the ContentCo Business, taken as a whole, a ContentCo Entity has good and valid title to all of the real property purported to be owned by the ContentCo Group (the "ContentCo Owned Real Property"), free and clear of all Liens except for Permitted Liens. The ContentCo Owned Real Property, together with all real property that a ContentCo Entity, as lessee or sublessee, leases, subleases or occupies that is owned by any third Person or by Torch and its Affiliates (such real property, the "ContentCo Leased Real Property" and, collectively with the ContentCo Owned Real Property, the "ContentCo Real Property") comprise all of the material real property interests used in the conduct of the ContentCo Business as of the date hereof and as of the Closing Date. Except as would not be material to the ContentCo Business, taken as a whole, each lease, sublease, bailment (*comodato*) or similar contract or agreement, including amendments, extension notices, guaranties and assignments thereof (each, a "ContentCo Real Property Lease") is valid, binding and in full force and effect in accordance with its terms except insofar as such enforceability may be limited by the Bankruptcy and Equity Exception. Torch and its Subsidiaries performed, in all material respects, all obligations required under the ContentCo Real Property Leases, and there are no material defaults (or events that would become material defaults with notice, passage of time or both) under the ContentCo Real Property Leases on the part of Torch or any of its Subsidiaries, or, to the Knowledge of Torch, on the part of the other party thereto. Except as would not be material to the ContentCo Business, taken as a whole, a ContentCo Entity has valid leasehold interests in, sub-leasehold interests in, or other occupancy rights with respect to, the leased or occupied premises under the ContentCo Real Property Leases in effect as of the date hereof.

(b) No third party is a party to any contract to purchase, or has a purchase option, right of first refusal, right of first offer or other right to acquire any material ContentCo Owned Real Property except as provided by applicable Law. Other than Permitted Liens, none of Torch or any of its Subsidiaries has sold, assigned, transferred, mortgaged, pledged or otherwise encumbered all or any part of its fee interests (with respect to material ContentCo Owned Real Property) or its leasehold interests (with respect to material ContentCo Leased Real Property), nor agreed to do any of the foregoing. A ContentCo Entity owns, leases or otherwise has the right to use all real property that is being used to conduct the ContentCo Business, except as would not be material to the ContentCo Business, taken as a whole. A ContentCo Entity has exclusive possession of each parcel of ContentCo Real Property, except as would not have a ContentCo Material Adverse Effect.

(c) There are no physical defects at any ContentCo Real Property that interfere with or impede the current use by the ContentCo Group of such ContentCo Real Property in the ordinary course of business that would have a ContentCo Material Adverse Effect.

(d) Except as would not be material to the ContentCo Business, taken as a whole, there are no pending, or, to the Knowledge of Torch, threatened (i) condemnation or eminent domain proceedings of any part of any ContentCo Real Property by any Governmental Entity or (ii) Proceedings for revocation of any certificate of occupancy relating to a ContentCo Real Property from any Governmental Entity.

(e) To the Knowledge of Torch, (i) there is no existing breach or default by any party under any easements, restrictive covenants or similar obligations or agreements affecting the ContentCo Owned Real Property which breach or default has not yet been cured, (ii) neither Torch nor any of its Subsidiaries have received written notice of any default under any easements, restrictive covenants or similar obligations or agreements affecting the ContentCo Owned Real Property which default has not yet been cured, and (iii) there does not exist any condition or event that with the lapse of time or the giving of notice, or both, would constitute such a breach or default under any easements, restrictive covenants or similar obligations or agreements affecting the ContentCo Owned Real Property, except, in each of clauses (i) through (iii), as would not reasonably be expected to have a ContentCo Material Adverse Effect.

Section 2.15. Material Contracts.

(a) For purposes of this Agreement, a "ContentCo Material Contract" shall mean (x) any Contract set forth on Section 2.15(a)(x) of the Torch Disclosure Letter (each, a "Material Content Contract") and (y) any other Contract to which a ContentCo Entity is a party or is otherwise bound (other than any Contracts that constitute Excluded Assets and Liabilities), which:

(i) is an agreement or indenture creating, evidencing or relating to Indebtedness in an aggregate principal amount in excess of $50,000,000;

(ii) provides that any of them will not compete with any other Person in a manner that is material to the ContentCo Business, taken as a whole;

(iii) purports to limit in any respect that is material to the ContentCo Business, taken as a whole, either the type of business in which the ContentCo Group may engage or the manner or locations in which any of them may so engage;

(iv) grants material "most favored nation" protection to any Person;

(v) is with any Governmental Entity and is material to the ContentCo Business, taken as a whole;

(vi) relates to the operation, management or control of any Person other than a Subsidiary of any ContentCo, in which any ContentCo Entity holds capital stock or other equity interests the book value of which, as of the ContentCo Balance Sheet Date, exceeds $25,000,000;

(vii) contains a put, call or similar right pursuant to which any ContentCo Entity would be required to purchase or sell, as applicable, any equity interests or other securities of any Person or assets (excluding Intellectual Property) at a purchase price which would reasonably be expected to exceed, or the fair market value of the equity interests or other securities or assets (excluding Intellectual Property) of which would be reasonably likely to exceed, $50,000,000;

(viii) requires any ContentCo Entity to have potential continuing material indemnification obligations to any Person, or material outstanding liabilities or obligations (excluding confidentiality obligations and indemnification obligations in respect of representations and warranties), whether or not contingent, in connection with any acquisitions or dispositions (in each case, whether completed by merger, sale or purchase of stock, sale or purchase of assets or otherwise) completed since January 1, 2019;

(ix) is a material ContentCo IP License set forth on Section 2.15(a)(ix) of the Torch Disclosure Letter hereto; and

(x) is a Contract not of a type (disregarding any dollar thresholds, materiality or other qualifiers, restrictions or other limitations applied to such Contract type) described in the foregoing clauses (i) through (viii) and that has or would reasonably be expected to, either pursuant to its own terms or the terms of any related Contracts, involve net payments or receipts in excess of $50,000,000 in any year.

(b) A true and complete copy of each ContentCo Material Contract, as amended as of the date of this Agreement, has been made available to United. Each of the ContentCo Material Contracts, and each Contract entered into after the date hereof that would have been a ContentCo Material Contract if entered into prior to the date hereof (each, a "ContentCo Additional Contract"), is (or if entered into after the date hereof, will be) valid and binding on a ContentCo Entity and, to the Knowledge of Torch, each other party thereto, and is in full force and effect, except for such failures to be valid and binding or to be in full force and effect that would not be material to the ContentCo Business, taken as a whole, or except insofar as such enforceability may be limited by the Bankruptcy and Equity Exception. None of the ContentCo Entities nor, to the Knowledge of Torch, any other party is in breach of or in default under any ContentCo Material Contract or ContentCo Additional Contract, and no event has occurred that, with the lapse of time or the giving of notice or both, would constitute a default thereunder by any ContentCo Entity, in each case, except for such breaches and defaults that would not be material to the ContentCo Business, taken as a whole. As of the date of this Agreement, no ContentCo Entity has received written notice alleging a breach of or default under any ContentCo Material Contract, which notice has not been resolved as of the date of this Agreement, where such breach or default would be material to the ContentCo Business, taken as a whole.

(c) As of the date of this Agreement, neither Torch nor any of its Subsidiaries has received any written communication or written notice from any Person expressly stating an actual or proposed revocation, withdrawal, suspension, cancellation, termination or renegotiation of or modification to any Material Content Contract, which such revocation, withdrawal, suspension, cancellation, termination, renegotiation or modification would reasonably be expected to be material to the ContentCo Business, taken as a whole.

(d) A true and complete copy of each Contract, as amended as of the date of this Agreement, to which a ContentCo Entity is a party or is otherwise bound (other than any Contracts that constitute Excluded Assets and Liabilities), which, to the Knowledge of Torch, provides for the grant of exclusivity with respect to specified lines of business, rights of first refusal, rights of first negotiation or similar rights that imposes constraints that are material to the ContentCo Business, taken as a whole, has been made available to United.

Section 2.16. Operation of the Business. As of the Closing, subject to any Regulatory Restrictions or other actions or arrangements pursuant to Section 5.2 or Section 5.17 and taking into account the assets and services provided for in the Ancillary Agreements, the United Purchaser Subs and the ContentCo Group collectively will be in possession of and have good title to, or valid leasehold interests in or valid rights under Contract to use, the equity interests in the ContentCo Entities contemplated to be acquired by United or its Subsidiaries upon consummation of the transactions contemplated by Article I, the Purchased Rights and the Included Assets and Liabilities, but excluding the Excluded Assets and Liabilities.

Section 2.17. Related Party Transactions. No ContentCo Entity is a party or is otherwise bound to a Contract with any Related Party of ContentCo, other than (a) Contracts that will be terminated at or prior to the Closing, (b) Contracts that are on arms' length terms and (c) this Agreement and the Ancillary Agreements.

Section 2.18. Brokers and Other Advisors. Except for Allen & Company LLC and LionTree Advisors LLC, the fees and expenses of which will be paid by the ContentCo Group and included in the Transaction Expenses (subject to the Expense Cap), no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or the reimbursement of expenses in connection therewith, in connection with the Transactions based upon arrangements made by or on behalf of any ContentCo Entity.

Section 2.19. No Other Representations or Warranties. Except for the representations and warranties made by Torch in this Article II or in any certificates delivered by Torch in connection with the Transactions, none of Torch, any ContentCo Entity or any other Person makes any other express or implied representation or warranty with respect to any ContentCo Entity or businesses, operations, properties, assets, liabilities, condition (financial or otherwise) or prospects, or any estimates, projections, forecasts or other forward-looking information or business and strategic plan information regarding any ContentCo Entity, notwithstanding the delivery or disclosure to United or any of its Representatives of any documentation, forecasts or other information (in any form or through any medium) with respect to any one or more of the foregoing. In particular, and without limiting the generality of the foregoing, none of Torch, any ContentCo Entity or any other Person makes or has made any express or implied representation or warranty to United or any of its respective Representatives with respect to (a) any financial projection, forecast, estimate, budget or prospective information relating to any ContentCo Entity or their respective businesses or (b) except for the representations and warranties made by Torch in this Article II or in any certificates delivered by Torch in connection with the Transactions, any oral, written, video, electronic or other information presented to United or any of its Representatives in the course of their due diligence investigation of the ContentCo Group, the negotiation of this Agreement or the course of the Transactions.

## ARTICLE III

## REPRESENTATIONS AND WARRANTIES OF UNITED

Except as disclosed in (x) United Financial Statements (including the notes thereto) or (y) the applicable section of the disclosure letter delivered by United to Torch immediately prior to the execution of this Agreement (the "United Disclosure Letter") (it being understood that any information set forth in one section or subsection of the United Disclosure Letter shall be deemed to apply to and qualify the representation and warranty set forth in this Agreement to which it corresponds in number and, whether or not an explicit reference or cross-reference is made, each other representation and warranty set forth in this Article III for which it is reasonably apparent on its face that such information is relevant to such other section), United represents and warrants to Torch as set forth below (provided, that following the consummation of the transactions contemplated by the Reorganization Agreement, references to United set forth in this Article III shall, except to the extent the context otherwise requires, also apply to New HoldCo):

Section 3.1. Organization; Standing.

(a) United is a corporation duly organized and validly existing under the laws of the State of Delaware, is in good standing with the Secretary of State of the State of Delaware and has all requisite corporate power and corporate authority necessary to carry on its business as it is now being conducted. United is duly licensed or qualified to do business and is in good standing (where such concept is recognized under applicable Law) in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed, qualified or in good standing would not have a United Material Adverse Effect. True and complete copies of the United Existing Organizational Documents and the United Existing Stockholders Agreement, each as in effect as of the date of this Agreement, have previously been made available to Torch, and none of such documents have been amended, modified or terminated as of the date of this Agreement.

(b) Each of United's Subsidiaries is duly organized, validly existing and in good standing (where such concept is recognized under applicable Law) under the Laws of the jurisdiction of its organization, has all requisite power and authority necessary to carry on its business as it is now being conducted, and is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so organized, existing, qualified, licensed and in good standing would not have a United Material Adverse Effect.

Section 3.2. Capitalization.

(a) The authorized capital stock of United consists of 50,000,000 shares of Class A Common Stock, par value $0.001 per share ("United Class A Common Stock"), 50,000,000 shares of Class B Common Stock, par value $0.001 per share ("United Class B Common Stock"), 5,000,000 shares of Class C Subordinated Common Stock, par value $0.001 per share ("United Class C Common Stock" and, together with the United Class A Common Stock and United Class B Common Stock, the "United Common Stock"), and 500,000 shares of Preferred Stock, par value $0.001 per share (the "United Preferred Stock"), of which 100,000 shares are designated as Series A Participating Convertible Preferred Stock (the "United Series A Preferred Stock"). At the close of business on April 9, 2021 (the "United Capitalization Date"), (i) 14,035,357 shares of United Class A Common Stock were issued and outstanding (exclusive of United Class A Common Stock covered by outstanding United RSU Awards referenced in clause (vii) below), (ii) no shares of United Class B Common Stock were issued and outstanding, (iii) 842,128 shares of United Class C Common Stock were issued and outstanding, consisting of 210,532 shares each of Class C-1 Subordinated Common Stock, Class C-2 Subordinated Common Stock, Class C-3 Subordinated Common Stock and Class C-4 Subordinated Common Stock, (iv) 100,000 shares of United Series A Preferred Stock and no other shares of Preferred Stock were issued and outstanding, (v) no shares of United Common Stock or United Preferred Stock were held in United's treasury, (vi) United Stock Options to purchase 182,376 of United Class A Common Stock with a weighted average exercise price of $324.30 were outstanding, (vii) United RSU Awards covering 102,542 shares of United Class A Common Stock were outstanding and (viii) no shares of United Common Stock or United Preferred Stock or other shares of capital stock were reserved for or subject to issuance.

(b) Except as set forth in Section 3.2(a) and other than shares of capital stock of United that become outstanding after the United Capitalization Date in compliance with Section 4.2, no shares of capital stock of United are issued and outstanding and United does not have outstanding any securities convertible into or exchangeable for any shares of capital stock of United, any rights to subscribe for or to purchase or any options for the purchase of, or any agreements providing for the issuance (contingent or otherwise) of, or any warrants or any other instrument relating to the issuance of, any capital stock of United, or any stock or securities convertible into or exchangeable for any capital stock of United (in each case, issued by United or any of its Subsidiaries); and United is not subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire, or to register under the Securities Act, any shares of capital stock of United. United does not have outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or are convertible into or exercisable for securities having the right to vote) with the stockholders of United on any matter. Except as set forth in Section 3.2(a), as of the United Capitalization Date, there are no outstanding stock options, restricted stock units, restricted stock, stock appreciation rights, "phantom" stock rights, performance units or other compensatory rights or awards (in each case, issued by United or any of its Subsidiaries), that are convertible into or exercisable for a share of United Common Stock on a deferred basis or otherwise or other rights that are linked to, or based upon, the value of United Common Stock. All United Equity Awards are evidenced by award agreements in substantially the forms made available to Torch.

(c) Each outstanding share of capital stock of, or other equity or voting interests in, each Subsidiary of United which is owned, directly or indirectly, beneficially and of record, by United (except for directors' qualifying shares or the like), is duly authorized, validly issued, fully paid and nonassessable, owned free and clear of all Liens, except for Permitted Liens and transfer restrictions under applicable Laws (including any restriction on the right to vote, sell or otherwise dispose of such shares of capital stock or other equity or voting interests).

Section 3.3. Authority; Noncontravention; Voting and Approval Requirements.

(a) United and each applicable Subsidiary of United has all necessary entity power and entity authority to execute and deliver this Agreement and such other Transaction Documents to which it is or will be a party and to perform its obligations hereunder and thereunder and to consummate the Transactions. The execution, delivery and performance by United of this Agreement and by United and each of its Subsidiaries of each other Transaction Document to which it is or will be a party, and the consummation by United of the Transactions, have been duly authorized by its board of directors or equivalent body, and no other corporate action on the part of United or any of its Subsidiaries is necessary to authorize the execution, delivery and performance by United or its Subsidiaries of this Agreement or any of the other Transaction Documents to which it is or will be a party and the consummation by it of the Transactions. This Agreement has been, and each of the other Transaction Documents to which United or any of its Subsidiaries is or will be a party has been or will be, as applicable, duly executed and delivered by United and such Subsidiaries and, assuming due authorization, execution and delivery hereof or thereof by the other parties hereto or thereto, each constitutes (or will upon due authorization, execution and delivery by the other parties thereto constitute) a legal, valid and binding obligation of United, enforceable against United and its applicable Subsidiaries in accordance with its terms, except that such enforceability may be limited by the Bankruptcy and Equity Exception.

(b) Neither the execution and delivery by United or any of its applicable Subsidiaries of this Agreement or the other Transaction Documents to which it is or will be a party, nor the consummation by United and its Subsidiaries of the Transactions, nor performance or compliance by United or any of its Subsidiaries with any of the terms or provisions hereof or thereof, will (i) conflict with or violate any provision (A) of the United Existing Organizational Documents or (B) of the similar organizational documents of any of United's Subsidiaries or (ii) assuming the authorizations, consents and approvals referred to in Section 3.4 are obtained prior to the Closing, the filings referred to in Section 3.4 are made and any waiting periods thereunder have terminated or expired prior to the Closing, (x) violate any Law or Order applicable to United or any of its Subsidiaries, (y) violate or constitute a breach of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, modification, or cancelation of any obligation or to the loss of any benefit pursuant to, any of the terms or provisions of any United Material Contract accelerate United's or, if applicable, any of its Subsidiaries' obligations under any United Material Contract or (z) result in the creation of any Lien (other than a Permitted Lien) on any properties or assets of United or any of its Subsidiaries, except, in the case of clause (ii), as would not be material to United and its Subsidiaries, taken as a whole.

Section 3.4. Governmental Approvals. Except for (a) filings and authorizations (or non-objections) required under, and compliance with other applicable requirements of, any applicable Mexican or other competition laws, including the Mexican Antitrust Law, the HSR Act and the Ley de Competencia (Ley 1340 de 2009) of Colombia, (b) the filing of the FCC Applications and obtaining the FCC Consent, together with any reports or informational filings required in connection therewith under the U.S. Communications Laws, (c) the filing with IFT under the Mexican Telecommunications Law and obtaining the IFT Approval, together with any reports or informational filings required in connection therewith under the Mexican Telecommunications Law, (d) filings with, and compliance with other applicable requirements of, the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector, including notice to the U.S. Department of Justice pursuant to the Letter of Agreement between United and the Department of Justice in its capacity as chair of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector, (e) the authorization from the Mexican Foreign Investment Commission under the Mexican Foreign Investment Law and (f) filings and authorizations (or non-objections) required under, and compliance with other applicable requirements of, any other Laws regarding telecommunications, the provision of broadcasting or Audio-Visual Content services, no consent or approval of, or filing, license, permit or authorization, declaration or registration with, or notice to, any Governmental Entity is necessary for the execution and delivery by United or its Subsidiaries of this Agreement or any of the other Transaction Documents to which it is or will be a party, the performance by United and its applicable Subsidiaries of its and their obligations hereunder or thereunder and the consummation by United and its applicable Subsidiaries of the Transactions, other than such other consents, approvals, filings, licenses, permits or authorizations, declarations or registrations that, if not obtained, made or given, would not be material to United and its Subsidiaries, taken as a whole.

Section 3.5. United Financial Statements; Undisclosed Liabilities.

(a) None of the reports listed on Section 3.5(a) of the United Disclosure Letter delivered to the holders of the senior secured notes of Univision Communications Inc. ("UCI") after January 1, 2019 and prior to the date of this Agreement, as of the respective date that each was delivered to the holders of the senior secured notes of UCI (or, if amended prior to the date hereof, the date of delivery of such amendment, with respect to the disclosures that are amended), contained any untrue statement of material fact or omitted to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) Section 3.5(b) of the United Disclosure Letter sets forth the United Financial Statements. The United Financial Statements have been prepared in accordance with GAAP applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly present in all material respects the consolidated financial condition and results of operations of United and its consolidated Subsidiaries as of the dates and for the periods referred to therein (subject, in the case of unaudited financial statements, to normal year-end adjustments that are not reasonably expected to be material and the absence of footnote disclosures).

(c) Neither United nor any of its Subsidiaries has any liabilities of any nature (whether accrued, absolute, contingent or otherwise), except liabilities (i) reflected or reserved against in the consolidated balance sheet (or the notes thereto) of United as of the United Balance Sheet Date included in the United Financial Statements, (ii) incurred after the United Balance Sheet Date in the ordinary course of business consistent with past practice, (iii) incurred in connection with the negotiation, execution, delivery or performance of, or pursuant to the terms of, this Agreement or the other Transaction Documents (for clarity, any liability caused by or resulting from a breach by United of this Agreement shall not be deemed a liability "incurred in connection with the negotiation, execution, delivery or performance of, or pursuant to the terms of, this Agreement or the other Transaction Documents") or (iv) that would not have a United Material Adverse Effect.

(d) United's system of internal controls over financial reporting is sufficient to provide reasonable assurance (i) regarding the reliability of financial reporting, including policies and procedures that mandate the maintenance of records that in reasonable detail accurately and fairly reflect the material transactions and dispositions of the assets of United and its Subsidiaries and (ii) that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, in each case, except as would not have a United Material Adverse Effect.

Section 3.6. Absence of Certain Changes.

(a) Since the United Balance Sheet Date through the date of this Agreement, except for (i) Pandemic Measures and (ii) the execution and performance of this Agreement and the other Transaction Documents and the discussions, negotiations and transactions related thereto and to any transaction of the type contemplated by this Agreement, the respective business of United and its Subsidiaries has been carried on and conducted in all material respects in the ordinary course of business consistent with past practice.

(b) Since the United Balance Sheet Date, there has not been any United Material Adverse Effect.

Section 3.7. Legal Proceedings. Except as would not have a United Material Adverse Effect, there is no, and there has not been since January 1, 2019, any (a) pending or, to the Knowledge of United, threatened Proceeding against United or any of its Subsidiaries or (b) outstanding Order imposed upon United or any of its Subsidiaries, in each case, by or before any Governmental Entity.

Section 3.8. Compliance with Laws; Permits.

(a) United and each of its Subsidiaries are, and have been since January 1, 2019, in compliance with all Laws and Orders applicable to United or any of its Subsidiaries, except for such failures to comply as would not be material to United and its Subsidiaries, taken as a whole. The licenses, franchises, permits, certificates, approvals and authorizations from Governmental Entities held by United or any of its Subsidiaries (each, a "United Permit") constitute all licenses, franchises, permits, certificates, approvals and authorizations that are necessary for United and its Subsidiaries to lawfully conduct their respective businesses and all such United Permits are valid and in full force and effect, except where the failure to hold the same or to be in full force and effect would not be material to United and its Subsidiaries, taken as a whole. United and each of its Subsidiaries, and, to the Knowledge of United, each of its and their respective directors, officers and employees acting in such capacity and each of its and their other agents and representatives acting on its or their behalf is and has been, since January 1, 2019, in compliance with (i) the FCPA and (ii) the provisions of applicable anti-bribery, anti-corruption, and anti-money laundering Laws of each jurisdiction in which United and its Subsidiaries operate or have operated, in the case of clauses (i) and (ii), to the extent applicable to United, its Subsidiaries and such directors, officers, employees, agents and representatives, and except for such failures to comply as would not be material to United and its Subsidiaries, taken as a whole. Since January 1, 2019, United, its Subsidiaries and its or any of their respective officers, directors or employees acting in such capacity and, to the Knowledge of United, its or any of their agents and representatives acting on its or their behalf, have not paid, offered or promised to pay, or authorized or ratified the payment, directly or indirectly, of any monies or anything of value to any Government Official or any political party or candidate for political office for the purpose of corruptly influencing any act or decision of such Government Official or any Governmental Entity to obtain or retain business, or direct business to any person, or to secure any other improper benefit or advantage, in each case in violation of the FCPA or any Laws described in clause (ii) of the preceding sentence, except as would be material to United and its Subsidiaries, taken as a whole. United and its Subsidiaries maintain policies and procedures reasonably designed to ensure compliance with the FCPA and other anti-bribery, anti-corruption, anti-money laundering and sanctions Laws in each jurisdiction in which United and its Subsidiaries operate. None of United or any of its Subsidiaries, or, to the Knowledge of United, any of their respective directors, officers or employees acting in such capacity, or any of their respective agents or representatives acting on their behalf, has been or is designated on the list of Specifically Designated Nationals and Blocked Persons maintained by the United States Department of Treasury Office of Foreign Assets Control (OFAC). As of the date of this Agreement, neither United nor any of its Subsidiaries are subject to any actual pending Proceeding involving United or any of its Subsidiaries relating to the FCPA or any other anti-bribery, anti-corruption, anti-money laundering or sanctions Laws.

(b) United or one or more of its Subsidiaries, as the case may be, are the holders of all of the FCC Licenses material to the operation of the United Stations (the "United FCC Licenses"). The United FCC Licenses are in effect in accordance with their terms and have not been revoked, suspended, canceled, rescinded, terminated or expired.

(c) Except as would not have a United Material Adverse Effect, United or one or more of its Subsidiaries, as the case may be, (i) operate, and since January 1, 2019 have operated, the United Stations in compliance with the U.S. Communications Laws and the applicable United FCC Licenses, (ii) have timely filed all registrations and reports required to have been filed with the FCC relating to the United FCC Licenses (including any required updates or amendments to such registrations and reports), (iii) have paid or caused to be paid all FCC regulatory fees due in respect of the United Stations and (iv) have completed or caused to be completed the construction of all facilities or changes contemplated by the United FCC Licenses or any construction permit issued to modify any of the United FCC Licenses to the extent required to be completed as of the date hereof.

(d) As of the date of this Agreement, there are no, and have not since January 1, 2019 been, any material Proceedings pending or, to the Knowledge of United, threatened before the FCC relating to the United Stations, other than Proceedings affecting broadcast stations generally, and neither United nor any of its Subsidiaries, nor any of the United Stations, has entered into a tolling agreement or otherwise waived any statute of limitations relating to the United Stations during which the FCC may assess any material fine or forfeiture or take any other action that would have a United Material Adverse Effect, or agreed to any extension of time with respect to any FCC investigation or proceeding as to which the statute of limitations time period so waived or tolled, or the time period so extended, remains open as of the date of this Agreement.

(e) As of the date of this Agreement, except as would not have a United Material Adverse Effect, there is not (i) pending, or, to the Knowledge of United, threatened, any Proceeding before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the United FCC Licenses (other than proceedings to amend the U.S. Communications Laws of general applicability) or (ii) issued or outstanding, by or before the FCC, any (A) order to show cause, (B) notice of violation, (C) notice of apparent liability or (D) order of forfeiture, in each case, against any of the United Stations, United or any of its Subsidiaries with respect to any of the United Stations that would reasonably be expected to result in any action described in the foregoing clause (i) with respect to the United FCC Licenses.

Section 3.9. Tax Matters. Except as would not have a United Material Adverse Effect:

(a) all Tax Returns required to be filed by or with respect to United or any of its Subsidiaries, have been timely filed (taking into account extensions) and all such Tax Returns are true, correct and complete;

(b) all Taxes required to be paid by or with respect to United or any of its Subsidiaries (whether or not shown to be due on any Tax Return) have been paid or will be timely paid by the due date thereof;

(c) as of the date of this Agreement, there is no pending, or, to the Knowledge of United, threatened in writing, Tax Proceeding (or deficiency asserted or assessed) by any Taxing Authority with respect to, and no statute of limitations or any extension of time with respect to a Tax assessment or deficiency (other than pursuant to extensions to file Tax Returns) has been agreed to, in each case, with respect to any Taxes of United or any of its Subsidiaries;

(d) United and each of its Subsidiaries has complied with all applicable Laws relating to the withholding of Taxes;

(e) none of United or its Subsidiaries are parties to any written Tax sharing, Tax allocation or Tax indemnification agreement (other than (x) agreements solely among United and its Subsidiaries and (y) commercial agreements the primary purpose of which does not relate to Taxes);

(f) there are no Liens for Taxes upon any of the material assets or properties of United or any of its Subsidiaries, other than Permitted Liens;

(g) neither United nor any of its Subsidiaries has "participated" in a "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b); and

(h) in the past six (6) years, (i) no Tax Returns have been filed by United or any of its Subsidiaries outside such entity's country of formation, and (ii) no Taxing Authority has asserted in writing that any Tax Return not currently being filed by, or with respect to, United or any of its Subsidiaries, is required to be filed by or with respect thereto.

Section 3.10. Employee Plans.

(a) None of United or any of its ERISA Affiliates contributes to or is obligated to contribute to, or within the six (6) years preceding this Agreement contributed to or was obligated to contribute to, (i) any plan that is subject to Title IV or Section 302 of ERISA or Section 412 or 4971 of the Code, (ii) a Multiemployer Plan, (iii) a plan that has two or more contributing sponsors at least two of whom are not under common control, within the meaning of Section 4063 of ERISA or (iv) a "multiple employer welfare arrangement" as defined in Section 3(40) of ERISA. No United Benefit Plan is or at any time was funded through a "welfare benefit fund" as defined in Section 419(e) of the Code, and no benefits under any United Benefit Plan are, or at any time in the past six (6) years have been, provided through a voluntary employees' beneficiary association (within the meaning of Section 501(c)(9) of the Code) or a supplemental unemployment benefit plan (within the meaning of Section 501(c)(17) of the Code). With respect to any Multiemployer Plan to which United or any of its ERISA Affiliates contributes to or is obligated to contribute to, or within the six (6) years preceding the date of this Agreement contributed to or was obligated to contribute to, (A) neither United nor any of its ERISA Affiliates has incurred (x) any withdrawal liability under Title IV of ERISA which remains unsatisfied or (y) any contingent liability under Section 4204 of ERISA, (B) to the Knowledge of United, no condition exists that would reasonably be expected to give rise to a partial or complete withdrawal (within the meaning of Subtitle E of Title IV of ERISA) by United or any of its Subsidiaries from any Multiemployer Plan, (C) United has made available to Torch all statements, communications and estimates from such plan, sponsor, labor union or any Governmental Entity regarding actual or contingent withdrawal liabilities and (D) such Multiemployer Plan is not in "endangered status" or "critical status" within the meaning of Section 432 of the Code, and is not in "reorganization" or "insolvent." The satisfaction of any aggregate withdrawal liability of United and its Subsidiaries, computed as if a complete withdrawal by each of United and its Subsidiaries had occurred under each Multiemployer Plan on the date hereof and withdrawal liability was imposed as a result of such complete withdrawal, would not, if actually incurred, have a United Material Adverse Effect.

(b) With respect to each United Benefit Plan that is intended to qualify under Section 401(a) of the Code, such plan has received a favorable determination letter as to its qualification and that its related trust is exempt from Tax under Section 501(a) of the Code, or is the subject of a favorable opinion letter from the IRS on the form of such plan, and nothing has occurred with respect to the operation of any such plan which would reasonably be expected to cause the loss of such qualification or exemption or the imposition of any material liability, penalty or Tax under ERISA or the Code.

(c) There are no pending or, to the Knowledge of United, threatened actions, claims or lawsuits against or relating to any United Benefit Plan or the trusts related thereto with respect to the operation of such plan (other than routine benefits claims), except where such claims would not have a United Material Adverse Effect. To the Knowledge of United, none of the plan sponsor, the plan administrator or any third-party fiduciary of any United Benefit Plan has engaged in any prohibited transaction (as defined in Section 406 of ERISA or Section 4975 of the Code) or any breach of fiduciary duty (as determined under ERISA) with respect to such plan, except where such claims would have a United Material Adverse Effect. No United Benefit Plan is presently under audit, investigation or examination (nor has written notice been received of a potential audit, investigation or examination) by any Governmental Entity.

(d) Except as would not have a United Material Adverse Effect, each United Benefit Plan has been established, maintained, administered and funded in accordance with its terms, and in compliance with the applicable provisions of ERISA, the Code and other applicable Laws. Except as would not have a United Material Adverse Effect, all contributions, premium payments or other amounts required to have been made under any United Benefit Plan or Multiemployer Plan to any funds or trusts established thereunder or in connection therewith have, in all material respects, been timely made or paid in full or, to the extent not required to be made or paid on or before the date hereof, have been, in all material respects, accrued and reported on United's financial statements.

(e) None of the United Benefit Plans provide, and neither United nor any of its Subsidiaries has any obligation to provide, retiree health or retiree life insurance benefits except as may be required by Section 4980B of the Code and Section 601 of ERISA or any other applicable healthcare continuation coverage Law or at the expense of the participant or the participant's beneficiary.

(f) Except as expressly provided in this Agreement, neither the execution and delivery of this Agreement nor the consummation of the Transactions will (either alone or in combination with another event) (i) result in any payment or benefit becoming due to any current or former director, employee or consultant of United or any of its Subsidiaries, (ii) accelerate the time of payment or vesting or result in any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, or increase the amount payable or result in any other obligation pursuant to, any of the United Benefit Plans or (iii) limit or restrict the right of United to merge, amend or terminate any United Benefit Plan.

(g) Neither the execution and delivery of this Agreement nor the consummation of the Transactions will (either alone or in combination with another event) result in the payment of any amount that would, individually or in combination with any other such payment, be an "excess parachute payment" within the meaning of Section 280G of the Code. No United Benefit Plan provides for the gross-up or reimbursement of Taxes, including under Section 409A or 4999 of the Code or other similar Laws.

(h) No condition exists that would reasonably be expected to subject United or any of its Subsidiaries to any material liability under Title IV of ERISA or to a civil penalty under Section 502(i) or 502(l) of ERISA or liability under Section 4069 of ERISA or Section 4975, 4976, 4980B, 4980D or 4980H of the Code.

Section 3.11. Labor Matters. Except as would not have a United Material Adverse Effect, (a) neither United nor any of its Subsidiaries is the subject of any Proceeding as of the date hereof asserting that United or any of its Subsidiaries has committed any unfair labor practice or is seeking to compel United to bargain with any labor union or labor organization, (b) there is no pending or, to the Knowledge of United, threatened in writing, nor has there been since January 1, 2019 any, labor strike, walkout, work stoppage, slow-down or lockout affecting any employees of United or any of its Subsidiaries, other than as a result of Pandemic Measures, (c) each of United and its Subsidiaries is, and has been since January 1, 2019, in compliance with all applicable Collective Bargaining Agreements to which United or any of its Subsidiaries is party as an employer and all Laws regarding labor, employment and employment practices, (d) neither United nor any of its Subsidiaries is delinquent in payment to any of its current or former directors, officers, employees, consultants or other service providers for any wages, fees, salaries, commissions or bonuses or in payments owed upon termination of any such person's employment or service, (e) since January 1, 2019, none of United or any of its Subsidiaries has effectuated a "plant closing" or "mass layoff" (as defined in the WARN Act or any similar Law) or taken any other action that would trigger notice or liability under any United States state, local or non-United States plant closing notice Law, and (f) each of United and its Subsidiaries is, and since January 1, 2019, has been, in compliance with the WARN Act and each similar state or local Law.

Section 3.12. Environmental Matters. Except as would not have a United Material Adverse Effect:

(a) United and each of its Subsidiaries is, and has been since January 1, 2019, in compliance with all applicable Environmental Laws, and United has not received any written notice, demand, claim or request for information since January 1, 2019 or that otherwise remains unresolved alleging that United or any of its Subsidiaries is in violation of or has any liability under any Environmental Law.

(b) United and its Subsidiaries possess and are in compliance with all United Permits required under Environmental Laws for the operation of their respective businesses (such United Permits, the "United Environmental Permits"). None of United or any of its Subsidiaries has, since January 1, 2016, received any written notice alleging noncompliance with any United Environmental Permit or threatening to terminate any United Environmental Permit.

(c) There is no, and there has not been since January 1, 2016, any, Proceeding under or pursuant to any Environmental Law that is pending or, to the Knowledge of United, threatened in writing against United or any of its Subsidiaries.

(d) Since January 1, 2016, neither United nor any of its Subsidiaries has been or is subject to any Order arising under Environmental Laws.

(e) Since January 1, 2016, there has been no disposal, discharge, spill, handling or release of any Hazardous Material on or at any real property currently or formerly owned, leased or operated, or any third-party real property used for disposal or recycling, by United or any of its Subsidiaries, nor has there been any exposure to any Hazardous Materials, in each case, that would reasonably be expected to result in a Proceeding or Order pursuant to Environmental Law against United or any of its Subsidiaries.

(f) Since January 1, 2016, neither United nor any of its Subsidiaries has provided an indemnity for, or otherwise retained or assumed by contract or by operation of Law, any liabilities, in each case, that would reasonably be expected to form the basis of any Proceeding or Order against United or any of its Subsidiaries pursuant to any Environmental Law.

Section 3.13. Intellectual Property.

(a) Except as would not be material to United and its Subsidiaries, taken as a whole, the Intellectual Property owned by United or any of its Subsidiaries ("United Owned IP"), and the Intellectual Property to which United and its Subsidiaries have a valid and enforceable license or otherwise sufficient rights to use and practice, together constitutes all of the Intellectual Property used or held for use in or necessary for United's and its Subsidiaries' businesses in a manner substantially similar to the manner in which such businesses were operating as of the date of this Agreement. Except as would not be material to United and its Subsidiaries, taken as a whole, United and its Subsidiaries own all of the rights, title and interest in and to all United Owned IP, free and clear of all Liens (other than Permitted Liens). Since January 1, 2019, there are, and have been, no pending or, to the Knowledge of United, threatened Proceedings against United or any of its Subsidiaries challenging the validity, enforceability, ownership, right to use, sell, distribute, license or sublicense any United Owned IP, which Proceedings would be material to United and its Subsidiaries, taken as a whole. All United Registered IP is subsisting, and is, to the Knowledge of United, valid and enforceable.

(b) Except as would not be material to United and its Subsidiaries, taken as a whole, and subject to renewals, updates of rights and payments of royalties and licenses fees in the ordinary course of business, (i) United and its Subsidiaries own and have a valid and enforceable right to use, distribute, display and otherwise exploit all Audio-Visual Content owned by United or its Subsidiaries, in each case as of the date of this Agreement ("United Owned Media Properties") as used, distributed, displayed and otherwise exploited in the conduct of the business and as of the date of this Agreement, and (ii) United and its Subsidiaries have a valid and enforceable right to use, distribute, display and otherwise exploit all Audio-Visual Content licensed to United and its Subsidiaries with rights available ("United Licensed Media Properties") as used, distributed, displayed and otherwise exploited in the conduct of the business as of the date of this Agreement.

(c) Except as would not be material to United and its Subsidiaries, taken as a whole, United and its Subsidiaries are not currently infringing, misappropriating or otherwise violating the Intellectual Property rights of any third party, nor have they, since January 1, 2019, infringed, misappropriated or otherwise violated the Intellectual Property rights of any third party, nor since January 1, 2019, other than routine enforcement actions, has United or any of its Subsidiaries sent any written notice to any third party regarding any actual or potential infringement, misappropriation or other unauthorized use of any material United Owned IP (including United Owned Media Properties) or any material United Licensed Programming.

(d) As of the date of this Agreement, except as would not be material to United and its Subsidiaries, taken as a whole, to the Knowledge of United, no third party is infringing, misappropriating or otherwise violating any United Owned IP.

(e) Except as would not be material to United and its Subsidiaries, taken as a whole, United and its Subsidiaries take and have taken commercially reasonable measures designed to maintain, preserve and protect the confidentiality of and their respective proprietary interests in all confidential United Owned IP and other Trade Secrets used by United and its Subsidiaries (including having entered into nondisclosure agreements with contractors, where applicable, having made available to employees United's and its Subsidiaries' confidentiality policies, having all newly hired employees since July 1, 2019 acknowledge such confidentiality policies, and taking commercially reasonable measures to otherwise ensure that all employees adhere to United's and its Subsidiaries' confidentiality policies), and to the Knowledge of United, since January 1, 2019, there have been no material unauthorized disclosures or uses of any such Intellectual Property. Except as would not be material to United and its Subsidiaries, taken as a whole, to the Knowledge of United, no present or former employee, officer, director, agent, consultant or contractor of United or its Subsidiaries has materially misappropriated or misused any Trade Secrets or other confidential information of any other Person in the course of the performance of responsibilities to United and its Subsidiaries.

(f) Except as would not be material to United and its Subsidiaries, taken as a whole, (i) the Information Technology used by United and its Subsidiaries, whether owned or controlled by United and its Subsidiaries ("United IT Systems"), operates and performs in all material respects as required to permit United and its Subsidiaries to conduct their business as currently conducted, (ii) to the Knowledge of United, since January 1, 2019, no Person has gained unauthorized access to the United IT Systems, and (iii) since January 1, 2019, there have been no failures, crashes, security breaches or other adverse events affecting the United IT Systems which have caused disruption to United or its Subsidiaries' business. United and its Subsidiaries have implemented commercially reasonable backup, security and disaster recovery technology and procedures with respect to the United IT Systems. United and its Subsidiaries have taken commercially reasonable actions to protect the integrity and security of the United IT Systems and the information stored therein from unauthorized use, access or modification by third parties. To the Knowledge of United, and except as would not be material to United and its Subsidiaries, taken as a whole, the United IT Systems do not contain any malicious code, viruses, worms, trojan horses, bugs, faults, errors or contaminants that (i) disrupt, disable, erase or harm in any way such software's operation, or cause such software to damage or corrupt any data, hardware, storage media, programs, equipment or communications or (ii) permit any Person to access such software or any data, hardware, storage media, programs, equipment or communications without authorization.

(g) Except as would not be material to United and its Subsidiaries, taken as a whole, (i) United and its Subsidiaries take commercially reasonable measures to comply with applicable Laws and Orders regarding privacy, Personal Data protection and collection, retention, use and disclosure of personal information, (ii) United and its Subsidiaries are compliant in all material respects with their respective published privacy policies, and (iii) to the Knowledge of United, as of the date hereof, there have not been any material incidents of, or written third-party claims related to, any loss, theft, unauthorized access to, unauthorized use of, or unauthorized acquisition, modification, disclosure, corruption or other misuse of any Personal Data in United's or any of its Subsidiaries' possession. Except as would not be material to United and its Subsidiaries, taken as a whole, since January 1, 2019, (i) neither United nor any of its Subsidiaries has been legally required to provide any notices to Governmental Entities, data owners or individuals in connection with a material loss or material disclosure of, or material unauthorized access to, Personal Data and (ii) neither United nor any of its Subsidiaries has provided any such notice. Except as would not be material to United and its Subsidiaries, taken as a whole, since January 1, 2019 and prior to the date of this Agreement, neither United nor any of its Subsidiaries has received any written notice of any material claims, investigations (including investigations by any Governmental Entity), or alleged violations of any Laws and Orders with respect to Personal Data possessed by United or any of its Subsidiaries.

(h) Notwithstanding any other provisions of this Agreement, no representation or warranty is made by United or its Subsidiaries in this Agreement in respect of infringement of Intellectual Property, other than the representations and warranties contained in this Section 3.13.

Section 3.14. Anti-Takeover Provisions. No "business combination", "control share acquisition", "fair price", "moratorium" or other anti-takeover Laws (each, a "Takeover Law") apply or will apply to United by reason of this Agreement or the Transactions.

Section 3.15. Property.

(a) Except as would not be material to United and its Subsidiaries, taken as a whole, United or one of its Subsidiaries has good and valid title to all of the property purported to be owned by United or any of its Subsidiaries (the "United Owned Real Property"), free and clear of all Liens except for Permitted Liens. The United Owned Real Property, together with all real property that United or any Subsidiary, as lessee or sublessee, leases, subleases or occupies that is owned by any third Person (such real property, the "United Leased Real Property" and, collectively with the United Owned Real Property, the "United Real Property") comprise all of the material real property interests used in the conduct of the business and operations of United and its Subsidiaries as now conducted. Except as would not be material to United and its Subsidiaries, taken as a whole, each lease, sublease or similar contract or agreement, including amendments, extension notices and assignment agreements (each, a "United Real Property Lease") is valid, binding and in full force and effect in accordance with its terms except insofar as such enforceability may be limited by the Bankruptcy and Equity Exception. United and its Subsidiaries performed, in all material respects, all obligations required under the United Real Property Leases, and there are no material defaults (or events that would become material defaults with the passage of time) under the United Real Property Leases on the part of United or any of its Subsidiaries, or, to the Knowledge of United, on the part of the other party thereto. Except as would not be material to United and its Subsidiaries, taken as a whole, United and its Subsidiaries have valid leasehold interests in, sub-leasehold interests in, or other occupancy rights with respect to, the leased or occupied premises under the United Real Property Leases in effect as of the date hereof.

(b) No third party is a party to any contract to purchase, or has a purchase option, right of first refusal, right of first offer or other right to acquire any material United Owned Real Property except as provided by applicable Law. Other than Permitted Liens, none of United or any of its Subsidiaries has sold, assigned, transferred, mortgaged, pledged or otherwise encumbered all or any part of its fee interests (with respect to material United Owned Real Property) or its leasehold interests (with respect to material United Leased real Property), nor agreed to do any of the foregoing. United or one of its Subsidiaries owns, leases or otherwise has the right to use all real property that is being used to operate the business of United and its Subsidiaries as currently conducted, except as would not be material to United and its Subsidiaries, taken as a whole. United or one of its Subsidiaries has exclusive possession of each parcel of United Real Property except as would not have a United Material Adverse Effect.

(c) There are no physical defects at any United Real Property that interfere with or impede the current use by United or its Subsidiaries of such United Real Property in the ordinary course of business that would have a United Material Adverse Effect.

(d) Except as would not be material to United and its Subsidiaries, taken as a whole, there are no pending, or, to the Knowledge of United, threatened (i) condemnation or eminent domain proceedings of any part of any United Real Property by any Governmental Entity or (ii) Proceedings for revocation of any certificate of occupancy relating to a United Owned Real Property from any Governmental Entity.

(e) To the Knowledge of United, (i) there is no existing breach or default by any party under any easements, restrictive covenants or similar obligations or agreements affecting the United Owned Real Property which breach or default has not yet been cured, (ii) neither United nor any of its Subsidiaries have received written notice of any default under any easements, restrictive covenants or similar obligations or agreements affecting the United Owned Real Property which default has not yet been cured, and (iii) there does not exist any condition or event that with the lapse of time or the giving of notice, or both, would constitute such a breach or default under any easements, restrictive covenants or similar obligations or agreements affecting the United Owned Real Property, except, in each of clauses (i) through (iii), as would not reasonably be expected to have a United Material Adverse Effect.

Section 3.16. Material Contracts.

(a) For purposes of this Agreement, "United Material Contract" shall mean any Contract to which United or any of its Subsidiaries is a party or is otherwise bound, other than any United Benefit Plan or any Carriage Agreement (except as expressly referenced in Section 3.16(a)(iv) below), which:

(i) is an agreement or indenture creating, evidencing or relating to Indebtedness in an aggregate principal amount in excess of $50,000,000;

(ii) provides that any of them will not compete with any other Person in a manner that is material to United and its Subsidiaries, taken as a whole;

(iii) purports to limit in any respect that is material to United and its Subsidiaries, taken as a whole, either the type of business in which United or its Subsidiaries may engage or the manner or locations in which any of them may so engage;

(iv) is a Carriage Agreement with any Major U.S. Distributor;

(v) is with any Governmental Entity and is material to United and its Subsidiaries, taken as a whole, which, for clarity, includes any agreement with any U.S. Security Agency;

(vi) contains a put, call or similar right pursuant to which United or any of its Subsidiaries would be required to purchase or sell, as applicable, any equity interests or other securities of any person or assets (excluding Intellectual Property) at a purchase price which would reasonably be expected to exceed, or the fair market value of the equity interests or other securities or assets (excluding Intellectual Property) of which would reasonably be likely to exceed, $50,000,000; and

(vii) requires United or any of its Subsidiaries to have potential continuing material indemnification obligations to any Person, or material outstanding liabilities or obligations (excluding confidentiality obligations and indemnification obligations in respect of representations and warranties), whether or not contingent, in connection with any acquisitions or dispositions (in each case, whether completed by merger, sale or purchase of stock, sale or purchase of assets or otherwise) completed since January 1, 2019.

(b) Each of the United Material Contracts, and each Contract entered into after the date hereof that would have been a United Material Contract if entered into prior to the date hereof (each, a "United Additional Contract"), is (or if entered into after the date hereof, will be) valid and binding on United or its Subsidiaries, as the case may be and, to the Knowledge of United, each other party thereto, and is in full force and effect, except for such failures to be valid and binding or to be in full force and effect that would not be material to United and its Subsidiaries, taken as a whole, or except insofar as such enforceability may be limited by the Bankruptcy and Equity Exception. Except with respect to any Carriage Agreement (which shall be governed instead by Section 3.17), neither United nor any of its Subsidiaries nor, to the Knowledge of United, any other party is in breach of or in default under any United Material Contract or United Additional Contract, and no event has occurred that, with the lapse of time or the giving of notice or both, would constitute a default thereunder by United or any of its Subsidiaries, in each case, except for such breaches and defaults that would not have a United Material Adverse Effect. Except with respect to any Carriage Agreement (which shall be governed instead by Section 3.17), as of the date of this Agreement, neither United nor any of its Subsidiaries has received written notice alleging a breach of or default under any United Material Contract, which notice has not been resolved as of the date of this Agreement, where such breach or default would have a United Material Adverse Effect.

(c) A true and complete copy of each Contract, as amended as of the date of this Agreement, to which United or any of its Subsidiaries is a party or is otherwise bound (other than any Contracts that were previously approved by the board of directors of United prior to the date hereof), which, to the Knowledge of United, provides for the grant of exclusivity with respect to specified lines of business, rights of first refusal, rights of first negotiation or similar rights that imposes constraints that are material to United and its Subsidiaries, taken as a whole, has been made available to Torch.

Section 3.17. Carriage Agreement Matters. Since January 1, 2019, neither United nor any of its Subsidiaries has received any written notice pursuant to a Carriage Agreement, which notice has not been resolved as of the date of this Agreement, from any of United and its Subsidiaries' Major U.S. Distributors, of: (a) any material breach or other material non-compliance by United or its Subsidiaries of such Major U.S. Distributor's Carriage Agreement or (b) any such Major U.S. Distributor's intention to discontinue or materially modify carriage of, or materially alter rates applicable to, a United Station or any United-owned or -represented linear cable programming network (including via termination of such Major U.S. Distributor's Carriage Agreement).

Section 3.18. Insurance. Except as would not have a United Material Adverse Effect, United and its Subsidiaries are covered by valid and currently effective insurance policies and all premiums payable under such policies have been duly paid to date and, as of the date of this Agreement, none of United or any of its Subsidiaries has received any written notice of default or cancellation of any such policy. Except as would not have a United Material Adverse Effect, as of the date hereof, there are no pending Proceedings under the Insurance Policies with respect to United or any of its Subsidiaries as to which the insurers have denied or disputed (in writing) coverage or cancelled any Insurance Policy maintained by or on behalf of United or any of its Subsidiaries, or, to the Knowledge of United, have threatened to deny or dispute coverage or cancel any Insurance Policy maintained by or on behalf of United or any of its Subsidiaries (other than reservation of rights letters issued in the ordinary course of business).

Section 3.19. Related Party Transactions. Neither United nor any of its Subsidiaries is a party or is otherwise bound to a Contract with any Related Party of United, other than (a) Contracts that will be terminated at or prior to the Closing, (b) Contracts that are on arms' length terms, (c) Contracts that, prior to the date hereof, were previously approved by the board of directors of United (or the members of the board of directors of United who are not affiliated with the applicable Related Party) and (d) this Agreement and the Ancillary Agreements.

Section 3.20. Financing. As of the date hereof, United has delivered to Torch true and correct copies of (i) a fully executed debt commitment letter, dated as of even date herewith (as may be amended or modified in accordance with the terms hereof, the "Debt Commitment Letter"), from the Debt Financing Sources party thereto, reflecting each such person's commitment to provide to United at the Closing (or, at the option of United, prior to the Closing) the cash amount set forth therein subject to the terms and conditions thereof (the "Debt Financing"), (ii) any fee letters related to the Debt Commitment Letter, (iii) the fully executed Investment Agreement between United and the persons identified therein (together with any persons that become a party thereto after the date of this Agreement in accordance with the terms thereof, the "Equity Financing Sources"), reflecting each such person's commitment to subscribe for shares of Series C Preferred Stock in exchange for the cash amount set forth therein subject to the terms and conditions thereof (the "Equity Financing"), and (iv) any other Contract (or form thereof) between or among United or any of its Subsidiaries, on the one hand, and any Equity Financing Source or any Affiliate thereof, on the other hand, entered into or proposed to be entered into in connection with or relating to the Equity Financing or the Transactions, whether of a financing, commercial or other nature. As of the date hereof, each of the Debt Commitment Letter and the Investment Agreement, in the form so delivered, is in full force and effect and is a legal, valid and binding obligation of United and, to the Knowledge of United, the other parties thereto, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equity principles. As of the date hereof, none of the Debt Commitment Letter and the Investment Agreement has been amended, supplemented or otherwise modified in any respect, no amendment, supplement or modification is contemplated (other than to add or replace lenders, financial institutions, lead arrangers, bookrunners, syndication agents or other similar entities in a manner contemplated by the Debt Commitment Letter), and the financing and subscription commitments thereunder have not been withdrawn, terminated or rescinded in any respect. As of the date hereof, no event has occurred that, with or without notice, lapse of time or both, would or would reasonably be expected to constitute a default or breach on the part of United or, to the Knowledge of United, any other parties thereto under any term or condition of the Debt Commitment Letter or the Investment Agreement, and, assuming the satisfaction or waiver of the conditions set forth in Section 8.1 and Section 8.2, United has no reason to believe that it will be unable to satisfy on a timely basis any term or condition precedent to the funding of any portion of the Debt Financing and/or Equity Financing to be satisfied by it set forth in the Debt Commitment Letter and the Investment Agreement, respectively, or that any portion of the Debt Financing or Equity Financing to be made thereunder will otherwise not be available to United on or prior to the Closing Date to consummate the Transactions. Except for the fee letters (true and correct copies of which have been provided to Torch) and customary engagement letters and fee credit letters with respect to the Debt Financing (none of which reduces the amount of the Debt Financing below the Required Amount (after taking into account the amount of the Equity Financing) or adversely affects the conditionality, enforceability, termination or availability of the Debt Financing), as of the date hereof, there are no side letters or other agreements, contracts or arrangements of any kind relating to the Debt Commitment Letter or the Investment Agreement to which United is a party that impose conditions to, affect the availability or enforceability of or modify, amend or expand the conditions to the funding of the Debt Financing or Equity Financing other than as expressly set forth in the Debt Commitment Letter or the Investment Agreement. The Debt Financing and Equity Financing, when funded in accordance with the Debt Commitment Letter and the Investment Agreement, respectively, and after giving effect to any "flex" provision in the Debt Commitment Letter or the related fee letters (including with respect to fees and original issue discount) will provide United with funds sufficient to satisfy all of United's and its Subsidiaries' (including its Subsidiaries following the Closing) payment obligations under Article I, pay any other amounts required to be paid by United and its Subsidiaries (including its Subsidiaries following the Closing) in connection with the consummation of the Transactions and pay all related fees and expenses as they are required to be paid by United and its Subsidiaries (including its Subsidiaries following the Closing), in each case, on or prior to the Closing Date, in accordance with the terms and subject to the conditions set forth herein (such amounts, collectively, the "Required Amount"). The obligations to make the Debt Financing and Equity Financing available to United pursuant to the terms of the Debt Commitment Letter and the Investment Agreement, respectively, are not subject to any conditions precedent or other contingencies related to the funding of the full amount of the Debt Financing and Equity Financing, other than as expressly set forth in the Debt Commitment Letter and the Investment Agreement, respectively (including any "flex" provisions in or related to the Debt Commitment Letter or the related fee letters). In no event shall the receipt or availability of any funds or financing (including the Debt Financing and the Equity Financing) by United or any of its Affiliates or any other financing or other transactions be a condition to any of United's obligations under this Agreement.

Section 3.21. Solvency. Immediately following the Closing, after giving effect to the Transactions, the Debt Financing and the Equity Financing, the payment of the consideration and other amounts required to be paid by United and its Subsidiaries (including its Subsidiaries following the Closing) hereunder in connection with the consummation of the Transactions and all related fees and expenses, assuming (i) the accuracy of the representations and warranties set forth in Article II (subject to the qualifications and limitations set forth therein), (ii) the compliance by Torch and its Subsidiaries of their respective obligations hereunder in all material respects and (iii) the satisfaction of the conditions to the obligation of United to effect the Closing set forth in Article VIII, (a) the amount of the "fair saleable value" of the assets of United and its Subsidiaries, taken as a whole, will exceed the amount that will be required to pay the probable liabilities (including contingent liabilities) of United and its Subsidiaries, taken as a whole, as such liabilities become absolute and matured; (b) the assets of United and its Subsidiaries, taken as a whole, at a fair valuation, will exceed their liabilities (including the probable amount of all contingent liabilities); (c) United and its Subsidiaries, taken as a whole, will not have an unreasonably small amount of capital for the operation of the businesses in which they are engaged or proposed to be engaged; and (d) United and its Subsidiaries, taken as a whole, will not have incurred liabilities, including contingent and other liabilities, beyond their ability to pay such liabilities as they mature or become due.

Section 3.22. Brokers and Other Advisors. Except for Guggenheim Securities, LLC and J.P. Morgan Securities LLC, the fees and expenses of which will be paid by United, no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or the reimbursement of expenses in connection therewith, in connection with the Transactions based upon arrangements made by or on behalf of United or any of its Subsidiaries.

Section 3.23. No Other Representations or Warranties. Except for the representations and warranties made by United in this Article III or in any certificates delivered by United in connection with the Transactions, none of United or any other Person makes any other express or implied representation or warranty with respect to United or any of its Subsidiaries or businesses, operations, properties, assets, liabilities, condition (financial or otherwise) or prospects, or any estimates, projections, forecasts or other forward-looking information or business and strategic plan information regarding United and its Subsidiaries, notwithstanding the delivery or disclosure to Torch or any of its Representatives of any documentation, forecasts or other information (in any form or through any medium) with respect to any one or more of the foregoing. In particular, and without limiting the generality of the foregoing, none of United or any other Person makes or has made any express or implied representation or warranty to Torch or any of its respective Representatives with respect to (a) any financial projection, forecast, estimate, budget or prospective information relating to United, any of its Subsidiaries or their respective businesses or (b) except for the representations and warranties made by United in this Article III or in any certificates delivered by United in connection with the Transactions, any oral, written, video, electronic or other information presented to Torch or any of its Representatives in the course of their due diligence investigation of United, the negotiation of this Agreement or the course of the Transactions.

## ARTICLE IV

## COVENANTS RELATING TO CONDUCT OF BUSINESS

Section 4.1. Conduct of Business of ContentCo Before the Closing.

(a) Torch covenants and agrees that, during the period from the date hereof to the earlier of the termination of this Agreement in accordance with its terms or the Closing (except (w) as otherwise specifically required or permitted by the terms of this Agreement and the other Transaction Documents (including Section 5.13 (including the Pre-Closing Restructuring) and, to the extent permitted by Section 4.1(b)(v) and Section 5.19, any dividends or distributions of cash), (x) as may be required by Law or Order or as otherwise set forth in Section 4.1(a) of the Torch Disclosure Letter, (y) as reasonably required in response to a Pandemic or any Pandemic Measures, or (z) unless United shall otherwise consent in writing (which consent shall not be unreasonably withheld, conditioned or delayed)), Torch shall use its commercially reasonable efforts (i) to conduct the business of the ContentCo Group, in all material respects, in the ordinary course of business consistent with past practice, (ii) to preserve substantially intact the business organization of the ContentCo Group, (iii) to preserve, in all material respects, their respective assets and properties in good repair and condition and the present relationships of the ContentCo Group with Governmental Entities, material customers, suppliers, licensors, licensees, distributors, lessors and other persons with which ContentCo Group has significant business relations and (iv) to maintain the Broadcasting Rights in effect and free and clear of any Liens (other than Permitted Liens) and in compliance with all their obligations, in each case in all material respects. Notwithstanding the foregoing, no action by Torch or any of its Subsidiaries with respect to matters specifically addressed by any provision of Section 4.1(b) shall be deemed a breach of this Section 4.1(a) unless such action would constitute a breach of such provision of Section 4.1(b).

(b) Without limiting the generality of Section 4.1(a), Torch shall not, with respect to the ContentCo Business, and shall cause each ContentCo Entity not to (except (w) as specifically required or permitted by the terms of this Agreement and the other Transaction Documents (including Section 5.13 (including the Pre-Closing Restructuring) and, to the extent permitted by Section 4.1(b)(v) and Section 5.19, any dividends or distributions of cash), (x) as may be required by Law or Order or as set forth in Section 4.1(b) of the Torch Disclosure Letter, (y) as reasonably required in response to a Pandemic or any Pandemic Measures, or (z) unless United shall otherwise consent in writing (which consent shall not be unreasonably withheld, conditioned or delayed)), between the date of this Agreement and the earlier of the termination of this Agreement in accordance with its terms and the Closing, directly or indirectly, do any of the following:

(i) make any change in any of the organizational documents of any ContentCo (whether by merger, consolidation, operation of law or otherwise);

(ii) issue, deliver, sell, pledge, grant, transfer, encumber or subject to any Lien any additional shares of capital stock, membership interests or partnership interests or other equity securities or grant any option, warrant or right to acquire any capital stock, membership interests or partnership interests or other equity securities or issue any security convertible into or exchangeable for such securities, in each case of any ContentCo or any of its Subsidiaries, except, in each case, for any such issuances of, or grants of options, warrants or rights to acquire, or issuances of any securities convertible or exchangeable into, shares of capital stock, membership interests or partnership interests or other equity interests of wholly-owned Subsidiaries of any ContentCo to any ContentCo or to other wholly-owned Subsidiaries of any ContentCo;

(iii) redeem, retire, purchase or otherwise acquire, directly or indirectly, any shares of the capital stock, membership interests or partnership interests or other ownership interests of any ContentCo or any of its Subsidiaries or any other securities convertible into or exercisable or exchangeable for, or warrants, options or other rights to acquire, any such shares or other ownership interests, other than in connection with redemptions, purchases or other acquisitions of shares or interests of any wholly-owned Subsidiary of any ContentCo by any ContentCo or any other wholly-owned Subsidiary of any ContentCo;

(iv) except for acquisitions made in the ordinary course of business (including media for equity transactions), acquire, by purchasing the assets or equity of, any Person or division thereof, with an aggregate fair market value in excess of $100,000,000;

(v) except as undertaken in the ordinary course of business, transfer, lease, sell, assign, mortgage, pledge, place a Lien (other than a Permitted Lien) upon or otherwise dispose of any tangible properties or assets (including capital stock of any ContentCo Entity), except for any transfer, lease, sale or assignment of any properties or assets with an aggregate fair market value not in excess of $20,000,000; provided that this clause (v) shall not apply with respect to obsolete assets; and provided, further that any consideration that is received in connection with any such sale ("Asset Sale Consideration"), other than Asset Sale Consideration that does not exceed $500,000 for any individual asset or property and $4,000,000 in the aggregate, shall be retained by the applicable ContentCo Entity (or its applicable Subsidiary) and may not be distributed out of the ContentCo Group pursuant to Section 5.19 or otherwise prior to the Closing;

(vi) merge with or consolidate with any other Person, or restructure, reorganize or completely or partially liquidate, except for mergers among, or the restructuring, reorganization or liquidation of, solely among Torch and its Subsidiaries that (A) individually or in the aggregate, would not or would not reasonably be expected to prevent, delay or materially impair the consummation of any of the Transactions or (B) would otherwise be permitted to be undertaken without the prior written consent of United under Section 5.13;

(vii) make any material change in any financial or financial accounting policy, principle, procedure, method, estimate or practice, except for any such change required by changes in IFRS (or any interpretation thereof) or applicable Law, in each case, occurring after the date of this Agreement;

(viii) (A) make, change or revoke any Tax election, (B) adopt or change any Tax accounting method or Tax accounting period, (C) file any amended Tax Return, (D) settle any Tax Proceeding, (E) surrender any right to claim a Tax refund, or (F) enter into any voluntary disclosure or closing agreement with respect to Taxes, in each case, if such action would reasonably be expected to result in a material increase in a Tax liability of United or its Subsidiaries, including any ContentCo Entity, in any Post-Closing Tax Period;

(ix) settle any Proceeding (or related Proceedings relating to the same underlying event or loss) or enter into any consent decree or settlement agreement with any Governmental Entity involving an amount in controversy in excess of $50,000,000 (with respect to any such Proceeding);

(x) without limiting Section 4.1(b)(ix), settle or resolve any claim against any ContentCo Entity on terms that require the ContentCo Group to materially alter its existing business practices, in each case other than any claim with respect to Taxes, which shall be governed by Section 4.1(b)(viii);

(xi) incur, assume, endorse, guarantee or otherwise become liable for, or modify the terms of, any Indebtedness or issue or sell any debt securities or calls, options, warrants or other rights to acquire any debt securities (directly, contingently or otherwise), in each case of any ContentCo or any of its Subsidiaries, except, in the ordinary course of business, (A) any guarantees of Torch's or any of its Subsidiaries' revolving credit facilities, (B) intercompany Indebtedness solely between or among Torch and/or its wholly-owned Subsidiaries, (C) any Indebtedness that will be repaid or discharged by Torch or any of its Subsidiaries at or prior to Closing, (D) letters of credit, bank guarantees, security or performance bonds or similar credit support instruments and (E) overdraft facilities or cash management programs, in the case of each of clauses (D) and (E), issued, made or entered into in the ordinary course of business consistent with past practice; provided that, in the case of each of clauses (A) and (C), Torch shall, and shall cause is Subsidiaries to, deliver to United at least three (3) Business Days prior to the Closing a payoff letter or other evidence of termination or release from each holder of such Indebtedness to be paid (and/or guarantee to be released) at or prior to the Closing (together, in each case, with any applicable Lien release documentation in connection therewith), in form and substance reasonably acceptable to United;

(xii) materially amend, waive any material right under or voluntarily terminate any material ContentCo Real Property Lease, or enter into, extend or fail to exercise any renewal option under any material ContentCo Real Property Lease;

(xiii) except as required by Law or by Contracts in effect as of the date of this Agreement, increase the compensation, bonus or pension, welfare, severance or other benefits of current officers and employees of any ContentCo Entity if such increase would result in an increase in the aggregate compensation and benefits expense of the ContentCo Group, taken as a whole, that is material as compared to such expense for the last twelve (12) months prior to the date of this Agreement;

(xiv) enter into or amend any material Contract with any Related Party of any ContentCo or any of its Subsidiaries (other than (a) Contracts solely between or among any ContentCo and/or wholly-owned Subsidiaries of any ContentCo, (b) Contracts that will be terminated at or prior to the Closing, (c) Contracts that are on arms' length terms and (d) the Ancillary Agreements);

(xv) enter into, materially amend or terminate any Contract to which a ContentCo Entity is a party that (A) provides for payments to or from the ContentCo Group in excess of $25,000,000 in any twelve (12)-month period, (B) provides for network programming of more than five (5) hours per week on a majority of the owned and operated stations of the ContentCo Group or (C) is a Carriage Agreement that is material to ContentCo Group, taken as a whole; or

(xvi) commit, resolve or agree to do or authorize any of the foregoing.

Notwithstanding anything to the contrary contained herein, nothing in this Agreement shall prohibit or restrict Torch or its Subsidiaries from engaging in any activity with respect to any of their respective businesses or operations other than the ContentCo Business, subject to Section 4.1(a)(iv).

(c) Prior to the Closing Date, Torch shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision of its and its Subsidiaries' operations.

Section 4.2. Conduct of Business of United Before the Closing.

(a) United covenants and agrees that, during the period from the date hereof to the earlier of the termination of this Agreement in accordance with its terms and the Closing (except (w) as otherwise specifically required or permitted by the terms of this Agreement and the other Transaction Documents, (x) as may be required by Law or Order or as otherwise set forth in Section 4.2(a) of the United Disclosure Letter, (y) as reasonably required in response to a Pandemic or any Pandemic Measures, or (z) unless Torch shall otherwise consent in writing (which consent shall not be unreasonably withheld, conditioned or delayed)), United shall use its commercially reasonable efforts (i) to conduct the businesses of United and its Subsidiaries, in all material respects, in the ordinary course of business consistent with past practice, (ii) to preserve substantially intact the business organization of United and its Subsidiaries, (iii) to keep available the services of the present executive officers and the key employees of United and its Subsidiaries, and (iv) to preserve, in all material respects, their respective assets and properties in good repair and condition and the present relationships of United and its Subsidiaries with Governmental Entities, material customers, suppliers, licensors, licensees, distributors, lessors and other persons with which United or any of its Subsidiaries has significant business relations, in each case, consistent with past practice. Notwithstanding the foregoing, no action by United or any of its Subsidiaries with respect to matters specifically addressed by any provision of Section 4.2(b) shall be deemed a breach of this Section 4.2(a) unless such action would constitute a breach of such provision of Section 4.2(b).

(b) Without limiting the generality of Section 4.2(a), United shall not and shall cause each of its Subsidiaries not to (except (w) as specifically required by the terms of this Agreement and the other Transaction Documents, (x) as may be required by Law or Order or as set forth in Section 4.2(b) of the United Disclosure Letter, (y) as reasonably required in response to a Pandemic or any Pandemic Measures, or (z) unless Torch shall otherwise consent in writing (which consent shall not be unreasonably withheld, conditioned or delayed), between the date of this Agreement and the earlier of the termination of this Agreement in accordance with its terms and the Closing, directly or indirectly, do any of the following:

(i) make any change in any of the United Existing Organizational Documents (whether by merger, consolidation, operation of law or otherwise);

(ii) issue, deliver, sell, pledge, grant, transfer, encumber or subject to any Lien any additional shares of capital stock, membership interests or partnership interests or other equity securities or grant any option, warrant or right to acquire any capital stock, membership interests or partnership interests or other equity securities or issue any security convertible into or exchangeable for such securities, except, in each case, for (A) issuances or grants made in the ordinary course of business consistent with past practice under the United Stock Plan in effect on the date of this Agreement, (B) shares of United Common Stock issuable upon settlement or exercise, as applicable, of outstanding United Equity Awards in accordance with their terms, (C) shares of United Common Stock issuable upon conversion of outstanding United Common Stock of a different class, (D) any such issuances of, or grants of options, warrants or rights to acquire, or issuances of any securities convertible or exchangeable into, shares of capital stock, membership interests or partnership interests or other equity interests of wholly-owned Subsidiaries of United to United or to other wholly-owned Subsidiaries of United or (E) pledges, encumbrances and Liens on the stock of United's Subsidiaries required by the terms of any senior secured debt to which such Subsidiary is a party as of the date hereof and as required by the Debt Financing;

(iii) redeem, retire, purchase or otherwise acquire, directly or indirectly, any shares of the capital stock, membership interests or partnership interests or other ownership interests of United or any of its Subsidiaries or any other securities convertible into or exercisable or exchangeable for, or warrants, options or other rights to acquire, any such shares or other ownership interests, other than in connection with (A) Tax withholding in connection with the vesting, settlement and/or exercise of United Equity Awards, (B) forfeitures of United Equity Awards pursuant to their terms as in effect on the date of this Agreement, (C) redemptions, purchases or other acquisitions of shares or interests of any wholly-owned Subsidiary of United by United or any other wholly-owned Subsidiary of United or (D) repurchases of United Equity Awards in accordance with the terms of the applicable award agreement, United Stock Plan or other Contract existing on the date hereof previously made available to Torch and at a repurchase price that does not exceed fair market value;

(iv) declare, set aside or pay any dividends or other distributions in respect of any shares of the capital stock, membership interests or partnership interests or other ownership interests of United or any of its Subsidiaries or any other securities convertible into or exercisable or exchangeable for, or warrants, options or other rights to acquire, any such shares or other ownership interests, other than dividends or distributions payable solely to United or any wholly-owned Subsidiary of United;

(v) merge with or consolidate with any other Person, or restructure, reorganize or completely or partially liquidate, except for mergers among, or the restructuring, reorganization or liquidation of, solely among United and its Subsidiaries that, individually or in the aggregate, would not or would not reasonably be expected to prevent, delay or materially impair the consummation of any of the Transactions;

(vi) make any material change in any financial or financial accounting policy, principle, procedure, method, estimate or practice, except for any such change required by changes in GAAP (or any interpretation thereof) or applicable Law;

(vii) settle or resolve any claim (including in connection with a Tax Proceeding) against United or any of its Subsidiaries on terms that require United or any of its Subsidiaries to materially alter its existing business practices;

(viii) enter into, waive any provision of or amend any Contract (including any management or similar agreement) with, or make any payments or contributions to, any Related Party of United (other than (A) Contracts solely between or among United and/or its wholly-owned Subsidiaries, (B) the Ancillary Agreements, (C) payments or contributions that are made in accordance with any such Contract in effect as of the date of this Agreement that (I) is set forth on Section 3.19 of the United Disclosure Letter or (II) was previously approved by the board of directors of United (or the members of the board of directors of United who are not affiliated with the applicable Related Party) and (D) ordinary course payments of annual compensation, provision of employee benefits or reimbursement of ordinary course expenses in respect of Persons who are employees, officers or directors of United or any of its Subsidiaries in their capacity as an employee, officer or director), or incur, assume, endorse, guarantee or otherwise become liable for, or modify the terms of, or waive, forgive or discharge, any obligations or liabilities of any Related Party of United;

(ix) modify any of the United FCC Licenses if doing so is reasonably likely to be materially adverse to the interests of Torch or United or any of its Subsidiaries after giving effect to the Transactions in the operation of television broadcast stations except as required by Law or as required in connection with the broadcast incentive auction reassignment and repack conducted by the FCC pursuant to Section 4603 of the Middle Class Tax Relief and Job Creation Act (Pub. L. No. 12 - 96, § 6403, 126 Stat. 156, 225-230 (2012); and

(x) commit, resolve or agree to do or authorize any of the foregoing.

(c) At all times prior to the Closing, United shall, and shall cause its Subsidiaries to, maintain, collectively, in immediately available funds, cash and cash equivalents of no less than $300,000,000; provided, that in the event that at any time United and its Subsidiaries fail to maintain such amount of cash and cash equivalents, United shall not be in breach of this Section 4.2(c) if such failure is cured prior to the earlier of (i) five (5) Business Days following the date of such failure and (ii) the Termination Date.

(d) Prior to the Closing Date, United and its Subsidiaries shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision of its and its Subsidiaries' operations.

(e) Notwithstanding anything to the contrary herein, following the consummation of the transactions contemplated by the Reorganization Agreement, references to United set forth in this Section 4.2, Article V, Article VI and Article VII shall, except to the extent the context otherwise requires, also apply to New HoldCo.

## ARTICLE V

## ADDITIONAL AGREEMENTS

Section 5.1. Access to Information.

(a) Upon reasonable notice to Torch, Torch shall (and shall cause its Subsidiaries to) afford to United and its Representatives access during normal business hours upon reasonable notice and without undue disruption of Torch's operations, during the period prior to the Closing, to the ContentCo Group's officers, employees, properties, offices and other facilities and to all books and records of the ContentCo Business, as coordinated through Torch's executive officers and their designees and, during such period, Torch shall (and shall cause its Subsidiaries to) furnish promptly to United and its Representatives all other information concerning the business, properties and personnel of the ContentCo Group as such Person may reasonably request for purposes of integration planning; provided, that Torch may restrict the foregoing access to the extent that, in its reasonable judgment (after consultation with legal counsel), (i) providing such access would result in the loss or waiver of any attorney-client privilege (provided that Torch shall use reasonable best efforts to allow for such access to the maximum extent that does not result in a waiver of attorney-client privilege) or (ii) any Law or Order of any Governmental Entity applicable to Torch or its Subsidiaries (including the ContentCo Group) requires Torch or its Subsidiaries to preclude United or its Representatives from gaining access to any properties or information; provided, further, that Torch will inform the requesting party of the general nature of the document or information being withheld and reasonably cooperate with the requesting party to provide such document or information in a manner that would not result in violation of such Law or Order or the loss or waiver of such privilege. No investigation by United or its Representatives shall affect or be deemed to modify or waive the representations and warranties of Torch set forth in this Agreement.

(b) Upon reasonable notice to United, United shall (and shall cause its Subsidiaries to) afford to Torch and its Representatives access during normal business hours upon reasonable notice and without undue disruption of United's operations, during the period prior to the Closing, to its officers, employees, properties, offices and other facilities and to all books and records, as coordinated through United's Chief Executive Officer, Chief Financial Officer, General Counsel and other executive officers and their designees and, during such period, United shall (and shall cause its Subsidiaries to) furnish promptly to Torch and its Representatives all other information concerning the business, properties and personnel of United or any of its Subsidiaries as such Person may reasonably request for purposes of integration planning; provided, that United may restrict the foregoing access to the extent that (x) providing such access would require prior notice to the U.S. Department of Justice pursuant to the Letter of Agreement between United and the U.S. Department of Justice, in its capacity as chair of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector, United has promptly provided such notice (or Torch has withdrawn its request for access), and where Torch has not withdrawn its request for access, the Department of Justice has either objected to such access or United's request remains pending at the Department of Justice (in which event United shall continue to prosecute such request); or (y) in United's reasonable judgment (after consultation with legal counsel), (i) providing such access would result in the loss or waiver of any attorney-client privilege (provided that United shall use reasonable best efforts to allow for such access to the maximum extent that does not result in a waiver of attorney-client privilege) or (ii) any Law or Order of any Governmental Entity applicable to United or its Subsidiaries requires United or its Subsidiaries to preclude Torch or its Representatives from gaining access to any properties or information; provided, further, that United will inform the requesting party of the general nature of the document or information being withheld and reasonably cooperate with the requesting party to provide such document or information in a manner that would not result in violation of such Law or Order or the loss or waiver of such privilege. No investigation by Torch or its Representatives shall affect or be deemed to modify or waive the representations and warranties of United set forth in this Agreement.

(c) Each of Torch and United will hold, and will cause its Representatives and Affiliates to hold, any nonpublic information, including any information exchanged pursuant to this Section 5.1, in confidence to the extent required by and in accordance with, and will otherwise comply with, the terms of the Confidentiality Agreement.

Section 5.2. Reasonable Best Efforts; Required Consents.

(a) Upon the terms and subject to the conditions set forth in this Agreement, each of the Parties agrees to use, and to cause their respective Affiliates to use, their reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable to consummate and make effective, as soon as possible following the date hereof, the Transactions, including using reasonable best efforts in (i) the obtaining of all necessary actions, non-actions, waivers, waiting period expirations or terminations, consents and approvals from Governmental Entities, including (A) the expiration or early termination of the waiting period pursuant to the HSR Act and the Ley de Competencia (Ley 1340 de 2009) of Colombia, (B) the authorization (or non-objection) of COFECE and IFT under Mexico's Antitrust Law, (C) the FCC Consent (if required), (D) the IFT Approval under the Mexican Telecommunications Law, (E) the approval (or non-objection) of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (if required) and (F) the authorization of the Mexican Foreign Investment Commission under the Mexican Foreign Investment Law (collectively, the "Required Consents") prior to Closing, and the making of all necessary registrations and filings and the taking of all steps as may be necessary to obtain a Required Consent from, or to avoid an action or proceeding by, any Governmental Entity, (ii) the obtaining of all necessary consents, approvals or waivers from third parties, including in accordance with Section 5.17 (it being understood that, notwithstanding anything to the contrary in this Agreement (including this Section 5.2 and Section 5.17), no Party shall be required to make any payment or incur any liability or offer or grant any accommodation (financial or otherwise) to obtain any such consent, approval or waiver), (iii) in the case of Torch, the obtaining of the Torch Shareholder Approval, (iv) the contesting and defending of any lawsuits or other legal proceedings, whether judicial or administrative, challenging this Agreement or the consummation of the Transactions, including seeking to have any stay or temporary restraining order entered by any court or other Governmental Entity vacated or reversed, (v) the execution and delivery of any additional instruments necessary to consummate the Transactions and to fully carry out the purposes of this Agreement, and (vi) refraining from taking any action that would reasonably be expected to impede, prevent or materially interfere with or materially delay the consummation of the Transactions.

(b) Without limiting the foregoing, each Party shall promptly take any and all steps necessary to avoid or eliminate each and every impediment to obtain the Required Consents that may be required by any antitrust, competition or telecommunications Governmental Entity, in each case with competent jurisdiction, so as to enable the Parties to close the Transactions as promptly as practicable, including committing to or effecting, by consent decree, hold separate orders, trust, or otherwise, the Regulatory Restriction (as defined below) of such assets or businesses as are required to be divested in order to obtain the Required Consents, or to avoid the entry of, or to effect the dissolution of or vacate or lift, any Order that would otherwise have the effect of preventing or materially delaying the consummation of the Transaction. For purposes of this Agreement, a "Regulatory Restriction" of any asset or business shall mean any sale, transfer, separate holding, divestiture or other disposition, or any prohibition of, or any limitation on, the acquisition, ownership, operation or effective control or exercise of full rights of ownership, of such asset. Further, and for the avoidance of doubt, each Party will take any and all actions necessary as promptly as reasonably practicable to ensure that (i) no requirement for any non-action, consent or approval of any authority enforcing applicable antitrust or competition Law or telecommunications Laws, including U.S. Communications Laws and the Mexican Telecommunications Law, or other Governmental Entity; (ii) no Order; and (iii) no other matter relating to any antitrust or competition Law or telecommunications laws, including the U.S. Communications Laws or the Mexican Telecommunications Law, would preclude consummation of the Transaction. Notwithstanding the foregoing, in no event shall (A) any Party be required to make, agree or commit to any Regulatory Restriction that would have, individually or in the aggregate with all other such Regulatory Restrictions, a material adverse effect on United and its Subsidiaries, taken as a whole, after giving effect to the transactions contemplated by this Agreement, (B) except as set forth on Section 5.2(b) of the Torch Disclosure Letter, Torch or any of its Subsidiaries be required to make or undertake any Regulatory Restriction of or on or agree or commit to any restriction on Torch or any of its Subsidiaries other than the ContentCo Group, or of or on any business of Torch or its Subsidiaries other than the ContentCo Business, or (C) any of Torch, Smoke or Flame be required to agree to any termination or amendment of any existing or contemplated governance structure or other contractual or governance rights with respect to United and its Affiliates.

(c) Torch shall direct, in consultation and cooperation with United, the strategy for obtaining any Required Consent in Mexico (provided, however, that Torch and United shall jointly develop, consult and cooperate with one another regarding the strategy for obtaining any Required Consent in Mexico that would reasonably be expected to have a material impact on the ability of the Parties, or the terms and conditions upon which the Parties would reasonably expect, to obtain any other Required Consents) and Torch and United shall jointly develop, consult and cooperate with one another regarding the strategy for obtaining any other Required Consent, including in each case by determining the form and content of any analyses, appearances, presentations, memoranda, briefs, arguments, opinions, proposals, filings, agreements or other documents made or submitted by or on behalf of either party in connection with the obtaining of any Required Consents. Subject to applicable Law, each Party shall, and shall cause its Affiliates to, (i) promptly notify the other Parties of any communication, inquiry or investigation received by that Party from, or given by it to, any Governmental Entity and permit the other Parties to review in advance any proposed written communication to any such Governmental Entity and incorporate the other party's reasonable comments, (ii) not agree to participate in any meeting or discussion with any such Governmental Entity in respect of any filing, investigation or inquiry concerning this Agreement or the Transactions unless it consults with the other Parties in advance and, to the extent permitted by such Governmental Entity, gives the other Parties the opportunity to attend and participate therein (other than in the case of participation by Torch in meetings or discussions with Governmental Entities in Mexico, which shall be permitted without giving other Parties the opportunity to attend and participate but with respect to which Torch shall keep United reasonably and promptly informed) and (iii) promptly furnish the other Parties with copies of all correspondence, filings and written communications between it and its Representatives, on the one hand, and any such Governmental Entity or its staff, on the other hand, with respect to this Agreement and the Transactions, in order for such other Parties to meaningfully consult and participate in accordance with the preceding clauses (i) and (ii); provided, that the materials furnished pursuant to this Section 5.2(c) may be redacted as necessary to address reasonable attorney-client or other privilege or confidentiality concerns.

(d) In furtherance and not in limitation of the foregoing, each of Torch and United shall, and shall cause its Affiliates to (A) file the FCC Applications with respect to the Transactions, if any FCC Application is required with respect to the Transactions, and (B) make any applicable filings pursuant to the Mexican Antitrust Law, the HSR Act, the Ley de Competencia (Ley 1340 de 2009) of Colombia, the Mexican Foreign Investment Law and the Mexican Telecommunications Law, in each case within thirty (30) days of the date of this Agreement, unless a later date is agreed to in writing by Torch and United.

(e) Torch acknowledges that, to the extent reasonably necessary to expedite the grant by the FCC of any application for renewal of any FCC License with respect to any United Station and thereby to facilitate the grant of the FCC Consent with respect to such United Station, United and its Subsidiaries shall be permitted to enter into tolling agreements with the FCC to extend the statute of limitations for the FCC to determine or impose a forfeiture penalty against such United Station in connection with (i) any pending complaints that such United Station aired programming that contained obscene, indecent or profane material or (ii) any other enforcement matters against such United Station with respect to which the FCC may permit United (or any of its Subsidiaries) to enter into a tolling agreement. If, at any point prior to the Closing, an application for the renewal of any FCC License ("Renewal Application") must be filed pursuant to the U.S. Communications Laws, United (or the applicable United Subsidiary) shall execute, timely file and prosecute with the FCC such Renewal Application and comply with all FCC requests related thereto. To avoid disruption or delay in the processing of the FCC Applications, each of Torch and United agree, as part of the FCC Applications, to request that the FCC apply its policy permitting the transfer of control of FCC Licenses in transactions involving multiple stations to proceed, notwithstanding the pendency of one or more Renewal Applications. In the event that, as part of the FCC Applications, the parties file applications to transfer control of the United Stations, Torch agrees to such representations and undertakings as are necessary or appropriate to invoke such policy, including post-Closing undertakings of United to assume, as between the parties and the FCC, the position of United pre-Closing before the FCC with respect to any pending Renewal Application and to the post-Closing assumption by United of the corresponding regulatory risks relating to any such Renewal Application post-transfer.

(f) Upon receipt of the FCC Consent, Torch and United shall, and shall cause their respective Affiliates to, use their respective reasonable best efforts to maintain in effect the FCC Consent to permit consummation of the Transactions. If the Closing shall not have occurred for any reason within the original effective periods of the FCC Consent, and neither party shall have terminated this Agreement pursuant to the terms of this Agreement, Torch and United shall, and shall cause their respective Affiliates to, use their reasonable best efforts to obtain one or more extensions of the effective period of the FCC Consent to permit consummation of the Transactions. No extension of the FCC Consent shall limit the right of Torch and United to terminate this Agreement pursuant to the terms of this Agreement.

Section 5.3. Public Announcements. The Parties agree that no public release or announcement concerning the Transactions shall be issued by any Party without the prior written consent of Torch and United (which consent shall not be unreasonably withheld, conditioned or delayed once the Transaction has been publicly announced), except as such release or announcement may be required by Law or the rules or regulations of any applicable securities exchange or interdealer quotation service, in which case the Party required to make the release or announcement shall use its commercially reasonable efforts to allow the other Parties reasonable time to comment on such release or announcement in advance of such issuance, it being understood that the final form and content of any such release or announcement, to the extent so required, shall be at the final discretion of the disclosing Party; provided, that the Parties shall not be required by this Section 5.3 to provide any such review or comment to the other Party relating to any dispute between the Parties relating to this Agreement; provided, further, that the foregoing shall not apply to any public release or announcement so long as the statements contained therein concerning the Transactions are substantially similar to previous releases or announcements made by the applicable Party with respect to which such Party has complied with the provisions of this paragraph.

Section 5.4. Resignations. Torch shall use reasonable best efforts to cause each person who is a director of any ContentCo Entity, and who United reasonably requests in writing no later than fifteen (15) days prior to the Closing Date, to deliver a letter of resignation to the board of directors of Torch at or prior to the Closing, in each case, effective as of the Closing, resigning from such directorship positions at any such ContentCo Entity.

Section 5.5. Indemnification Continuation.

(a) For purposes of this Section 5.5, "Indemnified Person" shall mean any person who is now, or has been at any time prior to the Closing, (x) an officer or director of any ContentCo Entity, (y) serving at the request of any ContentCo Entity as an officer or director of or in any similar capacity with another corporation, limited liability company, joint venture or other enterprise (which term shall include employee benefit plans) or general partner of any partnership or a trustee of any trust or a member of any committee of the board of directors of any ContentCo Entity with oversight over the employee benefit plans of any ContentCo Entity and their participants or beneficiaries or (z) solely for purposes of Section 5.5(d), the indemnified parties under the provisions referenced therein.

(b) From and after the Closing, United shall and shall cause its Subsidiaries to, to the fullest extent permitted by applicable Law, indemnify each Indemnified Person in connection with any Proceeding based directly or indirectly (in whole or in part) on, or arising directly or indirectly (in whole or in part) out of, the fact that such Indemnified Person is or was an officer or director of any ContentCo Entity, or is or was serving at the request of any ContentCo Entity as an officer or director of or in any similar capacity with another corporation, joint venture or other enterprise (which term shall include employee benefit plans) or general partner of any partnership or a trustee of any trust, pertaining to any matter arising prior to the Closing, whether asserted or claimed prior to, at or after the Closing. In the event of any such Proceeding, each Indemnified Person will be entitled to advancement of expenses incurred in the defense of any such Proceeding from the ContentCo Group to the same extent that such Indemnified Persons would be entitled to advancement of expenses pursuant to the organizational documents of Torch or any ContentCo Entity (or separate indemnification agreements, if any, to the extent copies of any such indemnification agreements have been made available to United prior to the date hereof) of Torch or its Subsidiaries as in effect prior to the date of this Agreement. For ten years from the Closing, United shall not amend, repeal or otherwise modify the exculpation, indemnification and advancement of expenses provisions of United or any of its Subsidiaries' certificates of incorporation or bylaws or similar organizational documents as in effect immediately prior to the Closing in any manner that would adversely affect the rights thereunder of any Indemnified Person. In the event that United or OpCo (i) consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each such case, United or OpCo, as applicable, shall cause proper provision to be made so that the successors and assigns of United or OpCo, as applicable, assumes the obligations set forth in this Section 5.5, unless such assumption occurs by operation of Law.

(c) Prior to the Closing, a ContentCo shall purchase a ten-year prepaid "tail policy" from the Closing for its current directors' and officers' liability policies and current fiduciary policies covering such directors and officers covering the insureds under such current policies for acts or omissions occurring (or alleged to occur) with respect to the insureds under such current policies prior to or at the Closing; provided, that if the aggregate annual premium for such policy exceeds 300% of the annual premium for the current applicable insurance policies as of the date hereof (the "Premium Cap"), such ContentCo shall cause to be provided a policy covering such individuals with the best coverage as is then available at a cost up to but not exceeding such Premium Cap.

(d) The provisions of this Section 5.5 (i) shall survive the consummation of the Transactions for a period of ten years and (ii) are expressly intended to benefit, and will be enforceable by, each of the Indemnified Persons, who shall be third-party beneficiaries thereof; provided, however, that in the event that any claim or claims for indemnification are asserted or made within such ten-year period, all rights to indemnification in respect of any such claim or claims shall continue until disposition of any and all such claims.

Section 5.6. Financing.

(a) United shall use reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to arrange and consummate the Debt Financing and the Equity Financing on the terms (including the market "flex" provisions) and subject only to the conditions set forth in the Debt Commitment Letter and the Investment Agreement, respectively, including using reasonable best efforts to (i) maintain in effect the Debt Commitment Letter, the Investment Agreement and, to the extent entered into prior to the Closing, the definitive agreements relating to the Debt Financing in accordance with the terms and subject to the conditions thereof, (ii) satisfy or cause to be satisfied (or, if deemed advisable by United, to obtain the waiver of) on a timely basis all conditions applicable to United and its Affiliates in the Debt Commitment Letter and the Investment Agreement, respectively, that are within its control, including the payment of any commitment, engagement or placement fees required as a condition to the Debt Financing or Equity Financing, as applicable, (iii) consummate the Debt Financing and the Equity Financing, respectively, at or prior to the Closing, including using its reasonable best efforts to cause the Debt Financing Sources and the Equity Financing Sources and the other persons committing to fund the Debt Financing and the Equity Financing to fund the Debt Financing and the Equity Financing, respectively, at the Closing, and (iv) comply with its covenants and other obligations under the Debt Commitment Letter and the Investment Agreement. In furtherance of and not in limitation of the foregoing, (A) United shall take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to enforce its rights and remedies (including by commencing and prosecuting lawsuits or other appropriate legal proceedings, including seeking specific performance, against the counterparties thereto) under the Debt Commitment Letter and the Investment Agreement in order to consummate the Debt Financing and the Equity Financing, respectively, at or prior to the Closing, and (B) in the event that (1) any portion of the Debt Financing structured as high yield financing is unavailable, regardless of the reason therefor, (2) all conditions contained in Section 8.1 and Section 8.2 have been satisfied or waived (other than (x) any such conditions that by their nature are to be satisfied at the Closing and (y) those conditions the failure of which to be satisfied is attributable to a breach by United of its representations, warranties, covenants or agreements contained in this Agreement) and (3) the bridge facility contemplated by the Debt Commitment Letter is available on the terms and conditions described in the Debt Commitment Letter, then United shall cause the proceeds of such bridge financing to be used immediately in lieu of such affected portion of the high yield financing. United shall not, without the prior written consent of Torch, agree to or permit any termination of or amendment or modification to be made to, or grant any waiver of any provision under, the Debt Commitment Letter or the Investment Agreement, other than amendments, modifications or waivers that would not (and would not be reasonably expected to) (I) reduce the aggregate amount of the Debt Financing to an amount below the Required Amount (after taking into account the amount of the Equity Financing) unless the Equity Financing is increased by a corresponding amount, (II) impose new or additional conditions or otherwise amend, modify or expand any conditions to the receipt of the Debt Financing or the Equity Financing in a manner adverse to United, (III) materially delay or prevent the Closing or (IV) make the funding of the Debt Financing (or the satisfaction of the conditions to obtaining the Debt Financing) less likely to occur or otherwise adversely affect the ability of United to enforce its rights under the Debt Commitment Letter. United will fully pay, or cause to be paid, all commitment, engagement, placement and other fees payable by it under or arising pursuant to the Debt Commitment Letter and the Investment Agreement as and when they become due.

(b) United shall keep Torch informed on a reasonably current basis and in reasonable detail of the status of the Debt Financing and the Equity Financing and shall give Torch prompt written notice of, and keep Torch informed on a current basis and in reasonable detail of, (i) any actual or potential breach, default, termination or repudiation by any party to any Debt Commitment Letter or the Investment Agreement of which United becomes aware, (ii) the receipt of any written notice or other written communication from any Debt Financing Source or Equity Financing Source with respect to any (A) actual or potential breach, default, termination or repudiation by any party to any portion of the Debt Commitment Letter or the Investment Agreement or (B) material dispute or disagreement between or among any parties to the Debt Commitment Letter or any parties to the Investment Agreement (in each case, other than ordinary course negotiations) and (iii) the occurrence of an event or development that would reasonably be expected to adversely impact the ability of United to obtain all or any portion of the Debt Financing and/or Equity Financing contemplated by the Debt Commitment Letter and the Investment Agreement, respectively, on the terms and conditions contemplated by the Debt Commitment Letter and the Investment Agreement, respectively.

(c) If any portion of the Debt Financing becomes unavailable on the terms and conditions (including any applicable market "flex" provisions) contemplated by the Debt Commitment Letter and such portion is necessary to fund the Required Amount (after taking into account the amount of the Equity Financing and any cash on hand available to United or its Subsidiaries that is segregated to be used solely for such purpose), United shall promptly notify Torch in writing and United shall use its reasonable best efforts to arrange and obtain, as promptly as practicable, alternative financing from the same or alternative sources in an amount sufficient to fund the Required Amount (after taking into account the amount of the Equity Financing and any cash on hand available to United or its Subsidiaries that is segregated to be used solely for such purpose) ("Alternative Debt Financing"), which Alternative Debt Financing would not (i) include any conditions to funding the Debt Financing that are not contained in the Debt Commitment Letter and (ii) be reasonably expected to prevent, impede or materially delay the consummation of the Debt Financing or such Alternative Debt Financing or the transactions contemplated by this Agreement. United shall deliver to Torch true and complete copies of any commitment letters (including related fee letters) with respect to any Alternative Debt Financing. For purposes of this Agreement, references to (A) the "Debt Financing" shall include the financing contemplated by the Debt Commitment Letter as permitted to be amended, modified, supplemented or replaced by this Section 5.6 and any Alternative Debt Financing, (B) the "Debt Commitment Letter" shall include such documents as permitted to be amended, modified, supplemented or replaced by this Section 5.6 and any commitment letter or other binding documentation with respect to any Alternative Debt Financing, (C) the "Equity Financing" shall include the financing contemplated by the Investment Agreement, as permitted to be amended, modified, supplemented or replaced by this Section 5.6 and any Replacement Financing (as defined below) and (D) the "Investment Agreement" shall include such document as permitted to be amended, modified, supplemented or replaced by this Section 5.6 and any commitment letter or other binding documentation with respect to any Acceptable Replacement Financing.

(d) If any portion of the Equity Financing becomes unavailable on the terms and conditions contemplated by the Investment Agreement which portion is necessary to fund the Required Amount (after taking into account the amount of the Debt Financing and any cash on hand available to United or its Subsidiaries that is segregated to be used solely for such purpose) (the "Unavailable Equity Financing"), United shall promptly notify Torch in writing and United shall use its reasonable best efforts to arrange and obtain, as promptly as practicable, alternative equity or debt financing ("Replacement Financing") in an amount equal to the Unavailable Equity Financing. If Replacement Financing is available to United, United shall, and shall cause its Subsidiaries to, use reasonable best efforts to, (i) negotiate and enter into definitive agreements with respect to such Replacement Financing that are reasonably acceptable to United, and to offer customary fees, discounts and other incentives to potential financing sources, (ii) satisfy on a timely basis all conditions applicable to such Replacement Financing in such definitive agreements, and (iii) use reasonable best efforts to consummate the Replacement Financing at or prior to the Closing. In no event shall the availability of Equity Financing or any such Replacement Financing be a condition to the Closing.

(e) Prior to the Closing, Torch shall use its reasonable best efforts to provide, and shall cause its Subsidiaries to use their reasonable best efforts to provide, to United, in each case at United's sole cost and expense, such reasonable cooperation that is customary for financings of the type contemplated by the Debt Commitment Letter (including, for the avoidance of doubt, for purposes of this section, any offering or private placement of non-convertible debt securities pursuant to Rule 144A under the Securities Act that are intended to be 144A-for-life ("144A Debt Securities") in lieu of all or any portion of the Debt Financing contemplated by the Debt Commitment Letter) and is reasonably requested by United in connection with United's arrangement of the Debt Financing (including, for the avoidance of doubt, any such offering or private placement of such 144A Debt Securities), including to use reasonable best efforts to: (i) cause the management of Torch and the ContentCo Group, as applicable, to participate in a reasonable number of meetings, conference calls, presentations, roadshows, sessions with rating agencies, sessions with the Debt Financing Sources and/or other prospective lenders/or investors and due diligence sessions (including accounting due diligence sessions), in each case, at reasonable times and locations mutually agreed and with appropriate seniority and expertise; (ii) provide reasonable and customary assistance with the preparation of materials for rating agency presentations, marketing materials, bank information memoranda, offering memoranda, lender presentations, investor presentations, offering documents and similar materials required in connection with the Debt Financing, including the delivery of customary authorization letters authorizing the distribution of information to prospective lenders or investors and containing a customary representation to the Debt Financing Sources as contemplated by the Debt Commitment Letter (including customary accuracy and material non-public information representations); (iii) provide reasonable cooperation with due diligence efforts of the Debt Financing Sources, to the extent customary and reasonably requested; (iv) provide at least four (4) Business Days prior to the Closing Date all documentation and other information about Torch and its Subsidiaries as is required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and, as applicable, any beneficial ownership regulations, to the extent requested in writing by United at least eight (8) Business Days prior to the Closing Date; (v) furnish to United (I) the Required Information and (II) such other pertinent and customary information regarding the ContentCo Group and the ContentCo Business as is reasonably requested in writing by United in connection with the consummation of the Debt Financing, but solely to the extent necessary or customary for the preparation of or inclusion in marketing materials for the Debt Financing (provided, that nothing will require Torch to provide (or be deemed to require Torch to prepare): (I) any pro forma financial statements, any information regarding post-Closing pro forma cost savings, synergies, adjustments, capitalization or ownership or projections, (II) any description of all or any portion of the Debt Financing or any securities issued in lieu thereof, including any "description of notes", (III) risk factors relating to all or any component of the Debt Financing or any securities issued in lieu thereof, (IV) any other information required by Rules 3-09, 3-10 or 3-16 of Regulation S-X under the Securities Act or any Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K under the Securities Act and the executive compensation and related person disclosure rules related to SEC Release Nos. 33-8732A, 34-54302 and IC-27444A, (V) financial statements or other financial data (including selected financial data) for any period earlier than the fiscal year ended December 31, 2019 with respect to Torch's income statements and December 31, 2020 with respect to the Torch's balance sheet, or (VI) any other information customarily excluded from an offering memorandum for private placements of 144A Debt Securities (clauses (I) through (VI), the "Excluded Information"); (vi) facilitate the execution and delivery by the ContentCo Entities as of the Closing (but not prior to the Closing) of any pledge and security documents, currency or interest hedging arrangements, other definitive financing documents, or other certificates or documents as may be reasonably requested by United or the Debt Financing Sources (provided, that no obligation of any ContentCo Entity under any such document or agreement shall be effective until the Closing) and otherwise reasonably cooperate to facilitate the identification, pledging and granting of security interests in, and obtaining perfection of any liens on, collateral owned by the ContentCo Group in connection with the Debt Financing, effective as of the Closing (but not prior to the Closing); (vii) provide reasonable and customary assistance in the preparation by United of (but not prepare) pro forma financial information and pro forma financial statements (it being understood that United shall be responsible for the preparation of any pro forma calculations, any post-Closing or other pro forma cost savings, capitalization, ownership or other pro forma adjustments that may be included therein); and (viii) request and facilitate its independent auditors to (A) provide, consistent with customary practice, customary auditors consents and customary comfort letters (including customary "negative assurance" comfort) with respect to financial information relating to the ContentCo Group and the ContentCo Business as reasonably requested by United and necessary or customary for financings similar to the Debt Financing (including any offering or private placement of 144A Debt Securities) and (B) attend accounting due diligence sessions and drafting sessions required pursuant to clause (e)(i) of this Section 5.6; provided, that nothing in this Agreement shall require such cooperation to the extent it would (A) unreasonably disrupt or interfere with the conduct of the business or ongoing operations of Torch or any of its Subsidiaries, (B)(i) require Torch or any of its Subsidiaries (other than the ContentCo Entities) to agree to pay any commitment or other fees, reimburse any expenses, provide any security, or otherwise incur any liability or obligation or give any indemnities (to the extent not otherwise covered under clause (h) below) or (ii) require the ContentCo Entities to agree to pay any commitment or other fees, reimburse any expenses, provide any security, or otherwise incur any liability or obligation or give any indemnities prior to the Closing (to the extent not otherwise covered under clause (h) below), (C) require delivery of any opinion of internal or external counsel, (D) require Torch or any of its Subsidiaries to take any action that would reasonably be expected to conflict with, or result in any material (with respect to Contracts) violation or breach of, or default (with or without notice or lapse of time, or both) under, any organizational document of Torch or any of its Subsidiaries, any applicable Law or any Contract to which Torch or its Subsidiaries is a party, (E) require Torch or any of its Subsidiaries to disclose or provide any information that is subject to attorney-client privilege or could reasonably be expected to result in the disclosure of any trade secrets or the violation of any confidentiality obligation, (F) require Torch or any of its Subsidiaries to take any action that would cause the breach of any representation, warranty, covenant or agreement in this Agreement or (G) require Torch or any of its Subsidiaries to take any action that would cause any director, officer or employee or stockholder of Torch or any of its Subsidiaries to incur personal liability (as opposed to liability in his or her capacity as an officer of such Person); and provided, further, that none of Torch or its Subsidiaries, including the ContentCo Entities, nor any Persons who are employees, directors or officers thereof shall be required to (I) in the case of Torch and its Subsidiaries (other than the ContentCo Entities), pass resolutions or consents to approve or authorize the Debt Financing, or deliver any certificates in connection with the Debt Financing, (II) in the case of the ContentCo Entities, pass resolutions or consents to approve or authorize the Debt Financing or deliver any certificates in connection with the Debt Financing at or prior to Closing, in each case, except those which are effective as of and not prior to and subject to the occurrence of the Closing Date (other than customary representation letters and authorization letters referred to above and customary representation letters required by Torch's auditors in connection with the delivery of the "comfort letters" referred to herein), (III) in the case of the ContentCo Entities, pass resolutions or consents, or execute any agreement or certificates (other than customary representation letters and authorization letters referred to above and customary representation letters required by Torch's auditors in connection with the delivery of the "comfort letters" referred to herein), unless the relevant employees, directors or officers passing or executing such resolutions, consents, agreements or certificates will continue in such positions (or similar positions) after Closing or (IV) prepare any Excluded Information.

(f) Torch will use its reasonable best efforts, and will cause each of its Subsidiaries to use its respective reasonable best efforts, to update any Required Information provided to United and the Debt Financing Sources as may be necessary so that such Required Information (i) is Compliant, (ii) meets the applicable requirements set forth in the definition of "Required Information" and (iii) would not, after giving effect to such update(s), cause the Marketing Period to cease pursuant to the definition of "Marketing Period." For the avoidance of doubt, United may, to most effectively access the financing markets, require the cooperation of Torch and its Subsidiaries under this Section 5.6 at any time, and from time to time on multiple occasions, between the date hereof and the Closing Date; provided, that, for the avoidance of doubt, the Marketing Period shall not be applicable as to more than one attempt to access the markets.

(g) United shall, promptly upon request by Torch, reimburse Torch for all reasonable and documented out-of-pocket costs and expenses (including reasonable and documented attorneys' fees of one outside counsel and any necessary additional counsel to the extent local or regulatory counsel are required, or to the extent necessary to address a conflict or potential conflict) incurred by Torch or any of its Subsidiaries (including the ContentCo Group) or their respective Representatives in connection with the cooperation contemplated in respect of the Debt Financing by this Section 5.6, and shall indemnify and hold harmless Torch, their Subsidiaries and their respective Representatives from and against any and all Liabilities suffered or incurred by any of them in connection with the Debt Financing, including the cooperation contemplated in respect of the Debt Financing by this Section 5.6, and any information used in connection therewith, in each case, except for any such all losses and other Liabilities which are determined by a final non-appealable judgment of a court of competent jurisdiction to arise from the bad faith, gross negligence, fraud or willful misconduct of, or willful breach of this Agreement by, Torch, its Affiliates and its and their directors, officers, employees, agents and Representatives.

(h) If, in connection with a marketing effort contemplated by the Debt Commitment Letter, United reasonably requests (reasonably in advance of any requested filing) that Torch file a report on Form 6-K pursuant to the Exchange Act that contains material non-public information regarding the ContentCo Group and/or the ContentCo Business, which information is necessary or customary to include in such an offering memorandum or other marketing materials for the Debt Financing and United reasonably determines (and Torch does not unreasonably object) to include in an offering memorandum or other marketing materials for the Debt Financing, unless Torch reasonably objects (including because Torch determines, in good faith, that the disclosure of such information would be detrimental to Torch and its Subsidiaries), then Torch shall file such report on Form 6-K.

(i) All non-public or otherwise confidential information regarding Torch or any of its Affiliates obtained by United or any of its Affiliates or its or their respective Representatives pursuant to Section 5.6(e) shall be kept confidential in accordance with the Confidentiality Agreement; provided, that United or its Subsidiaries shall be permitted to disclose such information as necessary and consistent with customary practices in connection with the Debt Financing subject to customary confidentiality arrangements.

(j) Torch hereby consents to the use of its and its Subsidiary's logos in connection with the Debt Financing; provided that such logos are used solely in a manner that is not intended to, nor reasonably likely to, harm or disparage Torch or its Subsidiaries.

(k) Notwithstanding anything to the contrary in this Agreement, the Parties affirm that it is not a condition to the Closing or to any of United's obligations under this Agreement that United or any of its Affiliates obtain the Debt Financing, the Equity Financing or any other financing for or related to any of the Transactions.

(l) To the extent necessary to satisfy the condition in paragraph 8 of Exhibit E (including as a result of the operation of the final paragraph of Exhibit E) of the Debt Commitment Letter (as in effect on the date hereof) to fund the Transactions, solely and to the extent such condition is not waived in whole or in part by the lenders thereunder, Torch shall, and shall cause its Subsidiaries to, provide to United, in each case at United's sole cost and expense, the Required Financial Statements.

Section 5.7. New Litigation. Other than in respect of any adverse claim by any Party or any of its Affiliates against another Party and/or its Affiliates, in the event and for so long as any Party or its respective Affiliates is prosecuting, contesting or defending any Proceeding against or by a third party in connection with (a) the Transactions or (b) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction relating to, in connection with or arising from the ContentCo Business, the ContentCo Group or the Purchased Rights, each Party shall, and shall cause its Subsidiaries and its and their respective Representatives to, reasonably cooperate with the other Party and its Affiliates and its agents in such prosecution, contest or defense, including making available its personnel and providing such testimony and access to its books and records as shall be reasonably necessary in connection with such prosecution, contest or defense; provided, that if a Party reasonably believes upon advice of counsel that such cooperation, testimony or access would breach attorney-client, work product or similar privilege or any confidentiality obligations set forth in written agreements with third parties, the Parties shall cooperate in seeking a reasonable alternative means whereby the requesting Party and its Affiliates and its agents are provided such cooperation, testimony or access in a manner that does not jeopardize such privilege or protection or breach such obligation.

Section 5.8. State Takeover Statutes. In connection with and without limiting the foregoing, each Party shall take all reasonable action necessary to ensure that no Takeover Law is or becomes applicable to this Agreement or any of the Transactions. If any Takeover Law becomes applicable to this Agreement or any of the Transactions, each Party shall take all reasonable action necessary to ensure that the Transactions may be consummated as promptly as practicable on the terms required by, or provided for in, this Agreement and otherwise to minimize the effect of such Law on the Transactions.

Section 5.9. Preservation of Pre-Closing Business Records.

(a) Until the tenth anniversary of the Closing, each of Torch and United shall not, and shall cause its Subsidiaries not to, dispose of or destroy any of the data and records of the ContentCo Group or the ContentCo Business or any of the other assets and liabilities transferred pursuant to the Transactions on whatever media and wherever located relating to periods prior to the Closing (the "Pre-Closing Business Records") without first offering to turn over possession thereof to the other Party by written notice to such other Party at least thirty (30) days prior to the proposed date of such disposition or destruction.

(b) From and after the Closing, each Party shall, and shall cause its Subsidiaries to, (i) provide the other Party and its agents with reasonable electronic access upon reasonable advance notice to any portions of the Pre-Closing Business Records that are available in electronic format, (ii) allow the other Party and its agents reasonable access to all other Pre-Closing Business Records on reasonable advance notice and at reasonable times at such first Party's principal place of business or at any location where any Pre-Closing Business Records are stored, and permit the other Party and its agents, at their own expense, to make reasonable copies of any Pre-Closing Business Records, (iii) make reasonably available such first Party's or its Subsidiaries' personnel to assist in locating such Pre-Closing Business Records and (iv) make reasonably available such first Party's or its Subsidiaries' personnel whose assistance or participation is reasonably required by the other Party or its agents in anticipation of, or preparation for, any existing or future Proceeding from or with a Governmental Entity, in each case only (A) to the extent necessary for the other Party or its Affiliates to comply with applicable Law or comply with an audit or investigation from a Governmental Entity, or (B) in connection with a Proceeding brought by a third party against the other Party or any of its Affiliates; provided, that (x) the other Party and its agents shall conduct any such activities in a manner that does not unreasonably interfere with the business or operations of such first Party and its Affiliates and (y) such first Party and its Affiliates shall not be required to disclose any information (1) if the other Party or any of its Affiliates, on the one hand, and such first Party and any of its Affiliates, on the other hand, are adverse parties in an Proceeding and such information is reasonably pertinent thereto or (2) if such first Party or any of its Affiliates believe disclosure of such information may breach attorney-client, work product or similar privilege; provided, further, that, in the case of clause (2) above, the Parties shall cooperate in seeking an alternative means whereby the other Party and its agents are provided access to such information in a manner that does not jeopardize such privilege or protection.

(c) Notwithstanding anything to the contrary in this Section 5.9, access to and the retention of all Tax Returns, work papers and other documents and records relating to, and cooperation and procedures with respect to, Tax matters shall be governed exclusively by Article VI.

Section 5.10. Credit Supports. Prior to the Closing, each of Torch and United shall use reasonable best efforts to cause United or its Subsidiaries to be substituted in all respects for Torch and each of its Subsidiaries (other than the ContentCo Entities), and for Torch and such Subsidiaries of Torch to be released, effective as of the Closing, in respect of all obligations under or arising out of any guarantee, indemnity, surety bond, letter of credit, bank guarantee, keepwell agreement, consumer financing arrangements, or other similar commitment, understanding, agreement or obligation of any ContentCo Entity (for the sake of clarity, including any of the foregoing in respect of a World Cup Contract) ("ContentCo Credit Supports"). For any ContentCo Credit Support for which such substitution and release is not effected as of the Closing, United shall and shall cause its Subsidiaries to, indemnify and hold harmless Torch and its subsidiaries against any losses arising out such ContentCo Credit Supports.

Section 5.11. State Securities Laws. As promptly as practicable after the date hereof and in any event prior to the Closing Date, United and its Subsidiaries shall prepare and make such filings, if any, as are required under applicable state securities or "blue sky" laws in connection with the Transactions.

Section 5.12. Representations and Warranties Insurance Policy. United shall use its reasonable best efforts to obtain a representations and warranties insurance policy substantially on the terms and subject to the conditions set forth in the policy binder provided by United to Torch on or prior to the date hereof, which policy shall include coverage, subject to customary limitations, for Taxes imposed on any ContentCo Entity for Pre-Closing Tax Periods (the "R&W Insurance Policy"), and Torch shall execute and deliver such documents and take such other actions as are customary for a transaction of this nature and as United may reasonably request in order to assist United in fulfilling such obligation.

Section 5.13. Pre-Closing Restructuring. Notwithstanding anything in this Agreement to the contrary, (a) nothing in this Agreement shall prohibit or restrict the transfer (by distribution or otherwise) by any ContentCo Entity of any cash or cash equivalents prior to Closing, in each case to the extent such transfer does not, and would not reasonably be expected to, materially interfere with or prevent the Pre-Closing Restructuring or the implementation of the Closing Structure (as each such term is defined below) pursuant to the terms hereof, (b) nothing in this Agreement shall prohibit or restrict the transfer (by contribution or otherwise) by Torch or any of its Subsidiaries to any ContentCo Entity of assets or liabilities of the ContentCo Business, or the transfer (by distribution or otherwise) by any ContentCo Entity to Torch or any of its subsidiaries of any assets or liabilities other than assets and liabilities of the ContentCo Business, in each case to the extent such transfer does not, and would not reasonably be expected to, materially interfere with or prevent the Pre-Closing Restructuring or the implementation of the Closing Structure pursuant to the terms hereof, (c) prior to the Closing, Torch and its Subsidiaries shall take the actions set forth on Section 5.13 of the Torch Disclosure Letter to implement the structure set forth on Section 5.13 of the Torch Disclosure Letter (such structure, the "Closing Structure" and such actions set forth on Section 5.13 of the Torch Disclosure Letter, the "Pre-Closing Restructuring"), and (d) Torch shall be permitted to modify or amend the Pre-Closing Restructuring and the Closing Structure from time to time on one or more occasions, except that if such modification or amendment is reasonably expected to (i) (A) materially reduce the aggregate tax basis step-up, for U.S. federal income Tax purposes, in the assets acquired by United (or any of its Subsidiaries) from Torch (or any of its Subsidiaries) pursuant to the Transactions), (B) cause the acquisition of the Purchased Rights pursuant to this Agreement not to qualify for the Agreed Tax Reporting or (C) except to the extent required by Section 6.2, change the entity classification, for U.S. federal income Tax purposes, of any ContentCo Entity, (ii) impose on United or its Subsidiaries (including any ContentCo Entity) any material and unreimbursed costs (including material and unreimbursed Taxes imposed on any ContentCo Entity but excluding Taxes imposed on United or its other Subsidiaries) or (iii) result in a material delay of the then-anticipated Closing Date, Torch shall not be permitted to effect such modification or amendment unless it shall have provided United written notice thereof reasonably in advance of effecting such modification or amendment and United shall have provided its prior written consent (not to be unreasonably withheld, delayed or conditioned). Torch shall keep United reasonably and promptly informed regarding the status of the implementation of the Pre-Closing Restructuring and the Closing Structure and shall, reasonably promptly following United's written request therefor, provide copies of all material definitive documentation effecting or otherwise governing the Pre-Closing Restructuring, the Closing Structure and any transactions relating thereto, in each case to the extent such documentation or transactions are specifically identified on Section 5.13 of the Torch Disclosure Letter.

Section 5.14. Special Indemnification.

(a) *Torch Scope*. From and after the Closing, notwithstanding anything in this Agreement to the contrary but subject to the terms and limitations of this Section 5.14, Torch shall indemnify, defend and hold harmless United and its Subsidiaries (including the ContentCo Entities) (each, a "United Indemnitee") from and in respect of any Damages actually suffered or incurred by any United Indemnitee as a result of (i) any Willful Breach of any covenant or agreement of Torch contained in this Agreement that by its terms is required to be performed or fulfilled prior to the consummation of the Closing, (ii) any assets and liabilities of Torch or any of its Affiliates that are not transferred (unless contemplated hereby to be so transferred) to United or any of its Subsidiaries in the Transactions (excluding (1) in the case of assets, any broadcast concessions, (2) in the case of liabilities, any liabilities arising from the broadcasting operations of United and its Subsidiaries using assets of Torch and its Affiliates, (3) any assets and liabilities that are not transferred and for which alternative arrangements are provided in accordance with Section 5.17, (4) any assets and liabilities that are not transferred (unless contemplated hereby to be so transferred) and for which the allocation of liability between, and the indemnification obligations (if any), of Torch and its Affiliates, on the one hand, and United and its Affiliates, on the other hand is governed by an Ancillary Agreement, in which case the provisions of such Ancillary Agreement shall control and (5) subject to clause (iii) of this Section 5.14(a), any Damages as a result of any Proceeding or Order relating to such assets or liabilities that is brought by a Governmental Entity), (iii) the items identified Section 5.14 of the Torch Disclosure Letter, and (iv) without duplication, (1) subject to Section 5.14(b)(iv), any Taxes imposed on any ContentCo Entity for any Pre-Closing Tax Period, (2) any Taxes of Torch or any of its Subsidiaries (other than a ContentCo Entity) for which a ContentCo Entity is liable as a result of having been a member of, prior to the Closing, a group for Tax purposes that includes Torch (or any of its Subsidiaries), (3) any Taxes imposed on any ContentCo Entity for any Pre-Closing Tax Period arising with respect to, or resulting from, (A) the Pre-Closing Restructuring or any of the Pre-Closing Transactions (including the Torch CLA Transactions, the Prior Capital Reduction (and the payment of all amounts in connection therewith), the Capital Reduction, the payment of the Capital Reduction Amount, and any transactions contemplated in connection therewith), (B) the Closing Structure or (C) any actions of Torch or any of its Affiliates in connection therewith, and (4) any income Taxes imposed on Torch or any of its Subsidiaries (other than a ContentCo Entity) that are required to be withheld under any applicable Tax Laws from payments of any consideration pursuant to this Agreement, (x) including any withholding Taxes that United or its Subsidiaries fail to withhold to the extent such failure is due to United's (or its applicable Subsidiary's) reasonable compliance with Section 1.8 but (y) excluding any penalties and interest thereon imposed on United or its Subsidiaries for failing to comply with applicable Law with respect to any withholding Tax other than a withholding Tax described in the preceding clause (x); provided, that, Torch shall not be required to indemnify, defend or hold harmless any United Indemnitee from or in respect of, or reimburse any United Indemnitee for, (x) any Taxes imposed on any ContentCo Entity for a Pre-Closing Tax Period (I) to the extent a liability in respect thereof was reflected in, reserved for or taken into account in the determination of ContentCo Indebtedness or ContentCo Working Capital (in each case, as finally determined pursuant to Section 1.7), (II) to the extent such Taxes would constitute a "Loss" covered by the R&W Insurance Policy (disregarding any retention and assuming compliance by United and its Subsidiaries with the terms of such policy); it being understood that any portion of a "Loss" for which the insurers are not liable by reason of an exclusion set forth in Section III of the R&W Insurance Policy shall not be deemed to constitute a "Loss" covered by the R&W Insurance Policy, or (III) to the extent such Taxes are attributable to or arise from any action taken by United or any of its Subsidiaries on the Closing Date after the Closing or (y) any Taxes attributable to or arising from any breach by United or any of its Subsidiaries of any covenant contained in this Agreement.

(b) *United Scope*. From and after the Closing, notwithstanding anything in this Agreement to the contrary but subject to the terms and limitations of this Section 5.14, United shall indemnify, defend and hold harmless Torch and its Affiliates (each, a "Torch Indemnitee" and, together with a United Indemnitee, an "Indemnitee") from and in respect of any Damages actually suffered or incurred by any Torch Indemnitee as a result of (i) any Willful Breach of any covenant or agreement of United contained in this Agreement that by its terms are required to be performed or fulfilled prior to the consummation of the Closing, (ii) any assets and liabilities of United and its Subsidiaries, including any assets and liabilities that are transferred to United or any of its Subsidiaries in the Transactions (unless not contemplated hereby to be so transferred) (excluding (1) any assets and liabilities that transferred to United or any of its Subsidiaries in the Transactions (unless not contemplated hereby to be so transferred) and for which the allocation of liability between, and the indemnification obligations (if any), of United and its Affiliates, on the one hand, and Torch and its Affiliates, on the other hand is governed by an Ancillary Agreement, in which case the provisions of such Ancillary Agreement shall control and (2) any Damages as a result of any Proceeding or Order relating to such assets or liabilities that is brought by a Governmental Entity), (iii) Item 2 identified on Section 5.14 of the Torch Disclosure Letter (the "Specified Matter") and (iv) without duplication, (1) any Taxes imposed on any ContentCo Entity for any Post-Closing Tax Period, (2) any Taxes imposed on any ContentCo Entity for any Pre-Closing Tax Period (x) to the extent a liability in respect thereof was reflected in, reserved for or taken into account in the determination of ContentCo Indebtedness or ContentCo Working Capital (in each case, as finally determined pursuant to Section 1.7) or (y) if United fails to obtain and maintain in effect the R&W Insurance Policy described in Section 5.12, and (3) any Taxes attributable to or arising from any breach by United or any of its Subsidiaries of any covenant contained in this Agreement.

(c) *Limitations*. Except to the extent any special, consequential, indirect, multiple, punitive or other similar damages (including diminution in value, lost profits, lost revenues, business interruptions or loss of business opportunity or reputation) are paid in respect of Third Party Claims, any liability under this Section 5.14 shall be limited to direct Damages and shall not include such other damages. Any Indemnitee seeking indemnification under this Section 5.14 shall use commercially reasonable efforts to mitigate any Damages which form the basis of an indemnification claim hereunder. Notwithstanding anything to the contrary herein, (i) the cumulative indemnification obligations of Torch under clause (i) of Section 5.14(a) shall in no event exceed, in aggregate, three billion dollars ($3,000,000,000) (the "Overall Cap"), (ii) the cumulative indemnification obligations of United under clause (i) of Section 5.14(b) shall in no event exceed, in aggregate, the Overall Cap, (iii) with respect to any Damages as a result of or relating to the Specified Matter, United shall bear (and indemnify the Torch Indemnitees for) Damages up to, in aggregate, ten million dollars ($10,000,000) (the "Specified Deductible"), and Torch shall have no obligation to indemnify the United Indemnitees from or in respect of any Damages as a result of or relating to the Specified Matter unless and until the aggregate amount of such Damages for which indemnification would otherwise be available under this Section 5.14 exceeds the Specified Deductible, in which event Torch shall be required to indemnify the United Indemnitees for, and only for, Damages in excess of the Specified Deductible (subject to the other provisions of this Section 5.14).

(d) *Procedures*.

(i) If an Indemnitee intends to seek indemnification pursuant to Section 5.14(a) or (b) ("Special Indemnification"), such Indemnitee shall promptly, but in no event more than twenty (20) calendar days following such Indemnitee's knowledge of such claim, notify the applicable indemnitor (the "Indemnitor") in writing of such claim for Special Indemnification, describing (A) the basis for such claim in reasonable detail and (B) the amount or estimated amount of such Damages or such other indemnifiable amount (if known and quantifiable) (a "Special Claim Notice"); provided, that any delay or failure to so notify the Indemnitor shall only relieve the Indemnitor of its obligations hereunder to the extent, if at all, that the Indemnitor is prejudiced by reason of such delay or failure.

(ii) Any Indemnitee seeking Special Indemnification shall reasonably cooperate and assist the Indemnitor in determining the validity of any claim for indemnity by such Indemnitee and in otherwise resolving such matters (including any assistance and cooperation as may be reasonably required in respect of the Indemnitor's assumption or prosecution of any Third Party Claim pursuant to Section 5.14(e)). Such assistance and cooperation shall include providing reasonable access to and copies of information, properties, records and documents relating to such matters, furnishing employees to assist in the investigation, defense and resolution of such matters and providing reasonable legal and business assistance with respect to such matters.

(iii) With respect to any indemnification claim other than a Third Party Claim, the Indemnitor shall have twenty (20) Business Days from receipt of the Special Claim Notice from the relevant Indemnitee within which to respond thereto. If the Indemnitor does not respond within such twenty (20) Business Day period, it shall be deemed to have accepted responsibility to make payment and shall make payment by the expiration of the twenty (20) Business Day period and shall have no further right to contest the validity of such indemnification claim. If the Indemnitor notifies such Indemnitee within such twenty (20) Business Day period that does not accept responsibility for such indemnification claim in whole or in part, such Indemnitee shall be free to pursue such remedies in respect of such indemnification claim as may be available to such Indemnitee under applicable Law and in accordance with the other applicable terms and provisions of this Agreement, and payment with respect to such indemnification claim shall be made within ten (10) Business Days following the day such dispute is finally resolved.

(e) *Third Party Claims*.

(i) Other than a Third Party Claim that relates to Taxes (such Third Party Claim being governed exclusively by Section 5.14(e)(iii)), the Indemnitor shall be entitled, by written notice to an Indemnitee, to inform such Indemnitee that the Indemnitor desires to assume the defense or prosecution of any Third Party Claim and any litigation resulting therefrom with counsel reasonably acceptable to the Indemnitee and at the Indemnitor's expense; provided, that the Indemnitor will not be entitled to assume the defense of such claim if (i) the claim for indemnification relates to or arises in connection with any action in respect of a criminal charge against such Indemnitee; (ii) the claim seeks an injunction or equitable relief against such Indemnitee; (iii) the Indemnitor fails to assume the defense of such claim reasonably promptly following notice thereof; or (iv) the Indemnitor does not confirm, assuming the facts asserted in the notice of such claim are true, its obligation to indemnify and pay Damages for such claim; provided, further, that notwithstanding the foregoing, Torch shall be entitled to assume and control the defense or prosecution of any Third Party Claim and any litigation resulting therefrom with respect to the matters set forth on Section 5.14 of the Torch Disclosure Letter. An Indemnitee may retain separate co-counsel at its sole cost and expense and participate in the defense of such Third Party Claim; provided, however, that such Indemnitee shall be entitled, at the Indemnitor's expense, to retain one firm of separate counsel of its own choosing (along with any one required local counsel) if (A) the Indemnitor and the Indemnitee so mutually agree in writing; (B) the Indemnitor fails within a reasonable time to retain counsel reasonably satisfactory to such Indemnitee (whose acceptance shall not be unreasonably withheld, conditioned, or delayed); (C) such Indemnitee shall have reasonably concluded based on the written advice of outside legal counsel that there may be legal defenses available to it that are different from or in addition to those available to the Indemnitor; or (D) the named parties in any such proceeding (including any impleaded parties) include both the Indemnitee and the Indemnitor and representation of both sets of parties by the same counsel would be inappropriate due to actual or reasonably foreseeable conflicts of interest based on the written advice of outside legal counsel.

(ii) Other than a Third Party Claim that relates to Taxes (such Third Party Claim being governed exclusively by Section 5.14(e)(iii)), whether or not the Indemnitee has assumed the defense of any Third Party Claim, an Indemnitee shall not be entitled to indemnification hereunder with respect to any settlement entered into or any judgment consented to with respect to a Third Party Claim without the prior written consent of the Indemnitor (such consent not to be unreasonably withheld, conditioned or delayed). Notwithstanding anything in this Agreement to the contrary, the Indemnitor shall not agree to any settlement of or consent to the entry of any judgment with respect to any Third Party Claim without the prior written consent of the applicable Indemnitee (such consent not to be unreasonably withheld, conditioned or delayed), unless such settlement or judgment would (x) include a complete and unconditional release of such Indemnitee from all liabilities or obligations with respect thereto, (y) not impose any liability or obligation (other than confidentiality and other customary de minimis obligations, but including any equitable remedies) on the Indemnitee or its Affiliates in respect of such Third Party Claim and (z) not involve a finding or admission of any wrongdoing on the part of any of the Indemnitee or its Affiliates.

(iii) Notwithstanding the foregoing provisions of this Section 5.14(e): If a Third Party Claim includes or could reasonably be expected to include both a claim for Taxes of any ContentCo Entity for which Torch is responsible pursuant to Section 5.14(a) ("Torch Taxes") and a claim for Taxes of any ContentCo Entity for which United is responsible pursuant to Section 5.14(b) ("United Taxes," and such a Third Party Claim, a "Mixed Tax Claim"), Torch and United shall cooperate in good faith to sever such Third Party Claim into separate Tax Proceedings relating to Torch Taxes and United Taxes, respectively. If such Third Party Claim is not so severable, Torch (if the claim(s) for Torch Taxes exceeds or reasonably could be expected to exceed in amount the claim(s) for United Taxes) or otherwise United (Torch or United, as the case may be, the "Tax Controlling Party"), shall be entitled to control the defense of such Third-Party Claim (such Third-Party Claim, a "Tax Claim"). In such case, (i) the other party (the "Tax Non-Controlling Party") shall be entitled to participate fully (at the Tax Non-Controlling Party's sole cost and expense) in the conduct of such Tax Claim, (ii) the Tax Controlling Party shall provide the Tax Non-Controlling Party with a timely and reasonably detailed account of each stage of such Tax Claim, (iii) the Tax Controlling Party shall consult with the Tax Non-Controlling Party before taking any significant action in connection with such Tax Claim, (iv) the Tax Controlling Party shall consult with the Tax Non-Controlling Party and offer the Tax Non-Controlling Party an opportunity to comment before submitting any written materials prepared or furnished in connection with such Tax Claim, (v) the Tax Controlling Party shall defend such Tax Claim diligently and in good faith as if it were the only party in interest in connection with such Tax Claim, and (vi) the Tax Controlling Party shall not settle, compromise or abandon any such Tax Claim without obtaining the prior written consent of the Tax Non-Controlling Party, which consent shall not be unreasonably withheld, conditioned or delayed. The reasonable costs and expenses of conducting the defense of such Tax Claim shall be reasonably apportioned based on the relative amounts of the claim for Torch Taxes and United Taxes. Torch shall be entitled to control any Third Party Claim (and any portion of a severable Mixed Tax Claim) that includes or would reasonably be expected to include solely Torch Taxes; provided that Torch shall not settle such Third Party Claim (or portion thereof) without the prior written consent of United (which consent shall not be unreasonably withheld, conditioned or delayed) if such settlement would have an adverse effect on United that is material. With respect to any Third Party Claim against United for Taxes described in Section 5.14(a)(iv)(4), Torch shall be the Tax Controlling Party and United shall be the Tax-Non Controlling Party. Notwithstanding any of the foregoing, Torch shall have the exclusive right to control in all respects, and neither United nor any of its Affiliates shall be entitled to participate in, any Tax Proceeding with respect to any Tax Return that includes Torch or any of its Affiliates (other than any ContentCo Entity).

(f) *Tax Treatment*. For purposes of this Agreement and, unless otherwise required by applicable Law, for applicable income Tax purposes, any payment made pursuant to Section 1.2(e) or Section 1.7(f) and any indemnification payment made pursuant to this Section 5.14 are intended to, and shall in accordance with the subsequent sentence, be treated as an adjustment to the applicable consideration paid or delivered under this Agreement, for all income Tax purposes, unless otherwise required by applicable Law. In connection therewith, the parties shall reasonably cooperate in the documentation and structure of any such adjustment, to the extent such would not be materially adverse to the other party. If any such indemnification payment made pursuant to this Section 5.14 is subject to Tax to the recipient of such payment (or an Affiliate of such recipient), such indemnification payment shall not be increased to take into account the Tax incurred by the recipient on the receipt of such payment nor shall such payment be reduced by any tax benefit realized by the recipient as a result of the Damages that gave rise to such payment. Each Party shall notify the other Party if it receives notice that any Taxing Authority proposes to treat any indemnification payment made pursuant to this Section 5.14 as other than an adjustment to the applicable consideration paid or delivered under this Agreement for income Tax purposes, or if it otherwise determines that any such indemnification payment is required by applicable Law to be treated as other than an adjustment to such amounts for income Tax purposes.

Section 5.15. Torch Shareholder Approval.

(a) As promptly as reasonably practicable following the date of this Agreement, (i) Torch shall prepare a *folleto informativo* describing the Transactions (the "Folleto Informativo"), (ii) each other Party shall furnish all information concerning itself and its Affiliates that is required or reasonably requested by Torch to be included in the Folleto Informativo, and (iii) after providing United with a reasonable opportunity to review and comment upon the Folleto Informativo, Torch shall publicly file the Folleto Informativo with the Comision Nacional Bancaria y de Valores and the Bolsa Mexicana de Valores, S.A.B. de C.V.

(b) Torch shall call a meeting of its shareholders for the purpose of obtaining the Torch Shareholder Approval and, promptly following such call notice, publish the Folleto Informativo. Torch shall use its reasonable best efforts to take all action necessary in accordance with applicable Law and its organizational documents to convene and hold such meeting of its shareholders for the purpose of obtaining the Torch Shareholder Approval.

Section 5.16. Intercompany Arrangements. Except as expressly required by Article I or the Pre-Closing Restructuring, with respect to all Torch Intercompany Contracts, whether or not the receivables and payables thereunder are reflected in Section 5.16 of the Torch Disclosure Letter, all receivables or payables existing prior to Closing from or to, as applicable, Torch or any of its Subsidiaries (other than any ContentCo Entity), on the one hand, and any of the ContentCo Entity, on the other hand, shall be paid off or settled or otherwise terminated not later than the close of business on the day before the Closing Date, and neither United nor any of its Subsidiaries shall have any liability or obligation for such receivables and payables from and after such time. From time to time prior to the Closing and during the twelve (12)-month period thereafter, each of United and Torch may identify by written notice (in such capacity, the "Notifying Party") to any Torch Intercompany Contracts (for the avoidance of doubt, excluding any Ancillary Agreement or any other agreement contemplated thereby) that the Notifying Party believes in good faith are not on arms' length terms. For the thirty (30)-day period following delivery of any such notice, Torch and United shall engage in good faith negotiations to agree to the amendment, assignment, replacement or termination of any such Torch Intercompany Contract (effective upon the Closing, in the event of any such negotiations prior to the Closing). In the event the parties are unable to reach such an agreement by the end of such thirty (30)-day period, Torch and United shall jointly retain a mutually agreeable independent expert (the "Third Party Expert") to determine whether such Torch Intercompany Contract is on arms' length terms and, to the extent it is not, prescribe such amendments and modifications that would be necessary to cause such Torch Intercompany Contract to be on arms' length terms (the "Required Amendments"). The Third Party Expert shall be instructed by Torch and United to make its determination within 30 days following its engagement. Torch and United shall cooperate and timely respond to any reasonable requests for information from the Third Party Expert. If the Third Party Expert determines that such Torch Intercompany Contract is not on arms' length terms, the Notifying Party may in its sole discretion require the other party to (and to cause its Subsidiaries to) either (i) amend such Torch Intercompany Contract to reflect the Required Amendments or (ii) terminate such Torch Intercompany Contract, in each case effective upon the later of the Closing and thirty (30) days of the determination of the Third Party Expert (provided, that, in the event of any such termination, United and Torch shall cooperate reasonably and in good faith to identify and transition in an orderly manner to any replacement or alternative arrangements as may be reasonably necessary). The expenses of the Third Party Expert (or the portion thereof allocable to any Torch Intercompany Contract, if two or more Torch Intercompany Contracts are submitted to the Third Party Expert) shall be paid by (A) the Notifying Party, if the Third Party Expert determines that such Torch Intercompany Contract is on arms' length terms in all material respects, or (B) the other Party, if the Third Party Expert determines that such Torch Intercompany Contract is not on arms' length terms in all material respects, in each case as determined by the Third Party Expert.

Section 5.17. Non-Transferrable Rights; Third-Party Consents.

(a) Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to sell, transfer, convey, assign or deliver any Intellectual Property (including the Purchased Rights), equipment, furniture, fixture, right and other tangible and intangible personal property, Contract or asset of the ContentCo Business if an attempted sale, transfer, conveyance, assignment or delivery thereof without the consent, approval or other action of any Person that is not a Party would constitute a breach of any applicable restriction upon such sale, transfer, conveyance, assignment or delivery, trigger or accelerate rights of any Person, or constitute a violation of or be ineffective under applicable Law, and such consent or approval has not been obtained from such Person on or prior to the Closing Date (collectively, the "Non-Transferrable ContentCo Assets"); provided, that, subject to Article VIII, the Closing shall proceed in accordance with this Agreement without the sale, assignment, conveyance, transfer or delivery of the Non-Transferrable ContentCo Assets.

(b) If any consents or approvals required from any Person that is not a Party to assign, convey or transfer the Intellectual Property (including the Purchased Rights), equipment, furniture, fixture, right and other tangible and intangible personal property, Contract (including the Material Content Contracts) or asset of the ContentCo Business (including, after the Closing, the Non-Transferrable ContentCo Assets) in connection with the consummation of the Transactions (such required consents, the "Third-Party Consents") are not obtained prior to Closing, until the earlier of such time as such Third-Party Consent is obtained and twelve (12) months following the Closing Date, Torch and United shall cooperate and use their respective reasonable best efforts to implement as promptly as reasonably practicable any arrangement reasonably acceptable to United and Torch intended to (i) provide the applicable ContentCo Entities designated by United, to the fullest extent practicable, the rights and benefits of any applicable Non-Transferrable ContentCo Assets from and after the Closing (including by means of any subcontracting, sublicensing or subleasing arrangement, if permissible under applicable Law or Contract) and (ii) cause United, or such designated Affiliates of United, to bear all obligations, costs and liabilities thereunder from and after the Closing. In furtherance of the foregoing, United shall, or shall cause its applicable Affiliates to, promptly pay, perform or discharge when due any related liability (including any liability for Taxes) arising under such Non-Transferrable ContentCo Assets after the Closing Date. United and its Affiliates shall indemnify and hold harmless Torch and each of its Subsidiaries from and against obligations, liabilities and costs assumed by United or its Affiliates pursuant to any arrangement established to this Section 5.17(a).

(c) When the requisite Third-Party Consent is obtained, the applicable Non-Transferrable ContentCo Asset shall be deemed to have been automatically assigned and transferred to United on the terms set forth in this Agreement for no additional consideration without the requirement of any further action of any other Person, as of the Closing, except to the extent the date of such Third-Party Consent is deemed by applicable Law to have occurred on another date, in which case, as of such date.

(d) Notwithstanding anything to the contrary in this Agreement, with respect to each Material Content Contract pursuant to which Torch or any of its Subsidiaries license or sublicense rights to broadcast any future World Cup (each, a "World Cup Contract"), each of Torch and United agree to use their respective reasonable best efforts, from and after the date hereof, to obtain any and all consents of the Fédération Internationale de Football Association and its affiliates (collectively, "FIFA") that may be required (i) to permit the assignment and delegation of such World Cup Contract to OpCo and/or as a result of any change of control pursuant to such World Cup Contract of any Subsidiary of Torch as a result of the Transactions or, (ii) solely in the event FIFA does not grant the consents referred to in clause (i) above, to permit the sublicense and delegation to OpCo of all rights (including the right to broadcast World Cup Audio-Visual Content) and obligations pursuant to each World Cup Contract such that, to the fullest extent practicable, OpCo shall receive all rights and benefits of the World Cup Contracts and bear all obligations, costs and liabilities thereunder (and any guarantee relating thereto) (for which United and its Subsidiaries shall indemnify Torch and its Subsidiaries), in each case from and after the Closing. In the event that FIFA requires any consideration, change of terms and conditions, indemnity or other obligation of Torch, United and/or their respective Subsidiaries in connection with any such consents, Torch and United shall negotiate in good faith and on a commercially reasonable basis with respect thereto (and with respect to such mutually acceptable amendments to Attachment L hereto as may be appropriate as a result thereof); provided, that neither Torch nor United (or their respective Subsidiaries) shall be obligated to accept any such requirement that would be material relative to the value of the World Cup Contracts and the rights thereunder.

(e) In the event FIFA provides all consents required to allow the assignment of the World Cup Contracts to OpCo in accordance with Section 5.17(d)(i), OpCo shall sublicense to Torch or one or more of its Subsidiaries as designated by Torch (the "Licensees"), pursuant to sublicense agreements in the form of Attachment L hereto, the respective rights set forth on Schedule 2, 3 and 4 thereto (the "Torch FIFA Rights") for the consideration set forth on Schedule 6 thereto (the "Torch FIFA Fees"). In the event FIFA does not provide all required consents referred to in Section 5.17(d)(i) but does provide the consents required to allow the sublicense and delegation of all rights (including the right to broadcast World Cup Audio-Visual Content) and obligations pursuant to the World Cup Contracts in accordance with Section 5.17(d)(ii), OpCo shall sublicense to the Licensees, pursuant to sublicense agreements in the form of Attachment L hereto (with appropriate modifications to reflect the fact that the rights sublicensed to the Licensees thereunder are sublicensed to OpCo and any other modifications required by FIFA consistent with the provisions of this Section 5.17), the Torch FIFA Rights in consideration of the Torch FIFA Fees.

(f) If FIFA does not provide all required consents referred to in Section 5.17(d)(i) or Section 5.17(d)(ii), Torch and United shall use their respective reasonable best efforts to implement alternative arrangements that comply with Section 5.17(b) to cause, to the fullest extent practicable, OpCo to be provided all rights and benefits of the World Cup Contracts and bear all obligations, costs and liabilities thereunder (and any guarantee relating thereto) (which United and its Subsidiaries shall pay, perform or discharge when due and for which United and its Subsidiaries shall indemnify Torch and its Subsidiaries); provided, that neither Torch nor United (or their respective Subsidiaries) shall be obligated to accept any arrangement with requirements that would be material relative to the value of the World Cup Contracts and rights thereunder.

(g) In no event shall the obtaining of any Third-Party Consents (including any consents from FIFA) be a condition of Torch's or United's obligations to effect the Closing.

Section 5.18. Wrong Pockets; Misdirected Payments.

(a) If, within three (3) years following the Closing (or prior to the Closing as a result of investigation of the Interim Committee pursuant to Section 5.18(a)), either United or Torch determines that it or any of its Subsidiaries possesses any right or other asset, or is liable for any liability, or employs any employee, that, in the case of Torch, relates primarily to the ContentCo Business or constitutes any right, asset, liability or employee allocable to United or its Subsidiaries upon consummation of the transactions contemplated by and pursuant to Article I (in each case, other than any Excluded Assets and Liabilities and the rights, assets, liabilities and employees contemplated to be retained by Torch and its Subsidiaries after the Closing pursuant to the Ancillary Agreements (or other agreements entered into by Torch and its Subsidiaries, on the one hand, and United and its Subsidiaries, on the other hand, after the date hereof), including to provide the rights and services contemplated thereby), or, in the case of United, relates primarily to the Excluded Business or constitutes any right, asset, liability or employee not allocable to United or its Subsidiaries upon consummation of the transactions contemplated by and pursuant to Article I (in each case, other than any Included Assets and Liabilities), then, subject to Section 5.17 and applicable Law, the Parties shall, and shall cause their Subsidiaries to, transfer or cause to be transferred such right, asset, liability or employee (or, subject to applicable Law and obligations under Contracts with third parties, otherwise implement any arrangement to equitably allocate the benefits and obligations (including costs and expenses, on a pro rata basis based on the sharing reflected by the arrangement) of any right, asset or liability (for the sake of clarity, excluding any Excluded Assets and Liabilities, the rights, assets and liabilities and employees contemplated to be retained by Torch and its Subsidiaries after the Closing pursuant to the Ancillary Agreements (or other agreements entered into by Torch and its Subsidiaries, on the one hand, and United and its Subsidiaries, on the other hand, after the date hereof), including to provide the rights and services contemplated thereby, and the services of any employee) that may be shared between the ContentCo Business and the Excluded Business (but not primarily related to either)), as applicable, to such other Party or its Subsidiary, and such Party or its Subsidiary shall accept, assume or employ any such right, asset, liability or employee, for no additional consideration other than as previously paid as provided in this Agreement (but subject to the obligation to bear the obligations (including costs and expenses) contemplated by any shared services arrangement contemplated by the preceding parenthetical); provided, that no request or demand for any transfer shall be permitted to be made, nor any dispute for any transfer commenced, pursuant to this Section 5.18 following the end of such three (3)-year period; and provided, further, that in the event that United or Torch requests such a transfer and the other Party disputes whether such right, asset, liability or employee is required to be transferred, accepted, assumed or employed pursuant to this Section 5.18, then such dispute shall be resolved in accordance with the procedures set forth on Section 5.18 of the Torch Disclosure Letter.

(b) In furtherance of the Parties' mutual intention to deliver to United the ContentCo Business upon the Closing, promptly following the date hereof, United and Torch shall establish an ad hoc committee (the "Interim Committee") which shall consist of four (4) executive officers designated by each of United and Torch. During the period prior to Closing, the Interim Committee shall, and United and Torch shall cause their respective designees to such committee to, use reasonable good faith efforts to periodically convene for purposes of overseeing the activities contemplated by this Section 5.18(b). From and after the date that is three (3) months after the date of this Agreement, at the request of United, the Interim Committee may engage (i) one of the consultants named on Section 5.18(b) of the United Disclosure Letter or (ii) one or more additional third-party Representatives reasonably acceptable to Torch, as may be reasonably necessary to assist the Interim Committee in conducting a reasonable examination of the business, properties and personnel of the ContentCo Group for the sole purpose of determining whether there are any non-*de-minimis* rights, assets, liabilities or employees of Torch and its Subsidiaries that relate primarily to the ContentCo Business but are not proposed by Torch to be to be transferred to United or its Subsidiaries upon consummation of the transactions contemplated by Article I (for the sake of clarity, excluding any Excluded Assets and Liabilities and the rights, assets, liabilities and employees contemplated to be retained by Torch and its Subsidiaries after the Closing pursuant to the Ancillary Agreements (or other agreements entered into by Torch and its Subsidiaries, on the one hand, and United and its Subsidiaries, on the other hand, after the date hereof), including to provide the rights and services contemplated thereby) (any such rights, assets, liabilities or employees, the "Disputed Assets"); provided, that United shall bear all costs and expenses of any such Representatives and such Representatives shall be required to agree to customary confidentiality obligations to Torch in connection with such engagement; provided, further, that the provisions of Section 5.1(a) and Section 5.1(c) shall apply to the activities of the Interim Committee and any such Representatives (and the extent of Torch's obligations thereto), in each case *mutatis mutandis*. In the event that such Representatives identify any Disputed Asset, (A) the Interim Committee shall first seek to resolve the allocation of such Disputed Asset through good faith discussions for a period of no less than fifteen (15) days and (B) if the Interim Committee is not able to resolve the allocation pursuant to the foregoing clause (A), the provisions of Section 5.18(a) shall apply to the transfer of Disputed Asset (and any dispute between United and Torch related thereto), *mutatis mutandis*; provided, that each of Torch and United agrees to use good faith efforts to aggregate the submission of Disputed Assets (and disputes between United and Torch related thereto) to the procedures set forth on Section 5.18 of the Torch Disclosure Letter in order to limit the number of occurrences of such dispute resolution procedures. For the avoidance of doubt, nothing in this Section 5.18(a) shall, directly or indirectly, give any Party control over any other Party's operations, business or decision-making before Closing, and control over all such matters shall remain in the hands of the relevant Party, subject to the terms and conditions of this Agreement. Effective as of the Closing, United and Torch shall dissolve the Interim Committee and all of its responsibilities and duties pursuant to this Agreement shall cease.

(c) If, following the Closing, any Party or its Subsidiaries receives any payments due to another Party or a Subsidiary thereof in respect of the rights, assets or liabilities allocated to such other Party or Subsidiary thereof pursuant to this Agreement, then such first Party shall promptly remit (or cause to be promptly remitted), or deliver (or cause to be delivered), such payments to the appropriate Party or Subsidiary thereof.

(d) Notwithstanding anything to the contrary in this Agreement or any Ancillary Agreement or other agreement or understanding among the Parties, in no event shall any dispute contemplated by or relating to, or any dispute resolution procedure initiated pursuant to, this Section 5.18 be deemed to give rise to a failure of any condition set forth in Article VIII or otherwise impact the obligations of the Parties to consummate the Closing in accordance with, and within the time periods specified in, Section 1.1.

Section 5.19. ContentCo Cash. Torch shall use reasonable best efforts to ensure that ContentCo Cash shall be greater than nine hundred fifty million Mexican pesos (Mex$950,000,000) (the "Transferred Cash Floor") but shall not exceed two billion one hundred million Mexican pesos (Mex$2,100,000,000) (the "Transferred Cash Cap") as of immediately prior to the Closing, and three (3) Business Days prior to the Closing, Torch shall deliver to United a certificate, duly executed on behalf of Torch by an officer thereof, stating that ContentCo Cash is reasonably expected not to exceed the Transferred Cash Cap and not to be less than the Transferred Cash Floor, in each case as of immediately prior to the Closing. If and to the extent the amount of ContentCo Cash exceeds the Transferred Cash Cap, such excess shall not be considered for the purposes of the calculation of the Cash Consideration, the Closing Consideration or the Adjustment Amount. Notwithstanding anything to the contrary in this Agreement, but subject to Section 4.1(b)(v), at or prior to the Closing, Torch shall be permitted to cause one or more ContentCo Entities to declare and pay a distribution or otherwise transfer cash to Torch or one or more Subsidiaries thereof in order to ensure that the ContentCo Cash does not exceed the Transferred Cash Cap.

Section 5.20. Lava Conversion. Prior to the Closing, subject to the satisfaction or (to the extent permitted by applicable Law) waiver of each of the conditions to Closing set forth in Article VIII of this Agreement, United and Lava shall take or cause to be taken and do or cause to be done all corporate and related actions reasonably required or advisable to cause all of the shares of United Preferred Stock held by Lava to be converted, as of immediately prior to the Closing, into shares of United Class A Common Stock in accordance with the terms of such United Preferred Stock and the United Existing Organizational Documents, in each case as in effect on the date hereof, as they may be amended from time to time following the date hereof in accordance with this Agreement and the United Existing Organizational Documents (it being acknowledged and agreed that Section 5.2 shall not apply to this Section 5.20); provided, that United may restrict the ownership, or proposed ownership, by Lava of United Class A Common Stock (other than ownership or proposed ownership by Lava of United Class A Common Stock that does not then create an "attributable interest" (as that or any successor term is then defined by the FCC), the amount of which, as of the date of this Agreement, is a five percent (5%) voting interest, for purposes of the U.S. Communications Laws) if such ownership or proposed ownership (a) is or would, as determined by United after consultation with its outside regulatory counsel, be materially inconsistent with, or in violation of, any provision of the U.S. Communications Laws, (b) limits or impairs or would, as determined by United after consultation with its outside regulatory counsel, limit or impair any business activities or proposed business activities of United under the U.S. Communications Laws, or (c) subjects or would, as determined by United after consultation with its outside regulatory counsel, subject United to any law, regulation or policy under the U.S. Communications Laws which would reasonably be expected to have an adverse effect on United and to which United would not be subject but for such ownership or proposed ownership; provided, further, that such conversion shall only be effective if in fact the Closing occurs.

Section 5.21. IP License.

(a) *License to United*. Effective as of the Closing, and subject to the provisions hereof, Torch and its Subsidiaries (other than the ContentCo Entities) (the "Torch Licensors") hereby grant, and agree to grant, to the ContentCo Entities (the "ContentCo Licensees") a limited, non-exclusive, worldwide, irrevocable, fully paid and royalty-free (except as provided pursuant Section 5.21(e)), non-transferable (except as provided pursuant Section 5.21(f)) license under the Torch Licensed IP to use, reproduce, distribute, disclose, make, improve, display and perform (publicly and otherwise, subject to any applicable confidentiality restrictions), create derivative works of, and otherwise exploit the ContentCo Materials, in each case, solely to the extent and in the same manner as such ContentCo Materials are used in the operation of the ContentCo Business as of the Closing.

(b) *License to Torch*. Effective as of the Closing and subject to the provisions hereof, the ContentCo Entities (the "ContentCo Licensors") hereby grant, and agree to grant, to Torch and its Subsidiaries (the "Torch Licensees") a limited, non-exclusive, worldwide, irrevocable, fully paid and royalty-free (except as provided pursuant Section 5.21(e)), non-transferable (except as provided pursuant Section 5.21(f)) license under the ContentCo Licensed-Back IP to use, reproduce, distribute, disclose, make, improve, display and perform (publicly and otherwise, subject to any applicable confidentiality restrictions), create derivative works of, and otherwise exploit the Torch Materials, in each case, solely to the extent and in the same manner as such Torch Materials are used to operate the Excluded Business as of the Closing.

(c) *Sublicensing*. Each of the ContentCo Licensees and the Torch Licensees, in each case in its capacity as the licensee pursuant to this Section 5.21 (collectively, the "Licensee Party"), may sublicense the license and rights granted to it by the Torch Licensors or the ContentCo Licensors, as applicable, in its capacity as a licensor (collectively, the "Licensor Party") under Section 5.21(a) and Section 5.21(b), respectively, freely to a third party in connection with the operation of the Licensee Party's business in the ordinary course or to a Divested Entity, including in connection with the sale or provision of its products or services (in each case, within the scope of the applicable license granted to the Licensee Party under Section 5.21(a) and Section 5.21(b), respectively). The Licensee Party shall treat any material Trade Secrets or confidential information of the Licensor Party with the same degree of care, that the Licensee Party treats its own like confidential information and Trade Secrets, but in no event with less than reasonable care, and the Licensee Party shall not disclose such Trade Secrets or confidential information licensed to it hereunder to a third party, except in connection with the disclosure of such Licensee Party's own confidential information or Trade Secrets of at least comparable importance and value and on the same terms.

(d) *License Term*. All licenses granted under Section 5.21(a) and Section 5.21(b) with respect to each Copyright or Trade Secret will expire upon the earlier of (i) the expiration of the term of such Copyright or (ii) the date upon which such Copyright or Trade Secret ceases to be valid and enforceable or otherwise has been revoked. All other licenses granted under Section 5.21(a) and Section 5.21(b) are perpetual.

(e) *License Fee*. The licenses granted under Section 5.21(a) and Section 5.21(b) shall be subject to the same intercompany costs, fees and transfer pricing rules to the extent and in the same manner as applicable to such license as of the Closing, provided that Licensor shall notify Licensee of any such costs, fees and transfer pricing rules applicable to any element of the Torch Licensed IP in advance so that Licensee may determine whether to (i) utilize any such element of Torch Licensed IP in the operation of the ContentCo Business hereunder, subject to such costs, fees and transfer pricing rules, or (ii) forego such license.

(f) *Transfer of Licenses*. Except as expressly set forth herein, the Licensee Party shall not assign or transfer the licenses granted to it pursuant to this Section 5.21 directly or indirectly, in whole or in part, whether voluntarily or involuntarily or by operation of law or otherwise, without the Licensor Party's prior written consent (which consent shall not be unreasonably conditioned, delayed or withheld). Notwithstanding the foregoing, the Licensee Party may assign such licenses to (i) a third party, or permit a third party to assume such license, in connection with acquisition of such Licensee Party (whether by stock or asset sale or merger or otherwise) or the sale of substantially all of the consolidated assets of the Licensee Party to which this Agreement relates, to such third party or (ii) to United or a Subsidiary of United. Any assignment in violation of this Section 5.21(f) shall be null and void from the beginning. Notwithstanding the foregoing, nothing set forth herein shall limit the Licensor Party from licensing, selling or otherwise disposing of any of its Intellectual Property licensed to the Licensee Party hereunder; provided that none of the foregoing shall impact the rights and licenses with respect to such Intellectual Property hereunder.

(g) *Rights of Subsidiaries*.

(i) Subject to Section 5.21(c), any rights or licenses granted under this Section 5.21 extend to each entity that is a Subsidiary of the Licensee Party but only for so long as such entity is a Subsidiary of such Licensee Party and, accordingly, except as provided in Section 5.21(g)(ii) the license to such entity shall terminate upon such entity ceasing to be a Subsidiary of such Licensee Party.

(ii) Notwithstanding the limitations on sublicensing set forth in Section 5.21(c), if the Licensee Party divests a Subsidiary or business unit (including in a sale to a third party or in a public offering) such that such entity is no longer a Subsidiary of such Licensee Party (a "Divested Entity"), upon providing written notice of such divestiture to the Licensor Party, the Licensee Party may grant the Divested Entity a sub-license under the licenses granted to such Licensee Party pursuant to Section 5.21(c), but only in connection with the products and services offered by such Divested Entity at the time it ceased to become a Subsidiary or business unit of the Licensee Party, and natural evolutions of such products or services that are of the same general type. Such sublicense grant to the Divested Entity in accordance with the foregoing shall not affect or limit the licenses granted to the Licensee Party or the obligations and duties of the Licensee Party hereunder.

(h) *License Limitations*.

(i) Each Licensor Party acknowledges and agrees that, upon and following the Closing, the licenses granted by it as the Licensor Party are non-terminable and irrevocable, and that the Licensor Party's sole remedy after the Closing for breach by the Licensee Party will be for such Licensor Party to bring a claim to recover damages and to seek appropriate equitable relief but not termination of the licenses granted by the Licensor Party.

(ii) Except as expressly set forth otherwise in this Agreement (A) all rights and licenses granted from one Party to the other hereunder are granted "AS IS" and without any representation or warranty of any kind, (B) no representations or warranties whatsoever, whether express, implied or statutory, including warranties of merchantability, fitness for a particular purpose, title, custom, trade, non-infringement, non-violation or non-misappropriation of third-party Intellectual Property, are made or given by or on behalf of the Licensor Party and (C) all such representations and warranties, whether arising by operation of Law or otherwise, are hereby expressly excluded.

(iii) Except as expressly set forth otherwise in this Agreement, each Party reserves all rights and licenses to its Intellectual Property, and no other licenses are granted under this Agreement, including this Section 5.21, by implication, estoppel or otherwise.

(i) *Rights in Bankruptcy*. All rights and licenses granted to the Licensee Party as licensee hereunder, are, for purposes of section 365(n) of the United States Bankruptcy Code (the "Bankruptcy Code"), licenses of intellectual property within the scope of section 101 of the Bankruptcy Code. The Licensor acknowledges that the Licensee, as a licensee of such rights and licenses hereunder, will retain and may fully exercise all of its rights and elections under the Bankruptcy Code. Each Licensor Party irrevocably waives all arguments and defenses arising under 11 U.S.C. § 365(c)(1) or successor provisions to the effect that applicable Law excuses such Licensor Party from accepting performance from or rendering performance to an entity other than the debtor or debtor-in-possession as a basis for opposing assumption of this Agreement in a case under Chapter 11 of the Bankruptcy Code to the extent that such consent is required under 11 U.S.C. § 365(c)(1) or any successor statute.

Section 5.22. Trademark Rights.

(a) If either Party determines, between the date hereof and the Closing Date, that any Trademark included in the ContentCo Owned IP or the Purchased Rights would be used by the Excluded Business as of the Closing Date, then the Parties shall cooperate reasonably and in good faith to determine whether it is necessary for the ContentCo Entities to grant Torch and its Subsidiaries a non-exclusive license to use such Trademark in connection with the Excluded Business, solely to the extent and in the same manner as such Trademark is used in the Excluded Business as of the Closing.

(b) If either Party determines, between the date hereof and the Closing Date, that any Trademark owned by Torch or its Subsidiaries (other than the ContentCo Group) as of the Closing Date and that is not included in the Excluded Assets and Liabilities would be used by the ContentCo Business as of the Closing Date, then the Parties shall cooperate reasonably and in good faith to determine whether it is necessary for the Torch and its Subsidiaries to grant the ContentCo Entities a non-exclusive license to use such Trademark in connection with the ContentCo Business, solely to the extent and in the same manner as such Trademark is used in the ContentCo Business as of the Closing.

## ARTICLE VI

## TAX MATTERS

Section 6.1. Cooperation and Exchange of Information.

(a) Torch shall, and shall cause its Subsidiaries to, and United shall, and shall cause its Subsidiaries to, provide to each other such cooperation, documentation and information as either of them reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for refund, (ii) determining a Liability for Taxes or a right to refund of Taxes (iii) preparing any financial statement in relation to Taxes, (iv) conducting any Tax Proceeding or (v) determining whether the other Party has complied with the covenants and obligations set forth in this Article VI. Such cooperation and information shall include, without limitation, providing, at the requesting Party's expense, copies of all relevant portions of relevant Tax Returns, together with all relevant portions of relevant accompanying schedules and relevant work papers, relevant documents relating to rulings or other determinations by taxing authorities and relevant records concerning the ownership and Tax basis of property and other information, to the extent in the possession of any such Party. Each Party shall make its employees reasonably available on a mutually convenient basis at its cost to provide an explanation of any documents or information so provided.

(b) United shall retain all Tax Returns, schedules and work papers, and all material records and other Tax documents relating to Pre-Closing Tax Periods of any ContentCo Entity until the later of (x) the expiration of the applicable statute of limitations for the Tax periods to which the Tax Returns and other documents relate and (y) seven (7) years following the due date (without extension) for such Tax Returns. Thereafter, United may dispose of them after offering Torch reasonable notice and opportunity to take possession of such Tax Returns and other documents (provided, that any such notice must in any event be made in writing at least sixty (60) days prior to such disposition).

(c) Notwithstanding anything to the contrary in this Agreement, access to and the retention of all Tax Returns, work papers and other documents and records relating to, and cooperation and procedures with respect to, Tax matters with respect to the ContentCo Group shall be governed exclusively by this Article VI.

Section 6.2. Certain Pre-Closing Actions. Torch shall use reasonable best efforts to cause OpCo to convert to a *sociedad de responsabilidad limitada de capital variable* and to file an election on IRS Form 8832 for OpCo to be treated as a "disregarded entity" or partnership for U.S. federal income Tax purposes, in each case, effective prior to the Closing (collectively, the "OpCo Conversion"). At United's expense as Transaction Expenses, Torch shall use commercially reasonable efforts to cause (a) each wholly-owned Subsidiary of a ContentCo having more than *de minimis* value to convert to a *sociedad de responsabilidad limitada de capital variable* and (b) for each entity described in clause (a), an election on IRS Form 8832 to be filed to be treated as a "disregarded entity" or partnership for U.S. federal income Tax purposes effective prior to the Closing, in each case, unless such action would reasonably be expected to (x) delay, interfere with or prevent the Closing or the Pre-Closing Restructuring or (y) result in a material adverse consequence to Torch or any of its Affiliates. Prior to Closing, Torch shall cause an election on IRS Form 8832 to be filed for each of the Purchased Entities listed on Section 6.2 of the Torch Disclosure Letter hereto to be treated as a "disregarded entity" for U.S. federal income Tax purposes.

Section 6.3. Certain Post-Closing Covenants.

(a) In connection with the Merger, United shall cause OpCo to comply with the following requirements established in the *Código Fiscal de la Federación*, *Reglamento del Código Fiscal de la Federación, Resolución Miscelánea Fiscal* and in any other applicable Mexican Tax regulation: (i) OpCo shall timely file a merger notice with the Mexican Taxing Authorities (which shall be deemed to have been completed when OpCo files (1) its register in the *Registro Federal de Contribuyentes* and (2) the cancellation of the *Registro Federal de Contribuyentes* of each other ContentCo and Merger Sub), (ii) after the Merger, OpCo shall continue to engage in the activities in which each other ContentCo and Merger Sub engaged in before the Merger for a minimum period of one year following the effectiveness of the Merger, (iii) OpCo shall timely file on behalf each other ContentCo and Merger Sub with the Mexican Taxing Authorities (x) the Tax Returns and (y) the information statements required by the Mexican Tax Laws for the taxable period (or portion thereof) ending on the date of the Merger (or, if earlier, the date on which the Merger is deemed to occur for Mexican Federal income Tax purposes), which Tax Returns and information statements shall be true, correct and complete in all material respects, and (iv) OpCo shall pay the Taxes of each other ContentCo and Merger Sub for such taxable period; provided, that United's obligations in clauses (iii) and (iv) shall be subject to paragraph (d) hereof. Torch shall, and shall cause its Subsidiaries to, provide United with such cooperation, documentation and information as may reasonably be requested by United in connection with the filing requirements described in the preceding sentence, and United shall be entitled to rely on the accuracy of any such documentation or information provided by Torch or its Subsidiaries.

(b) In connection with the Capital Reduction and Prior Capital Reduction, United shall cause OpCo to prepare and maintain the information listed below, provided that any such information, to the extent depending on information of (or related to) the ContentCo Group or Torch (or its applicable Subsidiary) for any Pre-Closing Tax Period, shall be prepared by OpCo relying on the information and documentation provided by Torch (or its applicable Subsidiary): (i) workpapers with the calculation of the *CUCA* (*Cuenta de Capital de Aportación*), (ii) all supporting documentation required under Mexican Tax Law for the calculation of the *CUCA* (including: (v) documentation of shareholders meetings in which the shareholders approved capital reductions or capital increases, (w) if any capital increases were effected by a capitalization of liabilities, supporting documentation for such liabilities, (x) if the capital increases were paid in cash, bank statements showing the wire transfers, (y) if the capital increases were paid in kind, documentation establishing title to the assets contributed and (z) all accounting records reflecting any capital reductions and increases), (iii) workpapers showing the calculation of the *CUFIN* (*Cuenta de Utilidad Fiscal Neta*), and (iv) all supporting documentation required under Mexican Tax Law for the calculation of the *CUFIN* (including: (w) documentation of shareholders meetings in which the shareholders approved the payment of dividends, (x) any documentation showing dividends received from any Subsidiary, (y) accounting records showing any dividends paid or received and (z) bank statements showing the wire transfer of any dividends paid or received).

(c) United shall not, and shall not cause or permit any of its Subsidiaries (including the ContentCo Entities) to, (i) make, change or revoke any Tax election (including any entity classification election pursuant to Treasury Regulations Section 301.7701-3) with respect to any ContentCo Entity that has retroactive effect to any Pre-Closing Tax Period (other than any entity classification election contemplated by Section 6.2), (ii) amend any material Tax Return of any ContentCo Entity that was filed prior to the Closing or (iii) except to the extent otherwise required pursuant to a "determination" (within the meaning of Section 1313(a) of the Code or any comparable provision of state, local or foreign Tax Law) or a change in applicable Law, take any material position on any material Tax Return of any ContentCo Entity for or in respect of any Pre-Closing Tax Period (or in any Tax Proceeding relating thereto) that is inconsistent with a material position taken by Torch or any of its Subsidiaries (including the ContentCo Group prior to the Closing) and of which position Torch has informed United in writing prior to taking such position, including any material position in respect of the Pre-Closing Restructuring, in the case of each of clauses (i) through (iii), if such election, amendment or position, as applicable, could, individually or in the aggregate, reasonably be expected to result in (x) a material increase in the liability of Torch or any of its Affiliates in respect of Taxes (including pursuant to this Agreement) or (y) any increase in a liability (or any decrease in an asset) taken into account in the determination of ContentCo Indebtedness or ContentCo Working Capital (as finally determined pursuant to Section 1.7).

(d) Torch shall have the exclusive right to prepare any Tax Return of each ContentCo Entity for any taxable period (or portion thereof) of such ContentCo Entity ending on or prior to the date of the Merger (or, if earlier, the date on which the Merger is deemed to occur for Mexican Federal income Tax purposes). All such Tax Returns shall be prepared in a manner consistent with the past practices of Torch and its Subsidiaries, except to the extent otherwise required pursuant to a "determination" (within the meaning of Section 1313(a) of the Code or any comparable provision of state, local or foreign Tax Law) or a change in applicable Law. Torch shall provide United with a reasonable opportunity to review and comment on any such Tax Returns reflecting a material Tax liability reasonably in advance of the due date for filing such Tax Returns, and Torch shall consider in good faith any comments received. Torch shall timely file any such Tax Returns required to be filed on or prior to the Closing Date and shall pay any Taxes shown as due on such Tax Returns. To the extent any such Tax Returns are required to be filed by OpCo after the Closing, United shall cause OpCo to timely file such Tax Returns (to the extent timely received from Torch) and pay any Taxes shown as due on such Tax Returns (subject to reimbursement by Torch in accordance with Section 5.14). Torch shall pay (or shall cause its applicable Subsidiary to pay) any Taxes required to be reflected on any U.S. federal, state or local Tax Return (including any U.S. consolidated, combined or unitary income Tax Return) that includes Torch or any of its Subsidiaries (other than ContentCo Entities), on the one hand, and any ContentCo Entity, on the other hand, and liabilities for any such U.S. federal, state or local Taxes shall not be taken into account in determining ContentCo Indebtedness or ContentCo Working Capital (in each case, as finally determined pursuant to Section 1.7).

(e) In the event United elects to make an election to close the taxable year of each ContentCo Entity for which such election is available as of the end of the day on the Closing Date, in accordance with the procedures set forth in Treasury Regulations Section 1.245A-5(e)(3)(i), Torch shall provide any cooperation reasonably requested by United (provided that Torch shall not be required to incur any unreimbursed costs).

Section 6.4. Certain Tax Matters. The Parties hereto agree to the matters set forth in Schedule 6.4 hereto.

Section 6.5. Tax Sharing Agreements. To the extent relating to any ContentCo Entity, Torch shall terminate or cause to be terminated, on or before the Closing Date, all Tax sharing agreements or arrangements (other than this Agreement), if any, to which any ContentCo Entity, on the one hand, and Torch or any of its Subsidiaries (other than the ContentCo Group), on the other hand, are parties, in each case, in a manner such that neither United or its Subsidiaries (including, from and after the Closing, any ContentCo Entity), Torch, OpCo nor any of their respective Subsidiaries shall have any rights or obligations thereunder after the Closing.

Section 6.6. Tax Refunds. If (a) a United Indemnitee or a Torch Indemnitee receives a refund (or a credit in lieu of a refund) of, or is entitled to a credit against Taxes otherwise payable as a result of, any Taxes as to which it has been indemnified pursuant to Section 5.14 or (b) a United Indemnitee receives a refund (or a credit in lieu of a refund) of any Tax liability that was reflected in, reserved for or taken into account in the determination of ContentCo Indebtedness or ContentCo Working Capital (in each case, as finally determined pursuant to Section 1.7), United or Torch, as applicable, shall pay to the other party an amount equal to such refund or credit, determined on a "with and without" basis and net of any reasonable, out-of-pocket expenses (including Taxes) of the United Indemnitee or Torch Indemnitee, as applicable, incurred in connection with the receipt of such refund or credit and without interest (other than any interest paid by the relevant Governmental Entity with respect to such refund). At the reasonable request of the indemnifying party, United or Torch shall file (and shall cause its applicable Subsidiaries to file) Tax Returns to obtain a refund of, or credit in respect of, Taxes to which the other party is entitled pursuant to this Section 6.6 (including, for the avoidance of doubt, a refund of or reduction in income Taxes otherwise payable by OpCo as a result of any indemnity payment made by Torch or any of its Subsidiaries pursuant to Section 5.14(a) in respect of income Taxes payable by OpCo; provided, that a party shall be required to file an amended Tax Return only at the expense of the indemnifying party and only if the filing of such Tax Return would not reasonably be expected to have an adverse effect that is material.

## ARTICLE VII

## EMPLOYEE MATTERS

Section 7.1. ContentCo Benefit Plans. United shall, and shall cause the ContentCo Entities to, comply with all applicable Law and honor all collective bargaining and employment agreements and ContentCo Benefit Plans with respect to compensation and employee benefits of continuing employees of any ContentCo Entity (it being understood that this Section 7.1 shall not be deemed to prohibit United from amending, modifying, replacing or terminating such arrangements in accordance with their terms and applicable Law).

## ARTICLE VIII

## CONDITIONS TO CLOSING

Section 8.1. Conditions to Each Party's Obligation to Effect the Closing. The respective obligations of each party to effect the Closing are subject to the satisfaction or (to the extent permitted by applicable Law) waiver on or prior to the Closing Date of the following conditions:

(a) *Legal Prohibition*. No Law shall have been adopted or promulgated, or shall be in effect, and no temporary, preliminary or permanent Order issued by a court or other Governmental Entity of competent jurisdiction in the United States, Mexico or in a jurisdiction set forth in Section 8.1(a) of the Torch Disclosure Letter shall be in effect, in each case having the effect of preventing the consummation of the Transactions or the Closing, declare unlawful the consummation of the Transactions or the Closing or cause the consummation of the Transactions or the Closing to be rescinded.

(b) *Governmental Approvals*. (i) The waiting period (and any extension thereof) applicable to the Transactions under the HSR Act shall have been terminated or shall have expired, (ii) the authorization or non-objection of COFECE and IFT under Mexico's Antitrust Law shall have been obtained, (iii) the FCC Consent shall have been granted by the FCC and shall be in effect as issued by the FCC or extended by the FCC, (iv) the IFT Approval under the Mexican Telecommunications Law shall have been obtained, (v) the approval or non-objection of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector shall have been obtained (if filings with such committee are made in connection with the Transactions), (vi) the authorization of the Mexican Foreign Investment Commission under the Mexican Foreign Investment Law shall have been obtained, and (vii) the approvals or consents of any other Governmental Entities set forth in Section 8.1(b) of the Torch Disclosure Letter shall have been received and shall be in full force and effect.

(c) *Torch Shareholder Approval*. The Torch Shareholder Approval shall have been obtained.

Section 8.2. Additional Conditions to Obligations of United. The obligations of United to effect the Closing are further subject to the satisfaction or (to the extent permitted by applicable Law) waiver by United on or prior to the Closing Date of the following additional conditions:

(a) *Representations and Warranties of Torch*. (i) The representations and warranties of Torch contained in Section 2.1(a) (other than the last sentence of Section 2.1(a)), Section 2.2(a), Section 2.2(b) (other than the last sentence of Section 2.2(b)), Section 2.3(a) and Section 2.18 shall be true and correct in all respects (other than inaccuracies that are not material), in each case both when made and at and as of the Closing Date, as if made at and as of such date (except to the extent expressly made as of an earlier date, in which case as of such date), (ii) the representations and warranties of Torch contained in Section 2.6(b) shall be true and correct in all respects both when made and at and as of the Closing Date, as if made at and as of such date, and (iii) all other representations and warranties of Torch set forth in this Agreement shall be true and correct both when made and at and as of the Closing Date, as if made at and as of such date (except to the extent expressly made as of an earlier date, in which case as of such date), except, in the case of this clause (iii), where the failure of such representations and warranties to be so true and correct (without giving effect to any limitation as to "materiality" or "ContentCo Material Adverse Effect" set forth therein), individually or in the aggregate, has not had, and would not reasonably be expected to have, a ContentCo Material Adverse Effect.

(b) *Performance of Obligations*. Torch shall have performed in all material respects and complied in all material respects with all agreements and covenants required to be performed or complied with by them under this Agreement at or prior to the Closing Date (it being understood that to the extent Torch has failed to (or to cause its Subsidiaries to) provide to United the Required Financial Statements as contemplated by Section 5.6(l) as of the Closing Date then such failure shall not constitute a breach of Section 5.6(l), but this condition shall not be satisfied until such date upon which Torch provides such Required Financial Statements that would be due if the Closing Date were to occur at such time).

(c) *No Torch Material Adverse Effect*. Since the date of this Agreement, there shall not have occurred any Torch Material Adverse Effect that is continuing.

(d) *Closing Deliveries*. United shall have received each of the agreements, instruments, certificates and other documents set forth in Section 1.3(c), Section 1.3(d) and Section 1.3(e)

(e) *OpCo Conversion*. The OpCo Conversion shall have been completed.

Section 8.3. Additional Conditions to Obligations of Torch. The obligations of Torch to effect the Closing are further subject to the satisfaction or (to the extent permitted by applicable Law) waiver by Torch on or prior to the Closing Date of the following conditions:

(a) *Representations and Warranties of United*. (i) The representations and warranties of United contained in Section 3.1(a) (other than the last sentence of Section 3.1(a)), Section 3.2(a), Section 3.2(b) (other than the last sentence of Section 3.2(b)), Section 3.3(a) and Section 3.22 shall be true and correct in all respects (other than inaccuracies that are not material), in each case both when made and at and as of the Closing Date, as if made at and as of such date (except to the extent expressly made as of an earlier date, in which case as of such date), (ii) the representations and warranties of United contained in Section 3.6(b) shall be true and correct in all respects both when made and at and as of the Closing Date, as if made at and as of such date, and (iii) all other representations and warranties of United set forth in this Agreement shall be true and correct both when made and at and as of the Closing Date, as if made at and as of such date (except to the extent expressly made as of an earlier date, in which case as of such date), except, in the case of this clause (iii), where the failure of such representations and warranties to be so true and correct (without giving effect to any limitation as to "materiality" or "United Material Adverse Effect" set forth therein) has not had, individually or in the aggregate, a United Material Adverse Effect.

(b) *Performance of Obligations of United*. United shall have performed in all material respects and complied in all material respects with all agreements and covenants required to be performed or complied with by it under this Agreement at or prior to the Closing Date.

(c) *No United Material Adverse Effect*. Since the date of this Agreement, there shall not have occurred any United Material Adverse Effect that is continuing.

(d) *Closing Deliveries*. Torch shall have received each of the agreements, instruments, certificates and other documents set forth in Section 1.3(b), Section 1.3(d) and Section 1.3(e).

**ARTICLE IX**

**TERMINATION, AMENDMENT AND WAIVER**

Section 9.1. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written consent of Torch and United;

(b) by either Torch or United, by written notice to the other:

(i) if the Closing shall not have occurred on or before the date that is the one (1)-year anniversary of the date of this Agreement (the "Termination Date"); provided, however, that if on the date that is the one-year anniversary of the date of this Agreement, the conditions to Closing set forth in any or all of Section 8.1(a), Section 8.1(b) or, solely with respect to the covenants and agreements set forth in Section 5.6(l), Section 8.2(b) shall not have been satisfied or waived but all other conditions to Closing shall have been satisfied or waived (or in the case of conditions that by their nature are to be satisfied at the Closing, shall be capable of being satisfied on such date), then the Termination Date shall be automatically extended to the date that is the fifteen (15)-month anniversary of the date of this Agreement; provided, further, that the right to terminate this Agreement under this Section 9.1(b)(i) shall not be available to (A) Torch, in the event that any breach by Torch of any obligation under this Agreement shall have been the primary cause of the failure of the Closing to occur on or before the Termination Date, or (B) United, in the event that any breach by United of any obligation under this Agreement shall have been the primary cause of the failure of the Closing to occur on or before the Termination Date; provided, further, in the event the Marketing Period has commenced but has not completed as of the time of the Termination Date, the Termination Date may be extended (or further extended following the initial Termination Date, but not more than the then remaining number of calendar days of the Marketing Period that have not yet been completed) by United in its sole discretion by providing written notice thereof to Torch at least one (1) Business Day prior to the Termination Date until four (4) Business Days after the then-scheduled expiration date of the Marketing Period; or

(ii) if any Governmental Entity of competent jurisdiction has issued an Order permanently enjoining, restraining or otherwise preventing the consummation of the Transactions and such Order shall have become final and nonappealable; or

(c) by United, if Torch shall have breached any of its representations or warranties or failed to perform any of its covenants or agreements set forth in this Agreement, which breach or failure to perform (i) would give rise to the failure of a condition contained in Section 8.2(a), Section 8.2(b) or Section 8.2(c) and (ii) is incapable of being cured prior to the Termination Date, or if capable of being cured by the Termination Date, Torch shall not have cured the breach or failure to perform within thirty (30) days following receipt by Torch of written notice of such breach or failure to perform from United (provided, that notwithstanding the foregoing, in the case the covenants and agreements set forth in Section 5.6(l), Torch shall be entitled to cure any breach or failure to perform at any time prior to the Termination Date); provided that United shall not have the right to terminate this Agreement pursuant to this Section 9.1(c) if United is then in material breach of any of its representations, warranties, covenants or agreements hereunder;

(d) by Torch, if United shall have breached any of its representations or warranties or failed to perform any of its covenants or agreements set forth in this Agreement, which breach or failure to perform (i) would give rise to the failure of a condition contained in Section 8.3(a), Section 8.3(b) or Section 8.3(c) and (ii) is incapable of being cured prior to the Termination Date, or if capable of being cured by the Termination Date, United shall not have cured the breach or failure to perform within thirty (30) days following receipt by United of written notice of such breach or failure to perform from Torch; provided that Torch shall not have the right to terminate this Agreement pursuant to this Section 9.1(d) if Torch is then in material breach of any of its representations, warranties, covenants or agreements hereunder;

(e) by Torch, if the Torch Shareholder Approval shall not have been obtained at the meeting of shareholders (or any adjournment or postponement thereof, for purposes of ensuring a quorum) at which the Transactions were submitted for the approval by the shareholders of Torch; or

(f) by Torch, if (i) the Marketing Period has ended and the conditions set forth in Section 8.1 and Section 8.2 have been satisfied or waived (other than those conditions that by their terms are to be satisfied at the Closing), (ii) Torch has irrevocably confirmed by notice to United that all conditions set forth in Section 8.3 have been satisfied (other than those conditions that by their terms are to be satisfied at the Closing) or that it is willing to waive any unsatisfied conditions in Section 8.3 and (iii) the Closing shall not have been consummated on the third (3rd) Business Day following the delivery of such notice.

The Party seeking to terminate this Agreement pursuant to this Section 9.1 shall give written notice of such termination to the other Parties, specifying the provision of this Agreement pursuant to which such termination is effected and the basis for such termination, described in reasonable detail.

Section 9.2. Effect of Termination. In the event of termination of this Agreement by either Torch or United as provided in Section 9.1, then this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of any party (or any Related Party of Torch or United), other than (a) this Section 9.2 and Article X and the Confidentiality Agreement, all of which shall survive such termination, and (b) to the extent that such termination results from (i) an action or omission taken or omitted to be taken that the breaching Party intentionally takes (or fails to take) and actually knows would, or would reasonably be expected to, be or cause a material breach of this Agreement ("Willful Breach") or (ii) fraud.

Section 9.3. Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of (a) United, (b) Torch, (c) to the extent amending any rights or obligations of Smoke or increasing any obligations or liabilities of Smoke, Smoke, (d) and, to the extent amending any rights or obligations of Flame or increasing any obligations or liabilities of Flame, Flame, and (e) and, to the extent amending any rights or obligations of Lava or increasing any obligations or liabilities of Lava, Lava. Notwithstanding anything to the contrary in this Agreement, (x) the provisions relating to the Debt Financing Source Related Parties set forth in this Section 9.3, Section 10.3, Section 10.4(b), Section 10.4(d), Section 10.9 and Section 10.14 may not be amended, waived or otherwise modified in a manner adverse to the Debt Financing Source Related Parties in any material respect without the prior written consent of the Debt Financing Sources that are party to the Debt Commitment Letter (to the extent the Debt Commitment Letter is then in effect) and (y) the provisions relating to the Equity Financing Sources Related Parties set forth in this Section 9.3, Section 10.4(b), Section 10.9 and Section 10.14 may not be amended, waived or otherwise modified in a manner adverse to the Equity Financing Source Related Parties in any material respect without the prior written consent of the Equity Financing Sources that are party to the Investment Agreement (to the extent the Investment Agreement is then in effect).

Section 9.4. Extension; Waiver. At any time prior to the Closing Date, the Parties may (a) extend the time for the performance of any of the obligations or other acts of the other Parties, (b) waive any inaccuracies in the representations and warranties contained in this Agreement or in any document delivered pursuant to this Agreement or (c) waive compliance with any of the agreements or conditions contained in this Agreement. Any agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party. The failure of any Party to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

## ARTICLE X

## MISCELLANEOUS

Section 10.1. Survival. The Parties, intending to modify any applicable statute of limitations, agree that (1) other than with respect to Willful Breach or fraud, none of the covenants or other agreements and (2) none of the representations or warranties, in each case in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Closing, except to the extent those covenants and agreements contained herein and therein by their terms contemplate performance in whole or in part at or after the Closing, which shall survive in accordance with their respective terms.

Section 10.2. Disclosure Letters. The inclusion of any information in the Torch Disclosure Letter or United Disclosure Letter will not be deemed an admission or acknowledgment, in and of itself, solely by virtue of the inclusion of such information in such Torch Disclosure Letter or United Disclosure Letter, as applicable, that such information or any similar information is required to be listed in such Torch Disclosure Letter or United Disclosure Letter, as applicable, or that such information or any similar information is material to any party or the conduct of the business of any Party. Disclosure in any section of the Torch Disclosure Letter or United Disclosure Letter, as applicable, shall be deemed to be disclosed with respect to any other section of this Agreement only to the extent that it is reasonably apparent on its face that it is applicable to such other section notwithstanding the omission of a reference or cross reference thereto.

Section 10.3. Successors and Assigns. Except after the Closing as expressly provided in Section 5.21(f), no party hereto shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other parties hereto and any such attempted assignment without such prior written consent shall be void and of no force and effect; provided, however, that United may collaterally assign, without Torch's or any other Parties' consent, any or all of United's rights and obligations hereunder to any Debt Financing Source in connection with the Debt Financing, and any such Debt Financing Source may exercise all of the rights and remedies of United hereunder in connection with the enforcement of any security or exercise of any remedies to the extent permitted under the Debt Commitment Letter, provided that no such assignment shall relieve United of its obligations hereunder. This Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the parties hereto; provided, further, that if all of the holders of capital stock of United exchange their shares of such capital stock for equivalent capital stock of another entity of which United becomes a wholly-owned Subsidiary, then all references to "United" herein shall thereafter be deemed to refer to such other entity.

Section 10.4. Governing Law; Jurisdiction; Specific Performance.

(a) This Agreement shall be construed, performed and enforced in accordance with, and governed by, the Laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of Delaware. Each of the parties hereto irrevocably submits to, and agrees that, except with respect to any alterative arrangement provided by Section 5.18, any legal action or proceeding with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by any of the other parties hereto or their respective successors or assigns shall be brought and determined exclusively in, the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, any state or federal court within the State of Delaware. Each of the parties hereto hereby irrevocably submits with regard to any such action or proceeding for itself and in respect of its property, generally and unconditionally, to the personal jurisdiction of the courts set forth in this paragraph and agrees that it will not bring any action relating to this Agreement or any of the Transactions in any court other than such courts. Each of the parties hereto hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, (i) any claim that it is not personally subject to the jurisdiction of the above named courts, (ii) any claim that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts and (iii) to the fullest extent permitted by applicable Law, any claim that (A) the suit, action or proceeding in such court is brought in an inconvenient forum, (B) the venue of such suit, action or proceeding is improper or (C) this Agreement, or the subject matter hereof, may not be enforced in or by such courts. Each of Torch and United agrees that a final judgment in any 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 Law. To the fullest extent permitted by applicable Law, each of the parties hereto hereby consents to the service of process in accordance with Section 10.7; provided that nothing herein shall affect the right of any party to serve legal process in any other matter permitted by Law.

(b) EACH PARTY HEREBY ON BEHALF OF ITSELF AND ITS SUBSIDIARIES IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (INCLUDING WITH RESPECT TO THE DEBT FINANCING AND THE EQUITY FINANCING). EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (III) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.4(B).

(c) The parties agree that irreparable damage would occur if this Agreement were not performed in accordance with its specific terms or were otherwise breached. It is accordingly agreed that, subject to this Section 10.4(c), the parties shall be entitled to equitable relief, including in the form of an injunction or injunctions, to prevent breaches or threatened breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in an appropriate court of competent jurisdiction as set forth in Section 10.4(a), this being in addition to any other remedy to which any party is entitled at Law or in equity, subject to the terms, limitations and conditions in this Agreement. The right to specific enforcement shall include the right of Torch to cause (i) the other Parties to cause the Transactions to be consummated on the terms and subject to the conditions and limitations set forth in this Agreement and (ii) United to enforce the terms of the Investment Agreement (including by taking enforcement action, including seeking specific performance, to cause the Equity Financing Sources to fund the Equity Financing) and the Debt Commitment Letter. The parties hereto further agree (A) to waive any requirement for the security or posting of any bond in connection with any such equitable remedy and (B) not to assert that a remedy of specific enforcement pursuant to this Section 10.4(c) is unenforceable, invalid, contrary to applicable Law or inequitable for any reason, or to assert that a remedy of monetary damages would provide an adequate remedy. The parties acknowledge and agree that this Section 10.4(c) is an integral part of the Transactions and without that right, the parties hereto would not have entered into this Agreement.

(d) Notwithstanding anything in this Agreement to the contrary, the Parties acknowledge and irrevocably agree (i) that any legal proceeding, whether in law or in equity, in contract, in tort or otherwise, involving the Debt Financing Source Related Parties arising out of, or relating to, the Merger, the Debt Commitment Letter, the Debt Financing or the performance of services thereunder or related thereto will be brought in and subject to the exclusive jurisdiction of the Supreme Court of the State of New York, county of New York sitting in the Borough of Manhattan and any appellate court thereof, and each Party submits for itself and its property with respect to any such legal proceeding to the exclusive jurisdiction of such court; (ii) not to bring or permit any of their Affiliates to bring or support anyone else in bringing any such legal proceeding in any other court; (iii) that service of process, summons, notice or document by registered mail addressed to them at their respective addresses provided in any applicable debt commitment letter will be effective service of process against them for any such legal proceeding brought in any such court; (iv) to waive and hereby waive, to the fullest extent permitted by law, any objection which any of them may now or hereafter have to the laying of venue of, and the defense of an inconvenient forum to the maintenance of, any such legal proceeding in any such court; and (v) any such legal proceeding will be governed by, construed in accordance with and enforced under the laws of the State of New York (except as otherwise specified in the Debt Commitment Letter).

Section 10.5. Expenses. All fees and expenses incurred in connection with the Transactions, including all legal, accounting, financial advisory, consulting and all other fees and expenses of third parties incurred by a party in connection with the negotiation and effectuation of the terms and conditions of this Agreement and the Transactions, shall be the obligation of the respective party incurring such fees and expenses; provided, that solely in the event the Closing occurs, (a) United shall bear and pay all Transaction Expenses, and to the extent that any Transaction Expenses are paid by Torch or any of its Subsidiaries, shall reimburse Torch promptly upon submission of invoices therefor, and (b) notwithstanding the foregoing, to the extent not paid prior to the Closing, Torch shall bear and pay any bonuses or similar forms of compensation payable in connection with the Transactions pursuant to any change in control or similar obligation pursuant to any ContentCo Benefit Plan in effect prior to the Closing (for the avoidance of doubt, excluding any amounts contemplated by clause (b) of the definition of Transaction Expenses that are, in part or in whole, conditioned on continued service with United or any ContentCo Entity after the Closing and entered into in consultation with United) and, to the extent that any such amount is paid by United or any of its Subsidiaries after the Closing, Torch shall reimburse United promptly upon submission of invoices therefor.

Section 10.6. Severability; Construction.

(a) In the event that any part of this Agreement is declared by any court or other judicial or administrative body to be null, void or unenforceable, all of the other provisions of this Agreement shall remain in full force and effect, with no effect on the validity or enforceability of such other provisions. If any provision of this Agreement, or the application of such provision to any Person or any circumstance, is invalid or unenforceable, (i) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (ii) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application of such provision, in any other jurisdiction.

(b) The Parties have participated jointly in the negotiation and drafting of this Agreement. If any ambiguity or question of intent arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party because of the authorship of any provision of this Agreement.

Section 10.7. Notices. All notices, requests, instructions or other communications or documents to be given or made hereunder by any party to each of the other parties to this Agreement shall be in writing and (a) served by personal delivery upon the Party for whom it is intended, (b) by an internationally recognized overnight courier service upon the Party for whom it is intended or (c) sent by e-mail, provided that a hard copy is also sent in accordance with the delivery methods set forth in clause (a) or (b) of this Section 10.7:

If to Torch:

Av. Vasco de Quiroga 2000
Edificio “A” Cuarto Piso
Colonia Santa Fe
Mexico City, Mexico
01210
E-mail: labustoso@televisa.com.mx
cferreiro@televisa.com.mx
amartinezb@televisa.com.mx
Attention: Alejandro Bustos Olivares
Carlos Ferreiro Rivas
Armando J. Martinez-Benitez

Copy to (such copy not to constitute notice):

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
E-mail: jrcammaker@wlrk.com
mastagliano@wlrk.com
Attention: Joshua R. Cammaker
Mark A. Stagliano

If to United:

Univision Holdings, Inc.
8551 NW 30th Terrace
Miami, FL 33122
E-mail: wdavis@univision.net
atenbrink@univision.net
gdryfoos@univision.net
Attention: Wade Davis
Amy Tenbrink
Glenn Dryfoos

Copy to (such copy not to constitute notice):

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Sixth Avenue
New York, NY 10019
E-mail: tzeitzer@paulweiss.com
jrosenberg@paulweiss.com
Attention: Taurie Zeitzer
Justin Rosenberg

If to Smoke:

Searchlight III UTD GP, LLC
c/o Searchlight Capital Partners, LP
745 Fifth Avenue – 27th Floor
New York, NY 10151
E-mail: afrey@searchlightcap.com
areiss@searchlightcap.com
nnurmohamed@searchlightcap.com
Attention: Andrew Frey
Adam Reiss
Nadir Nurmohamed

If to Flame:

ForgeLight Univision Holdings LLC
8551 NW 30th Terrace
Miami, FL 33122
E-mail: wdavis@forgelight.com
Attention: Wade Davis

If to Lava:

Liberty Global Ventures Limited
Griffin House
161 Hammersmith Road
London W6 8BS, United Kingdom
E-mail: asalvato@libertyglobal.com
LegalUS@libertyglobal.com
Attention: Andrea Salvato

Any party may change its address for the purpose of this Section 10.7 by giving the other party written notice of its new address in the manner set forth above. Any notice, request, instruction or other communication or document given as provided above shall be deemed given to the receiving party (i) upon actual receipt, if delivered personally, (ii) on the second (2nd) Business Day after deposit with an overnight courier, if sent by an overnight courier, or (iii) upon confirmation of successful transmission if sent by email. Copies to outside counsel are for convenience only.

Section 10.8. Entire Agreement. This Agreement, the other Transaction Documents, and the Confidentiality Agreement (which Confidentiality Agreement, for the avoidance of doubt, shall survive the Closing or any termination of this Agreement), and the annexes, attachments, exhibits and schedules hereto (including, for clarity, the Torch Disclosure Letter and United Disclosure Letter) and thereto contain the entire understanding among the parties hereto with respect to the matters contemplated hereby and supersede and replace all prior and contemporaneous agreements and understandings, oral or written, with regard to such matters.

Section 10.9. Third-Party Beneficiaries. Except for Section 5.5, this Section 10.9, Section 10.12 and Section 10.13, nothing in this Agreement is intended to confer, or does confer, any rights or remedies under or by reason of this Agreement on any Persons other than the parties hereto, it being understood that (a) the persons released pursuant to Section 10.13 shall have the right to enforce their respective rights under Section 10.13, (b) from and after the Closing, the Indemnified Persons shall be third-party beneficiaries of the provisions of Section 5.5 and shall have the right to enforce their respective rights thereunder, (c) each Debt Financing Source Related Party shall be an express third-party beneficiary with respect to Section 9.2, Section 9.3, Section 10.3, Section 10.4(b), Section 10.4(d), this Section 10.9 and Section 10.14, and (d) each Equity Financing Source Related Party shall be an express third-party beneficiary with respect to Section 9.2, Section 9.3, Section 10.4(b), this Section 10.9 and Section 10.15.

Section 10.10. Section and Paragraph Headings; Interpretation. The table of contents to this Agreement is for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The section and paragraph headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. A reference in this Agreement to "$" or "dollars" is to U.S. dollars and a reference in this Agreement to "Mex$" is to Mexican pesos. For purposes of determining the U.S. dollar equivalent of any amounts in Mexican pesos, the parties shall use the applicable foreign exchange rate as published by the Bank of Mexico (*Banco de México*) in the Federal Official Gazette (*Diario Oficial de la Federación*) on the day before payment is made. For purposes of determining the U.S. dollar equivalent of any amounts in another currency, the parties shall use the applicable foreign exchange rate as published by *The Wall Street Journal* on the date of payment. If a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb). All references herein as to any time of day shall be the time of day in New York, New York unless otherwise specified. Unless the context of this Agreement clearly requires otherwise, words imparting the masculine gender shall include the feminine and neutral genders and vice versa, and the definitions of terms contained in this Agreement are applicable to the singular as well as the plural forms of such terms. The words "includes" or "including" shall mean "including without limitation". The words "hereof", "hereby", "herein", "hereunder" and similar terms in this Agreement shall refer to this Agreement as a whole and not any particular section or article in which such words appear, the word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends and such phrase shall not mean simply "if". The word "or" is not exclusive, unless the context otherwise requires. Any reference to a Law shall include any rules and regulations promulgated thereunder, and shall mean such Law as from time to time amended, modified or supplemented. References herein to any contract (including this Agreement) mean such contract as amended, supplemented or modified from time to time in accordance with the terms thereof. Each reference to a "wholly-owned Subsidiary" of a Person shall be deemed to include any Subsidiary of such Person where all of the equity interests of such Subsidiary are directly or indirectly owned by such Person. Each reference to "made available" (or words of similar import), with respect to any document or item, shall mean such document or item provided directly to a Party or made available to (and viewable by) a Party in an electronic data room to which such Party was provided access on or before the day immediately prior to the date of this Agreement.

Section 10.11. Counterparts. This Agreement may be executed in counterparts (including by facsimile, ".pdf" files or other electronic transmission), each of which shall be deemed an original, but all of which when taken together shall constitute the same instrument.

Section 10.12. Legal Representation.

(a) Each of the Parties acknowledges and agrees that Existing Counsel may have acted as counsel for Torch, each ContentCo Entity and/or their respective Affiliates in connection with this Agreement and the Transactions (the "Transactions Engagement").

(b) Each of the Parties acknowledges and agrees that all confidential communications between Torch, each ContentCo Entity and/or their respective Affiliates, on the one hand, and Existing Counsel, on the other hand, in the course of the Transactions Engagement, and any attendant attorney-client privilege, attorney work product protection, and expectation of client confidentiality applicable thereto, shall be deemed to belong solely to Torch and their Affiliates (excluding the ContentCo Group), and not United or any of its Subsidiaries, and shall not pass to or be claimed, held, or used by United or any of its Subsidiaries upon or after the Closing. Accordingly, United shall not have access to any such communications, or to the files of Existing Counsel relating to the Transactions Engagement, whether or not the Closing occurs. Without limiting the generality of the foregoing, upon and after the Closing, (i) to the extent that files of Existing Counsel in respect of the Transactions Engagement constitute property of the client, only Torch and their Affiliates (excluding the ContentCo Group) shall hold such property rights, and (ii) Existing Counsel shall have no duty whatsoever to reveal or disclose any such attorney-client communications or files to United or any of its Subsidiaries by reason of any attorney-client relationship between Existing Counsel and United or any of its Subsidiaries or otherwise. If and to the extent that, at any time subsequent to Closing, United or any of its Affiliates (including after the Closing, the ContentCo Group) shall have the right to assert or waive any attorney-client privilege with respect to any communication between any ContentCo Entity or their respective Affiliates and Existing Counsel that occurred at any time prior to the Closing, United, on behalf of itself and its Affiliates (including after the Closing, the ContentCo Group) shall be entitled to waive such privilege only with the prior written consent of Torch (not to be unreasonably withheld, delayed or conditioned).

(c) Each of the Parties acknowledges and agrees that Existing Counsel may continue to represent Torch or its respective Affiliates in future matters. Accordingly, United, on behalf of itself and its Affiliates (including after the Closing, the ContentCo Group), expressly: (i) consents to Existing Counsel's representation of Torch and its Affiliates in any matter, including any post-Closing matter in which the interests of United or its Affiliates (including after the Closing, the ContentCo Group), on the one hand, and Torch or its Affiliates, on the other hand, are adverse, including any matter relating to the Transactions, and whether or not such matter is one in which Existing Counsel may have previously advised Torch or its Affiliates; and (ii) consents to the disclosure by Existing Counsel to Torch or its Affiliates of any information learned by Existing Counsel in the course of its representation of Torch, the ContentCo Entities and/or their respective Affiliates, whether or not such information is subject to attorney-client privilege, attorney work product protection, or Existing Counsel's duty of confidentiality.

(d) United, on behalf of itself and its Affiliates (including after the Closing, the ContentCo Group) further covenants and agrees that each shall not assert any claim, and that it hereby waives any claim, against Existing Counsel in respect of legal services provided to Torch or any of its Subsidiaries by Existing Counsel in connection with the Transactions Engagement.

(e) Upon and after the Closing, each ContentCo Entity shall cease to have any attorney-client relationship with Existing Counsel, unless and to the extent Existing Counsel is specifically engaged in writing by United or a ContentCo Entity to represent such company after the Closing. Any such representation by Existing Counsel after the Closing shall not affect the foregoing provisions hereof.

(f) The Parties consent to the arrangements in this Section 10.12 and agree to take, and to cause their Affiliates to take, all steps necessary to implement the intent of this Section 10.12 and not to take or cause their Affiliates to take positions contrary to the intent of this Section 10.12. Each Party further agrees that each Existing Counsel is a third-party beneficiary of this Section 10.12.

Section 10.13. Non-Recourse. Subject to the penultimate sentence of this Section 10.13, each Party agrees, on behalf of itself and its Related Parties, that all Proceedings, claims, obligations, liabilities or causes of action (whether in Contract or in tort, in law or in equity or otherwise, or granted by statute or otherwise, whether by or through attempted piercing of the corporate, limited partnership or limited liability company veil or any other theory or doctrine, including alter ego or otherwise) that may be based upon, in respect of, arise under, out of or by reason of, be connected with, or relate in any manner to: (A) this Agreement or any Transaction Document or the transactions contemplated hereby or thereby, (B) the negotiation, execution or performance of this Agreement or any Transaction Document (including any representation or warranty made in, in connection with, or as an inducement to, this Agreement or such Transaction Document), (C) any breach or violation of this Agreement or any Transaction Document, and (D) any failure of the transactions contemplated hereunder or under any Transaction Document to be consummated, in each case, may be made only against (and are those solely of) the Persons that are expressly identified as parties to this Agreement or, in the case of a Transaction Document, the Persons that are expressly named as parties thereof, and, in accordance with, and subject to the terms and conditions of, this Agreement or such Transaction Document, as applicable. In furtherance and not in limitation of the foregoing, and notwithstanding anything contained in this Agreement or any Transaction Document or otherwise to the contrary, but subject to the penultimate sentence of this Section 10.13, each Party covenants, agrees and acknowledges, on behalf of itself and its respective Related Parties, that no recourse under this Agreement or any Transaction Document or in connection with any Transactions (or transactions contemplated by the Transaction Documents) shall be sought or had against any other Person, and no other Person shall have any liabilities or obligations (whether in Contract or in tort, in Law or in equity or otherwise, or granted by statute or otherwise, whether by or through attempted piercing of the corporate, limited partnership or limited liability company veil or any other theory or doctrine, including alter ego or otherwise) for any claims, causes of action, obligations or liabilities arising under, out of, in connection with or related in any manner to the items in the immediately preceding clauses (A) through (D), it being expressly agreed and acknowledged that no personal liability or losses whatsoever shall attach to, be imposed on or otherwise be incurred by any of the aforementioned, as such, arising under, out of, in connection with or related in any manner to the items in the immediately preceding clauses (A) through (D), in each case, except for claims that the a Party may assert (i) against any Person that is party to, and solely pursuant to the terms and conditions of, an applicable Transaction Document or (ii) against a Party solely in accordance with, and pursuant to the terms and conditions of, this Agreement. Notwithstanding the foregoing, nothing in this Section 10.13, shall be deemed to relieve any Subsidiary of Torch or United of any obligations it may have pursuant to the express terms of any Transaction Document and nothing in this Section 10.13 shall be deemed to relieve Torch or United of any obligations it may have in respect of any of its respective Subsidiaries pursuant to the express terms of this Agreement or any Transaction Document. Notwithstanding anything to the contrary herein, in any Transaction Document or otherwise, with respect to each Party, no Related Party of such Person shall be responsible or liable for any multiple, consequential, indirect, special, statutory, exemplary or punitive damages which may be alleged as a result of this Agreement or any Transaction Document or the transactions contemplated hereunder or thereunder, or the termination or abandonment of any of the foregoing.

Section 10.14. No Recourse Against Debt Financing Source Related Parties. Notwithstanding anything in this Agreement to the contrary, neither Torch nor any of its Affiliates will have any rights or claims (whether in tort, contract or otherwise) against any of the Debt Financing Source Related Parties in connection with this Agreement or the Debt Financing and no Debt Financing Source Related Parties shall have any liability for any obligations or liabilities of the parties hereto or for any claim (whether in tort, contract or otherwise), based on, in respect of, or by reason of, the transactions contemplated hereby or by the Debt Financing. For the avoidance of doubt, nothing in this Section 10.14 shall in any way limit or qualify the rights and obligations of the Debt Financing Sources and the other parties to the Debt Commitment Letter (or the definitive documents entered into pursuant thereto) to each other thereunder or in connection therewith.

Section 10.15. No Recourse Against Equity Financing Source Related Parties. Notwithstanding anything in this Agreement to the contrary, but subject to the last sentence of this Section 10.15 neither Torch, Smoke nor any of their respective Affiliates will have any rights or claims (whether in tort, contract or otherwise) against any of the Equity Financing Source Related Parties in connection with this Agreement or the Equity Financing and no Equity Financing Source Related Parties shall have any liability for any obligations or liabilities of the parties hereto or for any claim (whether in tort, contract or otherwise), based on, in respect of, or by reason of, the transactions contemplated hereby or by the Equity Financing. Notwithstanding the foregoing, nothing in this Section 10.15 shall in any way limit or qualify the rights and obligations of the Equity Financing Sources, the Equity Financing Source Related Parties and the other parties to the Investment Agreement (or the definitive documents entered into pursuant thereto) or the equity commitment letters and any related guarantees contemplated thereby to each other thereunder or in connection therewith.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

GRUPO TELEVISA, S.A.B.

By: /s/ Alfonso de Angoitia Noriega
Name: Alfonso de Angoitia Noriega
Title: Co-Chief Executive Officer

By: /s/ Bernardo Gomez Martinez
Name: Bernardo Gomez Martinez
Title: Co-Chief Executive Officer

[*Signature Page to Transaction Agreement*]

UNIVISION HOLDINGS, INC.

By: /s/ Wade Davis
Name: Wade Davis
Title: Chief Executive Officer

[*Signature Page to Transaction Agreement*]

SEARCHLIGHT III UTD GP, LLC

By: /s/ Eric Zinterhofer
Name: Eric Zinterhofer
Title: Authorized Person

[*Signature Page to Transaction Agreement*]

FORGELIGHT UNIVISION HOLDINGS LLC

By: ForgeLight (United) Investors, LLC,
its member

By: ForgeLight (United) Investors
MM, LLC, its managing member

By: /s/ Wade Davis
Name: Wade C. Davis
Title: Chief Executive Officer

[*Signature Page to Transaction Agreement*]

LIBERTY GLOBAL VENTURES LIMITED

By: /s/ Andrea Salvato
Name: Andrea Salvato
Title: Director

[*Signature Page to Transaction Agreement*]

**Annex A**

**Certain Definitions**

For the purposes of this Agreement, the term:

"Adjustment Amount" means an amount (which may be positive or negative) equal to the Cash Consideration *less* the Closing Consideration.

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly, or through one or more intermediaries, controls or is controlled by or is under common control with such Person; provided, however, that with respect to (a) United, "Affiliate" means any Person that is controlled, directly or indirectly, by United and (b) Torch, "Affiliate" means any Person that is controlled, directly or indirectly, by Torch, and expressly excludes United and its Affiliates. As used herein, the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of any other power to direct or cause the direction of the management and policies of such a Person, whether through ownership of voting securities, by contract or otherwise.

"Allied and Ancillary Rights" means all merchandising rights, publishing rights (print and electronic, but excluding Torch's current magazine publishing business), novelization rights, subsequent production rights, remake rights, sequel rights, serialization rights, commercial tie-ins, co-promotions, soundtrack rights, game rights, music publishing rights, grand and dramatic rights, interactive media rights, multi-media rights, ice show rights, podcast rights, radio rights, and theme park (or other "themed" or location-based attraction) rights, in each case (a) to the extent acquired or obtained by Torch or its Subsidiaries together with the Audio-Visual Content to which such rights relate, (b) if such rights are not primarily related to or primarily used by the Excluded Business and not included in the Excluded Assets and Liabilities (provided, for the avoidance of doubt, that any rights otherwise included in this definition relating to the *Club América* soccer team are expressly excluded from the Allied and Ancillary Rights), and (c) subject to the limitations, expirations, obligations, and restrictions applicable to such rights pursuant to their terms or the terms upon which they were acquired or obtained.

"Audio-Visual Content" means all forms of moving images with accompanying sound, including without limitation soap-operas, novelas, musicals, variety shows, situation comedies, game shows, children's shows, news shows, cultural and educational programs, sports programs, sporting events, reality shows, movies, political conventions, election coverage, parades, pageants, fashion shows, "how-to" and other informational programs, interviews, animation and demonstrative content.

"Business Day" means any day, other than a Saturday, Sunday and any day which is a legal holiday under the Laws of the United Mexican States or the State of Delaware or is a day on which banking institutions located in the United Mexican States or the State of Delaware are authorized or required by applicable Law or other governmental action to close.

"Carriage Agreement" means each retransmission, distribution or other Contract consenting to the retransmission of, granting rights with respect to or otherwise licensing any content (e.g., any local broadcast television stations, any linear networks or services, any video-on-demand or other content), including all amendments (including, without limitation, any accepted most-favored nations offers or settlements), side letters or other Contracts relating thereto or associated therewith (including, without limitation, any Contracts with respect to the provision of marketing, purchasing of advertising, provision of advertising credit, provision or purchasing of data, or expenditures on content acquisition).

"Cash Consideration" means the sum of (a) ContentCo Working Capital, *less* (b) the ContentCo Target Working Capital, *plus* (c) ContentCo Cash, *less* (d) the absolute value of ContentCo Indebtedness. For the avoidance of doubt, the result of the sum of the foregoing clauses (a) and (b) shall be the sum of the ContentCo Working Capital plus the absolute value of the ContentCo Target Working Capital. Illustrative Adjustment Amount and Working Capital calculations are attached as Annex C hereto.

"Code" means the Internal Revenue Code of 1986, as amended.

"COFECE" means the Federal Economic Competition Commission (*Comisión Federal de Competencia Económica*) of Mexico or any Governmental Authority that is its successor.

"Collective Bargaining Agreement" means any written Contract between an employer and any labor union, trade union agreement or foreign works council contract or arrangement.

"Compliant" means, with respect to the Required Information, that (a) such Required Information does not contain any untrue statement of a material fact regarding the ContentCo Group and the ContentCo Business or omit to state any material fact regarding the ContentCo Group and the ContentCo Business necessary in order to make such Required Information not misleading in light of the circumstances under which such statements were made, and (b) the financial statements included in such Required Information would not be deemed stale under customary practices for offerings and private placements of 144A Debt Securities and are sufficient to permit Torch's independent accountants to issue customary comfort letters to the Debt Financing Sources to the extent required as part of the Debt Financing, including as to customary negative assurances, in order to consummate any offering of such debt on any day during the Marketing Period.

"Confidentiality Agreement" means the non-disclosure agreement, dated as of November 11, 2020, between Torch and Searchlight Capital Partners, L.P., as modified by that certain joinder agreement, dated February 22, 2021, between United and Searchlight Capital Partners, L.P.

"ContentCo Balance Sheet Date" means September 30, 2020.

"ContentCo Benefit Plan" means each "employee benefit plan" (within the meaning of Section 3(3) of ERISA) and all other compensation or employee benefit plans, policies, programs, agreements or arrangements, excluding any Multiemployer Plans, and each other stock purchase, stock option, restricted stock, severance, retention, employment, consulting, change-of-control, bonus, incentive, deferred compensation, employee loan, fringe benefit and other benefit plan, agreement, program, policy, commitment or other arrangement, whether or not subject to ERISA (including any related award agreements and any related funding mechanism now in effect or required in the future), whether formal or informal, oral or written, in each case, sponsored, maintained, contributed to or required to be contributed to by any ContentCo Entity or under which any ContentCo Entity has any current or potential liability, in all cases, excluding plans, programs or arrangements sponsored by any Governmental Entity.

"ContentCo Business Employee" means each employee or consultant of Torch or its Subsidiaries who is primarily engaged in the ContentCo Business and employed by any ContentCo Entity.

"ContentCo Cash" means, without duplication, and as determined in accordance with the Transaction Accounting Principles as of the close of business on the day before the Closing Date, the sum of the following of the ContentCo Group, on a combined basis: (a) all amounts of cash and bank deposits and all amounts of issued and uncleared checks, wire transfers, and drafts written or made for the account of the ContentCo Group; (b) all short-term securities convertible into cash with an original maturity of no more than three (3) months; (c) amounts of all receivables (other than any receivables included in ContentCo Working Capital) from Torch or any of its Subsidiaries or Affiliates, on the one hand, to any ContentCo Entity, on the other hand, to the extent not settled pursuant to Section 5.16; and (d) the World Cup Adjustment Amount (which, in the case of this clause (d), for the avoidance of doubt, may be a positive or negative number); provided, that, ContentCo Cash shall not include (i) any assets included in ContentCo Working Capital, (ii) fifty percent (50%) of any Restricted Cash, (iii) any amounts of issued and uncleared checks, wire transfers and drafts written or made from the accounts of the ContentCo Group, (iv) any Asset Sale Consideration received by any member of the ContentCo Group that has not been distributed to Torch or one or more Subsidiaries (other than a member of the ContentCo Group) in accordance with, and subject to the limitations set forth in, Section 4.1(b)(v), or (v) for the avoidance of doubt, amounts received by OpCo pursuant to Section 1.2(c) in satisfaction of the CLA Payable.

"ContentCo Financial Statements" means the unaudited carve-out combined balance sheet of the ContentCo business of the Torch group as of December 31, 2018, December 31, 2019, and September 30, 2020, and the related carve-out combined statements of income for each of the two (2) years ended December 31, 2018 and 2019 and the nine (9)-month period ended September 30, 2020, and the related notes to the consolidated financial statements.

"ContentCo Indebtedness" means, with respect to the ContentCo Group, without duplication, and as determined in accordance with the Transaction Accounting Principles as of the close of business on the day before the Closing Date: (a) all indebtedness for borrowed money from financial institutions including overdraft, obligations evidenced by a note, bond, debenture or similar instrument and the assignment of receivables for financing purposes; (b) obligations with respect to interest-rate hedging, swaps or similar financial arrangements (valued at the termination value thereof and net of all payments owed to any ContentCo Entity thereunder); (c) all prepayment penalties, breakage and redemption costs and costs triggered by the execution of this Agreement or consummation of the transactions contemplated hereby, and the early repayment penalties related to the repayment and termination of the banking facilities of any ContentCo Entity, if any; (d) any amounts for the deferred purchase price of goods and services which remain unpaid as of the Closing, including any unpaid earn out liabilities associated with past acquisitions; (e) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by any ContentCo Entity; (f) amounts of all payables (other than any payables included in ContentCo Working Capital) from any ContentCo Entity, on the one hand, to Torch or any of its Subsidiaries or Affiliates, on the other hand, to the extent not settled pursuant to Section 5.16 other than payables to be settled pursuant to the OpCo Payable Settlement; (g) any Pre-Closing Income Taxes unpaid as of the Closing Date; (h) all accrued interest related to the items listed in clauses (a) through (g) of this definition; (i) all obligations of the type referred to in clauses (a) through (e), (g) and (h) of other Persons for the payment of which any ContentCo Entity is responsible or liable, as obligor, guarantor, surety or otherwise, including any guarantee of such obligations; (j) any unfunded or underfunded liabilities with respect to any pension and other similar post-employment benefit obligations under any ContentCo Benefit Plan, in each case to the extent such benefit obligations are vested as of the Closing; and (k) all unpaid amounts contemplated by clause (a) of the definition of Transaction Expenses in excess of the Expense Cap to the extent liabilities of a ContentCo Entity. For the avoidance of doubt, ContentCo Indebtedness shall not include (i) any indebtedness in respect of leases or lease back arrangements (other than in respect of capital lease arrangements of any ContentCo Entity, which indebtedness shall be included in ContentCo Indebtedness, except for the leases in respect of the facilities and properties at Chapultepec and San Angel, which shall not be included in ContentCo Indebtedness), (ii) any financial obligations under letters of credit, performance bonds or other financial instruments, except in each case to the extent any ContentCo Entity has drawn or borrowed money thereunder, (iii) any liabilities included in ContentCo Working Capital, (iv) other than as otherwise set forth in clause (g), liabilities, accruals or provisions in respect of or relating to any Taxes, (v) any indebtedness from which any ContentCo Entity is released prior to or at the Closing, (vi) other than as otherwise set forth in clause (k), any Transaction Expenses and (vii) for the avoidance of doubt, amounts payable by OpCo as a dividend or capital reduction pursuant to Section 1.2(c).

"ContentCo IP Licenses" means all licenses, sublicenses and other agreements (excluding (a) Carriage Agreements with Distributors, (b) "shrink wrap," "click wrap," and "off the shelf" software agreements and other agreements for uncustomized or minimally configured software that is commercially available to the public, and (c) non-exclusive licenses to ContentCo Owned IP granted to customers, partners and distributors in the ordinary course of business consistent with past practice), by which a ContentCo Entity grants rights to ContentCo Owned IP or by which any ContentCo Entity is granted rights to Intellectual Property, in each case that is primarily used or primarily held for use in the ContentCo Business.

"ContentCo Licensed-Back IP" means the Trade Secrets and Copyrights included in the ContentCo Owned IP and the Purchased Rights that are practiced, used or exploited by, or absent a license thereto or ownership thereof, would be infringed by, the Excluded Business as of the Closing Date.

"ContentCo Licensed Programming" means any material Intellectual Property related to television programming that is primarily used or primarily held for use in the ContentCo Business (including the ContentCo Licensed Media Properties) to or under which a ContentCo Entity is exclusively licensed or is otherwise exclusively authorized to practice.

"ContentCo Materials" means the materials (including Audio-Visual Content and certain audio content ancillary thereto, and advertising inventory associated with such Audio-Visual Content) and know-how in the form known or used by an employee of any ContentCo Entity, in each case, to the extent used in the ContentCo Business as of the Closing Date.

"ContentCo Material Adverse Effect" means any event, change, circumstance, effect, development or state of facts that, individually or in the aggregate, (a) has had or would reasonably be expected to have a materially adverse effect on the business, results of operations or financial condition of the ContentCo Business, taken as a whole; provided, however, that a ContentCo Material Adverse Effect shall not include the effect of any event, change, circumstance, effect, development or state of facts resulting from or arising out of (i) general economic or political conditions or securities, credit, financial or other capital markets conditions, in each case in the United States, Mexico or any other jurisdiction, (ii) changes or conditions generally affecting the industries, businesses, or segments thereof, in which the ContentCo Business operates (including Pandemic Measures), (iii) any change after the date hereof in applicable Law or IFRS (or authoritative interpretation of any of the foregoing), (iv) the announcement of this Agreement or any of the Transactions or the terms hereof or the consummation of any of the Transactions, including the impact thereof on the relationships of the ContentCo Business with customers, suppliers, distributors, partners, officers or employees, (v) acts of war, armed hostilities, sabotage or terrorism, or any escalation or worsening of any acts of war, armed hostilities, sabotage or terrorism threatened or underway as of the date of this Agreement, (vi) earthquakes, hurricanes, floods, epidemics, Pandemics or other natural disasters, (vii) any failure, in and of itself, by any ContentCo Entity to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics for any period (it being understood that the facts or occurrences giving rise to or contributing to such failure may be taken into account in determining whether there has been or will be a ContentCo Material Adverse Effect to the extent not otherwise excluded hereunder) or (viii) any change, in and of itself, in the market price or trading volume of the securities of any ContentCo Entity (it being understood that the facts or occurrences giving rise to or contributing to such change may be taken into account in determining whether there has been or will be a ContentCo Material Adverse Effect to the extent not otherwise excluded hereunder), except, in the case of the foregoing clauses (i), (ii), (iii), (v) and (vi), to the extent that such event, change, circumstance, effect, development or state of facts affects the ContentCo Business in a disproportionate manner when compared to the effect of such event, change, circumstance, effect, development or state of facts on other Persons in the industries, businesses, or segments thereof, in which the ContentCo Business operates, in which case only the incremental disproportionate impact may be taken into account in determining whether there has been a ContentCo Material Adverse Effect; provided, further, that the exception in the foregoing clause (iv) will not be deemed to apply to references to ContentCo Material Adverse Effect in the representations and warranties set forth in Section 2.3(b), and, to the extent related to Section 2.3(b), the condition set forth in Section 8.2(a); or (b) would or would reasonably be expected to prevent or materially delay or impair the ability of Torch to perform its obligations under this Agreement or to consummate the Transactions in accordance with this Agreement.

"ContentCo Owned IP" means all Intellectual Property owned by the ContentCo Group (including the ContentCo Registered IP and social media account identifiers owned by the ContentCo Group); provided, that ContentCo Owned IP shall not include the Intellectual Property set forth on Annex A-2 of the Torch Disclosure Letter.

"ContentCo Registered IP" means all U.S., Mexican and other patents and patent applications, trademark and service mark registrations and applications, internet domain name registrations and copyright registrations and applications, in each case owned by the ContentCo Group.

"ContentCo Target Working Capital" means, if ContentCo Working Capital is (i) less than negative three hundred sixty six million, nine hundred sixty seventy thousand, five hundred seventy one Mexican pesos (-Mex$366,967,571) (the "ContentCo Target Working Capital Minimum"), the ContentCo Target Working Capital Minimum, (ii) greater than negative one hundred twenty two million, three hundred twenty two thousand, five hundred twenty four Mexican pesos (-Mex$122,322,524) (the "ContentCo Target Working Capital Maximum"), the ContentCo Target Working Capital Maximum, and (iii) greater than or equal to the ContentCo Target Working Capital Minimum and less than or equal to the ContentCo Target Working Capital Maximum, an amount equal to ContentCo Working Capital.

"ContentCo Working Capital" means, without duplication, and as determined in accordance with the Transaction Accounting Principles as of the close of business on the day before the Closing Date, the sum of the line items identified as Current Assets on Annex C, less the sum of the line items identified as Current Liabilities on Annex C, in each case excluding the items identified as Excluded Balance Accounts on Annex C; provided, that, for the avoidance of doubt and notwithstanding anything elsewhere herein to the contrary, ContentCo Working Capital shall not include (a) any assets included in ContentCo Cash; (b) any liabilities included in ContentCo Indebtedness; (c) any intercompany balances solely among ContentCo Entities; (d) any (current or deferred) income Tax assets or any (current or deferred) income Tax liabilities, and which shall include all current non-income Tax assets and current non-income Tax liabilities or (e) any liabilities included in Transaction Expenses.

"Contract" means any loan or credit agreement, indenture, debenture, note, bond, mortgage, deed of trust, lease, sublease, license, sublicense, binding instrument, guarantee, binding commitment, contract or other agreement (excluding any ContentCo Benefit Plans or United Benefit Plans), whether oral or written.

"Damages" means and includes any loss, damage, claim, demand, settlement, judgment, award, liability, deficiency, action, obligation, fine or penalty, fee (including reasonable and documented legal fees), charge, expense or cost and any interest thereon.

"Debt Financing Sources" means the agents, arrangers, lenders, underwriters, commitment parties, initial purchasers, managers and other entities party to the Debt Commitment Letter that have committed to provide or arrange the Debt Financing, and the parties to any joinder agreement, credit agreement, note purchase agreement or similar documentation entered into pursuant or relating to the Debt Commitment Letter (including any other definitive agreements executed in connection with the Debt Commitment Letter) and their respective successors and assigns.

"Debt Financing Source Related Parties" means the Debt Financing Sources, their Affiliates and their and their Affiliates' respective Representatives, and their respective successors and assigns.

"Distributor" means each third party that retransmits, distributes or otherwise makes available content to subscribers or other customers, regardless of delivery method, and each of such third party's Affiliates.

"Environmental Laws" means all Laws or administrative or judicial interpretation thereof, including any order, relating to pollution, the protection, investigation or restoration of the environment, health and safety or natural resources or the protection of human health and safety (including those relating to the use, handling, transportation, storage, disposal, discharge of, or exposure to Hazardous Materials).

"Equity Financing Source Related Parties" means the Equity Financing Sources, their Affiliates and their and their Affiliates' respective Representatives, and their respective successors and assigns.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means, with respect to any entity, trade or business, any other entity, trade or business that is a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA that includes the first entity, trade or business, or that is a member of the same "controlled group" as the first entity, trade or business pursuant to Section 4001(a)(14) of ERISA.

"Excluded Assets and Liabilities" means (a) the products and services to be provided to the ContentCo Group pursuant to the Ancillary Agreements and (b) the assets and liabilities set forth on Annex B-1 of the Torch Disclosure Letter.

"Existing Counsel" means Wachtell, Lipton, Rosen & Katz; Mijares, Angoitia, Cortés y Fuentes S.C.; and Pillsbury Winthrop Shaw Pittman LLP.

"Expense Cap" means an amount equal to the aggregate fees and expenses of the accountants, bankers, financial advisors, consultants and other advisors and service providers incurred by United and its Subsidiaries in connection with the preparation, negotiation and execution of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby or thereby, including those advisors and service providers set forth on Annex A-2 of United Disclosure Letter; provided, that with respect to the service provider listed in Item 1 of Annex A-2 of United Disclosure Letter (and the specified services set forth therein), only the fees and expenses incurred by United and its Subsidiaries through the date of this Agreement (which such fees and expenses are set forth in such Annex A-2) shall count toward the Expense Cap; and provided, further that the following fees and expenses shall not be taken into account when determining the Expense Cap: (a) fees and expenses incurred by United or any of its Subsidiaries in connection with the Debt Financing and (b) fees and expenses owed to any consultants or third party Representatives engaged by the Interim Committee in connection with the processes set forth in Section 5.18(b).

"FCC" means the U.S. Federal Communications Commission.

"FCC Applications" means those applications, requests for waivers and petitions for declaratory ruling (if any) required to be filed with the FCC to obtain the approvals, waivers and declaratory rulings of the FCC pursuant to the U.S. Communications Laws necessary to consummate the Transactions, including, pursuant to 47 C.F.R. § 1.5001(i)(1), any requests for specific FCC approval of a foreign individual or entity that holds or will hold, directly and/or indirectly, an equity and/or voting interest in the Company.

"FCC Consent" means the grant by the FCC of the FCC Applications (if any FCC Applications are filed), regardless of whether the action of the FCC in issuing such grant remains subject to reconsideration or other further review by the FCC or a court, tribunal or judicial body or arbitral body or arbitrator.

"FCC Licenses" means the FCC licenses, permits and other authorizations, together with any renewals, extensions or modifications thereof, issued with respect to the United Stations, or otherwise granted to or held by United or any of its Subsidiaries.

"GAAP" means generally accepted accounting principles in the United States, as in effect from time to time, consistently applied throughout the periods involved.

"Government Official" means any official, officer, employee or representative of, or any Person acting in an official capacity for or on behalf of, any Governmental Entity, any government-owned or -controlled entity or any public international organization.

"Governmental Entity" means any (a) supranational, national, federal, state, county, municipal or local government, any entity owned or controlled by any of the foregoing, or any entity exercising executive, legislative, judicial, regulatory, taxing or administrative functions of or pertaining to any such government, or (b) agency, division, bureau, department or other political subdivision of any government, entity or organization described in the foregoing clause (a) of this definition (including patent and trademark offices and self-regulatory organizations).

"Hazardous Materials" means any substance, material or waste that is regulated, characterized or otherwise classified as "hazardous," "toxic," a "pollutant," a "contaminant" or words of similar meaning and regulatory effect pursuant to any Environmental Law, including petroleum and its by-products.

"HSR Act" means the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"IFRS" means international financial reporting standards, as in effect from time to time, consistently applied throughout the periods involved.

"IFT" means the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones*) of Mexico or any Governmental Authority that is its successor.

"IFT Approval" means the approval of the Transaction from the IFT under the Mexican Telecommunications Law.

"Included Assets and Liabilities" means the assets and liabilities set forth on Annex B-2 of the Torch Disclosure Letter.

"Indebtedness" means, with respect to any Person, without duplication, (a) all indebtedness or other obligations for borrowed money, whether secured or unsecured and all obligations evidenced by notes, bonds, debentures or similar instruments, (b) all obligations of under acceptance, surety bond, letter of credit or similar facilities and all obligations under any performance bond, but in each case only to the extent drawn, (c) obligations for deferred purchase price of property or services (other than current accounts payable to trade creditors and accrued expenses incurred in the ordinary course of business consistent with past practice), and (d) guaranties of or Liens on property securing indebtedness of a type referred to in clauses (a) through (c) above of other Persons.

"Information Technology" means any computers, hardware, Software, applications, databases, firmware, middleware, servers, workstations, networks, systems, routers, hubs, switches, data communications lines, and all other information technology equipment and associated documentation, reference and resource materials.

"Insurance Policies" means all-risk property and casualty, general liability, business interruption and product liability insurance policies.

"Intellectual Property" means, collectively, all U.S., Mexican and other intellectual property, and all right, title and interest in such intellectual property, including: (i) trademarks, service marks, brand names, certification marks, collective marks, logos, designs, symbols, trade dress, trade names, and other indicia of origin, all applications, registrations and renewals of the foregoing, and all goodwill associated therewith and symbolized with the foregoing (collectively, "Trademarks"); (ii) all patents, patent applications, and invention disclosures, including divisions, continuations, continuations-in-part, extensions, reissues, reexaminations, and any other governmental grant for the protection of inventions or industrial designs; (iii) trade secrets and related confidential and proprietary know-how (including all confidential and proprietary ideas, concepts, research and development, plans, proposals and processes), schematics, business methods, formulae, data, specifications, operating and maintenance manuals, drawings, prototypes, models, designs, customer lists, supplier lists, inventions, discoveries and improvements thereto, whether patentable or not, in each case, to the extent confidential, and all other confidential information and proprietary information ("Trade Secrets"); (iv) published and unpublished copyrightable works of authorship in any media (including rights in Software, data, databases and other compilations of information as a work of authorship), mask works, copyrights in and to the foregoing, registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof and all derivative, compilation and ancillary rights of every kind, related to copyrights ("Copyrights"); (v) Internet domain names; (vi) social media accounts; and (vii) moral rights and rights of publicity.

"Investment Agreement" means that certain Investment Agreement, dated as of the date hereof, by and among United and the other parties thereto, relating to the purchase by such parties pursuant to the terms and provisions thereof of Series C Preferred Stock to be issued by United in connection with the Transactions.

"IRS" means the United States Internal Revenue Service.

"Knowledge" means the actual knowledge of (a) with respect to United, the Persons set forth on Annex A-1 of United Disclosure Letter, or (b) with respect to Torch, the Persons set forth on Annex A-1 of Torch Disclosure Letter.

"Law" means any law (including common law), statute, requirement, code, rule, regulation, order, ordinance, judgment or decree or other pronouncement of any Governmental Entity.

"Lien" means any mortgage, pledge, security interest, *fideicomiso*, guarantee, option, encumbrance, title defect, lien (statutory or other), conditional sale agreement, claim, charge, adverse right, prior assignment or hypothecation or other similar restriction of any nature.

"Major U.S. Distributor" means a material Distributor (it being understood and agreed that, for purposes of the foregoing, "material" means any Distributor that (i) is a party to one or more Carriage Agreement(s) with United or any of its Subsidiaries, and (ii) based on information available to United as of December 2019, is one of the top seven (7) Distributors of United and its Subsidiaries measured by total aggregate distribution-related revenues with respect to the last three (3) fiscal years prior to the date of this Agreement.

"Market" means (i) in the case of a television broadcast station, the designated market area of such station as defined by Nielsen Media Research, or (ii) in the case of a radio broadcast station, the Nielsen Audio market of such station as defined by Nielsen Media Research.

"Marketing Period" means the first period of fifteen (15) consecutive Business Days after the date of this Agreement and throughout which and at the end of which United has the Required Information and the Required Information is Compliant (it being understood and agreed that if Torch in good faith and reasonably believes that it has provided the Required Information and the Required Information is Compliant, it may deliver to United a written notice to that effect (stating when it believes the Required Information was delivered), in which case Torch shall be deemed to have delivered the Required Information to United on the date specified in that notice and the Required Information shall be deemed to be Compliant ("Deemed Compliance") unless United in good faith and reasonably believes that Torch has not completed delivery of the Required Information or the Required Information is not Compliant and, within four (4) Business Days after its receipt of such notice from Torch, United delivers a written notice to Torch to that effect (stating with specificity which Required Information United reasonably believes Torch has not delivered or the reason for which the Required Information is not Compliant)); provided, that (a) May 31, 2021, July 5, 2021 and November 26, 2021 shall not be considered Business Days for purposes of such fifteen (15) consecutive Business Day period (and shall be disregarded in determining whether such days are "consecutive"), (b) if such fifteen (15) consecutive Business Day period shall not have fully elapsed on or prior to August 20, 2021, then such period shall not commence any earlier than September 7, 2021, (c) if such fifteen (15) consecutive Business Day period shall not have fully elapsed on or prior to December 17, 2021, then such period shall not commence any earlier than January 3, 2022 and (d) such period shall not commence during the ten (10) Business Days following the date of this Agreement. Notwithstanding the foregoing, (i) the Marketing Period will end on any earlier date on which United obtains aggregate cash proceeds from the issuance of senior secured notes, as contemplated by the Debt Commitment Letter, or other debt securities in an amount sufficient to retire any committed amount outstanding under the "Secured Bridge Facility" thereunder, (ii) the Marketing Period will not commence or be deemed to have commenced if, after the date of this Agreement and prior to the completion of the consecutive Business Day period referenced herein, (A) Torch's independent accountant has withdrawn its audit opinion with respect to any annual audited financial statements included in the Required Information, in which case the Marketing Period will not be deemed to commence unless and until a new audit opinion is issued with respect to the combined financial statements of the ContentCo Business for the applicable periods by the independent accountant or another "Big Four" or other nationally recognized independent public accounting firm or other public accounting firm reasonably acceptable to United, or (B) Torch issues a public statement indicating its intent to restate any historical financial statements of the ContentCo Business, in which case the Marketing Period will not be deemed to commence unless and until such restatement has been completed and the relevant Required Information has been amended or Torch has announced that it has concluded that no restatement will be required in accordance with IFRS, or (iii) if Torch has failed to file any report on Form 6-K required to be filed with the SEC by the date required under the Exchange Act, the Marketing Period will be tolled until such report has been filed; provided, that if the failure to file such report occurs during the final five (5) Business Days of the Marketing Period, the Marketing Period will be extended so that the final day of the Marketing Period will be no earlier than the fifth (5th) Business Day after such report has been filed. Notwithstanding the foregoing, if at any time United shall in good faith reasonably believe that the Required Information is not Compliant and United delivers a written notice to Torch to that effect (stating with specificity the reason for which the Required Information is not Compliant), then any Deemed Compliance shall be cancelled.

"Mexican Anticorruption Laws" means the General Law of the National Anti-Corruption System (*Ley General del Sistema Nacional Anticorrupción*), the General Law of Administrative Responsibilities (*Ley General de Responsabilidades Administrativas*) of Mexico, the Federal Criminal Code (*Código Penal Federal*) of Mexico, and the Criminal Codes of each State of Mexico.

"Mexican Anti-Money Laundering Laws" means, with respect to any Person, the Laws applicable to money laundering, including financial record keeping and reporting requirements, including the Federal Act for the Prevention and Identification of Transactions with Illegal Provenance Resources.

"Mexican Antitrust Law" means the Federal Economic Competition Law (*Ley Federal de Competencia Económica*) of Mexico.

"Mexican Foreign Investment Commission" means the Foreign Investment Commission (*Comisión Nacional de Inversiones Extranjeras*) of Mexico.

"Mexican Foreign Investment Law" means the Foreign Investment Law (*Ley de Inversión Extranjera*) of Mexico.

"Mexican Telecommunications Law" means the Telecommunications and Broadcasting Law (*Ley Federal de Telecomunicaciones y Radiodifusión*) of Mexico.

"Pandemic" means any outbreak of a pandemic disease, including the outbreak of the novel coronavirus SARS-CoV-2 (also known as COVID-19) in progress as of the date hereof and any additional waves or permutations thereof.

"Pandemic Measures" means any quarantine, "shelter in place," "stay at home," workforce reduction, social distancing, shut down, closure, sequester, safety or similar Law, directive, guidelines or recommendations promulgated by any Governmental Entity, including the U.S. Centers for Disease Control and Prevention, the Health Ministry (*Secretaría de Salud*) of Mexico, and the World Health Organization, in each case, in response to a Pandemic.

"Permitted Liens" means (i) Liens for Taxes not yet due and payable, (ii) mechanics', carriers', workers', repairers', materialmen's, warehousemen's, lessor's, landlord's and other similar Liens arising or incurred in the ordinary course of business consistent with past practice, (iii) non-monetary Liens that would be disclosed on title policies, title commitments and/or surveys; provided that the same do not materially interfere with the business of the ContentCo Group or United or its Subsidiaries, as applicable, or the operation of the property as presently conducted to which they apply, (iv) deposits to secure the performance of bids, tenders, trade contracts (other than contracts for indebtedness for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business, (v) easements, rights of way, zoning ordinances, variances, any set of facts that would be disclosed by an accurate up-to-date survey and other similar encumbrances affecting a Person's properties, none of which materially interfere with the business of the ContentCo Group or United or its Subsidiaries, as applicable, or the operation of the property as presently conducted to which they apply, (vi) licenses of Intellectual Property rights granted in the ordinary course of business consistent with past practice, and (vii) Liens not created by Torch, United or their respective Subsidiaries that affect the underlying fee interest of any leased real property of the ContentCo Group or United and its Subsidiaries.

"Person" means a natural person, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Entity or other entity or organization.

"Personal Data" means any data or information that is linked to the identity of or otherwise capable of identifying a particular individual, household, browser, or device and includes any such data constituting "personal data," "personally identifiable information" or "personal information" or analogous term under any applicable Law.

"Post-Closing Tax Period" shall mean any taxable period (or portion thereof) beginning after the Closing Date.

"Preponderant Agent" shall have the meaning ascribed to such term in the Mexican Telecommunications Law.

"Pre-Closing Income Taxes" means the sum of any amounts that would be properly accrued as an income Tax liability of any ContentCo Entity on the financial statements of such entity as of the Closing Date in accordance with IFRS for any Pre-Closing Tax Period for which the relevant Tax Return has not yet been filed as of the Closing Date (other than any income Tax liability in respect of the Prior Capital Reduction to the extent the payment of such income Tax liability is otherwise funded by Torch); provided that, Pre-Closing Income Taxes shall (a) be net of any amounts properly accrued as an income Tax asset as of the Closing Date in accordance with IFRS for such period, (b) without duplication of items described in clause (a), take into account any transaction related Tax deductions to the extent such item is at least "more likely than not" deductible in a Pre-Closing Tax Period, (c) exclude any Tax attributable to transactions outside the ordinary course of business on the Closing Date after the Closing, (d) exclude any deferred Tax liabilities and any accrual, provision or reserve for any uncertain Tax position or any Tax Proceeding (whether such Tax Proceeding is ongoing, pending or threatened) and (e) be calculated in accordance with the past practice of Torch and its Affiliates in preparing Tax Returns for the applicable ContentCo Entity with respect to applicable jurisdictions and types of income Tax.

"Pre-Closing Tax Period" means all taxable periods ending on or before the Closing Date and the portion through the end of the Closing Date for any taxable period that includes (but does not end on) the Closing Date. In the case of any Straddle Period, (a) the amount of any Taxes based on or measured by income, receipts, payroll or similar Taxes shall be determined based on an interim closing of the books as of the close of business on the Closing Date and (b) the amount of Taxes that are imposed on a periodic basis with respect to business operations or assets (other than as set forth under clause (a)) or otherwise measured by the level of any item, shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on the Closing Date and the denominator of which is the number of days in such Straddle Period. For purposes of clause (a) of the preceding sentence, any exemption, deduction, credit or other item that is calculated on an annual basis shall be allocated to the portion of the Straddle Period ending on the Closing Date on a *pro rata* basis determined by multiplying the total amount of such item allocated to the Straddle Period times a fraction, the numerator of which is the number of calendar days in the portion of the Straddle Period ending on the Closing Date and the denominator of which is the number of calendar days in the entire Straddle Period.

"Pre-Closing Transactions" means any transaction (whether by transfer, assignment, distribution, exchange or otherwise) taken by Torch in anticipation of, or in connection with, the transactions contemplated by this Agreement (including the Pre-Closing Restructuring, the Torch CLA Transactions, the Prior Capital Reduction and the Capital Reduction).

"Prior Capital Reduction" shall have the meaning given in Section 5.13 of the Torch Disclosure Letter.

"Proceedings" means all actions, suits, claims, hearings, arbitrations, litigations, mediations or other similar proceedings, in each case, by or before any Governmental Entity.

"Purchased IP Rights" means the Intellectual Property included in the Purchased Rights.

"Related Party" means with respect to any Person, collectively, (i) such Person and each of their current, former and future directors, officers, Affiliates, general or limited partners, shareholders, members, managers, incorporators, controlling persons, employees, advisors, agents, attorneys or other representatives or the respective successors and (ii) successors or assignees of any of the foregoing Persons.

"Representatives" means, with respect to any Person, the directors, officers, employees, consultants, financial advisors, accountants, legal counsel, investment bankers and other agents, advisors and representatives of such Person and its Affiliates.

"Required Information" means:

(a) an audited carve-out combined balance sheet of ContentCo for the most recently completed fiscal year ended at least 90 days prior to the Closing Date and the related audited carve-out combined statements of operations and comprehensive income (loss) and statements of cash flows of ContentCo for the two most recently completed fiscal years ended at least 90 days prior to the Closing Date, in each case that conforms to IFRS (as adopted by the IASB as then in effect in Mexico), without the need to provide a reconciliation to GAAP;

(b) unaudited carve-out combined balance sheets and the related unaudited carve-out combined statements of operations and comprehensive income (loss) and statements of cash flows of ContentCo for each fiscal quarter ended after December 31, 2020 and at least 45 days prior to the Closing Date and for that portion of the fiscal year through the end of such quarter (other than in each case the fourth fiscal quarter of any fiscal year) and, other than in the case of the balance sheets, for the comparable period in the prior fiscal year; in each case that conforms to IFRS (as adopted by the IASB as then in effect in Mexico) with respect to interim financial reporting, without the need to provide a reconciliation to GAAP and including condensed footnotes (the financial statements referred to in paragraphs (a) and (b), the "Required Financial Statements"); and

(c) such other customary financial data, business and other information regarding the ContentCo Group and the ContentCo Business as may be reasonably requested in writing by United to the extent that such information is required in connection with the Debt Financing and is of the type and form customarily included in an offering memorandum for private placements of 144A Debt Securities and that would be necessary (including any certificate required by the auditors in connection therewith) to receive customary comfort letters (including "negative assurance" comfort) from independent accountants in connection with the offering of such securities;

provided, that "Required Information" shall not include, and nothing in this Agreement will require Torch to provide, any (i) Excluded Information, (ii) any financial information (other than the Required Financial Statements) that Torch does not maintain in the ordinary course of business, (iii) any other information not reasonably available to Torch under its current reporting systems or (iv) from and after the date upon which both (A) the Secured Notes (as defined in the Debt Commitment Letter) and/or the Secured Securities (as defined in the Arranger Fee Letter as defined in the Debt Commitment Letter) have all been issued to third-party investors and the proceeds thereof deposited into escrow and the commitments and/or loans under the Secured Bridge Facility (as defined in the Debt Commitment Letter) have been reduced to zero and (B) the Term Loan Facility (as defined in the Debt Commitment Letter) has been the subject of a Successful Syndication (as defined in the Arranger Fee Letter), then the requirement under clause (b) above to (1) deliver unaudited statements of cash flows shall cease to apply, (2) to deliver footnotes to the unaudited financial statements shall cease to apply and (3) deliver such unaudited financial statements for quarters ending at least 45 days prior to the Closing Date shall instead only apply to quarters ending at least 60 days prior to the Closing Date.

"Restricted Cash" means any cash or cash equivalent that is, subject to restrictions, limitations or imposition of any Taxes or adverse Tax consequences (or similar charge or fee) on use or distribution by Law, Contract or otherwise, including restrictions on declaration or payment of dividends or similar distributions, collateral for letters of credit or similar financial assurances or repatriations.

"SEC" means the United States Securities and Exchange Commission.

"Straddle Period" means any Tax period that includes (but does not end on) the Closing Date.

"Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated by the United States Securities and Exchange Commission thereunder.

"Software" means computer software programs and applications, including all source code, object code, systems, specifications, network tools, data, databases, firmware, designs and documentation related thereto.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership or other organization, whether incorporated or unincorporated, (a) of which at least a majority of the outstanding shares of capital stock of, or other equity interests, having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation, limited liability company, partnership or other organization is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries, or (b) in the case of a partnership, such Person or any other Subsidiary of such Person is a general partner of such partnership.

"Tax" or "Taxes" means any and all taxes, imposts, levies, fees, duties, customs or other like assessments or charges, including all income, excise, gross receipts, ad valorem, value-added, sales, use, escheat, unclaimed property, social security, franchise, profits, gains, license, property, transfer, use, payroll, employment, intangibles, and all other similar taxes, assessments, charges, or assessments (whether payable directly or by withholding and including all estimated and minimum taxes), in each case in the nature of a tax, imposed by a Governmental Entity, together with all interest, penalties and additions imposed with respect to such amounts.

"Tax Return" means any report, return, information return, filing, claim for refund or other information filed or required to be filed with a Governmental Entity in connection with Taxes, including any schedules or attachments thereto, and any amendments to any of the foregoing.

"Tax Proceeding" shall mean any audit, examination, contest, litigation, assessment, investigation, claim, administrative or judicial proceeding, or other proceeding with or against any Taxing Authority with respect to any Taxes.

"Taxing Authority" shall mean any Governmental Entity exercising any authority to impose, regulate or administer the imposition or collection of Taxes.

"Third Party Claim" means any claim or demand which is subject to indemnification pursuant to Section 5.14 and asserted by a third party.

"Torch Intercompany Contract" shall mean any obligation or agreement between Torch or any of its Affiliates (other than any ContentCo Entity), on the one hand, and any ContentCo Entity, on the other hand.

"Torch Licensed IP" means the Trade Secrets and Copyrights that are owned and controlled by Torch or its Subsidiaries (other than the ContentCo Group) as of the Closing Date, that are (a) not included in the ContentCo Owned IP or Purchased Rights, (b) not included in the Excluded Assets and Liabilities and (c) practiced, used or exploited by, or absent a license thereto or ownership thereof, would be infringed by, the ContentCo Business as of the Closing Date.

"Torch Materials" means the materials (including Audio-Visual Content and certain audio content ancillary thereto, advertising inventory associated with such Audio-Visual Content, news and news related programing, print publications, telephony, and other materials, related to internet and related telecommunications services, soccer team and soccer stadium operations, and gaming) and know-how in the form known or used by an employee of Torch or its Subsidiaries, in each case, to the extent used in the Excluded Business as of the Closing Date.

"Transaction Accounting Principles" means (a) the accounting policies, principles, practices, techniques, categorizations, evaluation rules and procedures, methods and bases adopted in the preparation of the combined balance sheet included in the ContentCo Financial Statements for the year ended December 31, 2020; and (b) to the extent not covered by preceding clause (a), IFRS as in effect on December 31, 2020.

"Transaction Expenses" means, without duplication, (a) any third party fees, expenses and disbursements of counsel, accountants, bankers, financial advisors, consultants and other advisors and service providers payable or paid by Torch or any of its Subsidiaries (including any ContentCo Entity) and incurred for or in connection with the preparation, negotiation and execution of this Agreement and the Transaction Documents or the consummation of the transactions contemplated hereby or thereby, up to an aggregate amount equal to the Expense Cap, (b) any bonuses or other forms of compensation paid or payable after the Closing to employees and consultants of any ContentCo Entity pursuant to any retention or similar plan or program (which, for the avoidance of doubt, shall mean any plan or program that relates to or requires continuing service with United or a ContentCo Entity after the Closing) adopted in consultation with United, including the employer's portion of the applicable payroll Taxes thereon, (c) the expenses contemplated by Section 6.2 and (d) all Equity Award Expense.

"Treasury Regulations" means the U.S. Treasury regulations promulgated under the Code.

"United Balance Sheet Date" means December 31, 2020.

"United Benefit Plan" means each "employee benefit plan" (within the meaning of Section 3(3) of ERISA) and all other compensation or employee benefit plans, policies, programs, agreements or arrangements, excluding any Multiemployer Plans, and each other stock purchase, stock option, restricted stock, severance, retention, employment, consulting, change-of-control, bonus, incentive, deferred compensation, employee loan, fringe benefit and other benefit plan, agreement, program, policy, commitment or other arrangement, whether or not subject to ERISA (including any related award agreements and any related funding mechanism now in effect or required in the future), whether formal or informal, oral or written, in each case, sponsored, maintained, contributed to or required to be contributed to by United or any of its Subsidiaries or under which United or any of its Subsidiaries has any current or potential liability, in all cases, excluding plans, programs or arrangements sponsored by any Governmental Entity.

"United Financial Statements" means the audited consolidated balance sheet of United and its Subsidiaries, and the related consolidated statements of operations, comprehensive (loss) income, changes in stockholder's equity (deficit) and cash flows for each of the three years ended December 31, 2018, 2019 and 2020, and the related notes to the consolidated financial statements.

"United Licensed Programming" means any material Intellectual Property related to television programming (including the United Licensed Media Properties) to or under which United or its Subsidiaries is exclusively licensed or is otherwise exclusively authorized to practice.

"United Material Adverse Effect" means any event, change, circumstance, effect, development or state of facts that, individually or in the aggregate, (a) has had or would reasonably be expected to have a materially adverse effect on the business, results of operations or financial condition of United and its Subsidiaries, taken as a whole; provided, however, that a United Material Adverse Effect shall not include the effect of any event, change, circumstance, effect, development or state of facts resulting from or arising out of (i) general economic or political conditions or securities, credit, financial or other capital markets conditions, in each case in the United States or any other jurisdiction, (ii) changes or conditions generally affecting the industries, businesses, or segments thereof, in which United and its Subsidiaries operate (including Pandemic Measures), (iii) any change after the date hereof in applicable Law or GAAP (or authoritative interpretation of any of the foregoing), (iv) the announcement of this Agreement or any of the Transactions or the terms hereof or the consummation of any of the Transactions, including the impact thereof on the relationships of United and its Subsidiaries with customers, suppliers, distributors, partners, officers or employees, (v) acts of war, armed hostilities, sabotage or terrorism, or any escalation or worsening of any acts of war, armed hostilities, sabotage or terrorism threatened or underway as of the date of this Agreement, (vi) earthquakes, hurricanes, floods, epidemics, Pandemics or other natural disasters, (vii) any failure, in and of itself, by United to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics for any period (it being understood that the facts or occurrences giving rise to or contributing to such failure may be taken into account in determining whether there has been or will be a United Material Adverse Effect to the extent not otherwise excluded hereunder) or (viii) any change, in and of itself, in the market price or trading volume of the securities of United or its Subsidiaries (it being understood that the facts or occurrences giving rise to or contributing to such change may be taken into account in determining whether there has been or will be a United Material Adverse Effect to the extent not otherwise excluded hereunder), except, in the case of the foregoing clauses (i), (ii), (iii), (v) and (vi), to the extent that such event, change, circumstance, effect, development or state of facts affects United and its Subsidiaries in a disproportionate manner when compared to the effect of such event, change, circumstance, effect, development or state of facts on other Persons in the industries, businesses, or segments thereof, in which United and its Subsidiaries operate, in which case only the incremental disproportionate impact may be taken into account in determining whether there has been a United Material Adverse Effect; provided, further, that the exception in the foregoing clause (iv) will not be deemed to apply to references to United Material Adverse Effect in the representations and warranties set forth in Section 3.3(b), and, to the extent related to Section 3.3(b), the condition set forth in Section 8.3(a); or (b) would or would reasonably be expected to prevent or materially delay or impair the ability of United to perform its obligations under this Agreement or to consummate the Transactions in accordance with this Agreement.

"United Owned IP" means all United Registered IP, social media identifiers for the United Owned Media Properties, and all other Intellectual Property owned by United or any of its Subsidiaries.

"United Registered IP" means all U.S., Mexican and other patents and patent applications, trademark and service mark registrations and applications, internet domain name registrations and copyright registrations and applications, in each case owned by United and its Subsidiaries.

"United RSU Award" means a restricted stock unit award with respect to shares of United Common Stock.

"United Stations" means the television and radio broadcast stations (including stations operated as "satellites" pursuant to Title 47, Section 73.3555, Note 5, of the Code of Federal Regulations), low power television stations (including Class A stations), TV translator stations, radio translator stations or radio booster stations owned by United and its Subsidiaries.

"United Stock Option" means an option to acquire shares of United Common Stock.

"United Stock Plan" means the Univision 2010 Equity Incentive Plan, as amended or restated from time to time.

"U.S. Communications Laws" means the Communications Act of 1934, as amended, and the rules, regulations, and written policies of the FCC promulgated pursuant thereto.

"U.S. Security Agencies" means the Executive Branch agencies charged with ensuring U.S. national security and reviewing applications referred by the FCC for such concerns, including the Department of Homeland Security; the Department of Justice, including the Federal Bureau of Investigation; the Department of Defense; the Department of State; the Department of Commerce, the National Telecommunications and Information Administration; the United States Trade Representative; and the Office of Science and Technology Policy.

"World Cup Adjustment Amount" means the difference of (i) the aggregate of all payments by Torch and its Subsidiaries made to FIFA in respect of the 2022, 2026 and 2030 FIFA World Cup competitions minus (ii) the aggregate of all amounts received by Torch and its Subsidiaries in respect of the 2022, 2026 and 2030 FIFA World Cup competitions from sublicenses of media rights and sales of advertising, in the case of each of clauses (i) and (ii), prior to, on or after the date of this Agreement and through the Closing Date.

Terms Defined Elsewhere. The following terms are defined elsewhere in this Agreement, as indicated below:

| Term | Section |
|---|---|
| $ or dollars | Section 10.10 |
| 144A Debt Securities | Section 5.6(e) |
| Aggregate Purchased Equity and Purchased Rights Consideration | Section 1.2(d) |
| Agreed Tax Reporting | Schedule 6.4 |
| Agreement | Preamble |
| Alternative Debt Financing | Section 5.6(c) |
| Ancillary Agreements | Recitals |
| Asset Sale Consideration | Section 4.1(b)(v) |
| Bankruptcy and Equity Exception | Section 2.3(a) |
| Bankruptcy Code | Section 5.21(i) |
| Broadcasting Rights | Section 2.8(b) |
| Capital Reduction | Section 1.2(c) |
| Capital Reduction Amount | Section 1.2(c) |
| CLA | Section 1.2(c) |
| CLA Payable | Section 1.2(c) |
| Closing | Section 1.1 |
| Closing Consideration | Section 1.2(e) |
| Closing Consideration Notice | Section 1.3(a) |
| Closing Date | Section 1.1 |
| Closing Structure | Section 5.13 |
| Common Share Consideration | Section 1.2(i) |
| ContentCo | Recitals |
| ContentCo Additional Contract | Section 2.15(b) |
| ContentCo Business | Recitals |
| ContentCo Credit Supports | Section 5.10 |
| ContentCo Entity | Recitals |
| ContentCo Environmental Permits | Section 2.12(b) |
| ContentCo Group | Recitals |
| ContentCo IT Systems | Section 2.13(i) |
| ContentCo Leased Real Property | Section 2.14(a) |

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|---|---|
| ContentCo Licensed Media Properties | 2.13(b) |
| ContentCo Licensees | Section 5.21(a) |
| ContentCo Licensors | Section 5.21(b) |
| ContentCo Material Contract | Section 2.15(a) |
| ContentCo Owned Media Properties | 2.13(b) |
| ContentCo Owned Real Property | Section 2.14(a) |
| ContentCo Permit | Section 2.8(a) |
| ContentCo Real Property | Section 2.14(a) |
| ContentCo Real Property Lease | Section 2.14(a) |
| Contribution | Recitals |
| Contribution Agreement | Section 1.2(i) |
| Debt Commitment Letter | Section 3.20 |
| Debt Financing | Section 3.20 |
| Disputed Assets | Section 5.18(a) |
| Divested Entity | Section 5.21(g)(ii) |
| Equity Award Expense | Section 1.6 |
| Equity Financing | Section 3.20 |
| Equity Financing Sources | Section 3.20 |
| Estimated ContentCo Cash | Section 1.3(a) |
| Estimated ContentCo Indebtedness | Section 1.3(a) |
| Estimated ContentCo Working Capital | Section 1.3(a) |
| Excluded Business | Recitals |
| Excluded Information | Section 5.6(e) |
| FCPA | Section 2.8(a) |
| FIFA | Section 5.17(d) |
| Flame | Preamble |
| Folleto Informativo | Section 5.15(a) |
| Indemnified Person | Section 5.5(a) |
| Indemnitee | Section 5.14(b) |
| Indemnitor | Section 5.14(d)(i) |
| Independent Accounting Firm | Section 1.7(e) |
| Initial Adjustment Statement | Section 1.7(a) |
| Interim Committee | Section 5.18(a) |
| Lava | Preamble |
| Licensee Party | Section 5.21(c) |
| Licensees | Section 5.17(e) |
| Licensor Party | Section 5.21(c) |
| made available | Section 10.10 |
| Material Content Contract | Section 2.14(a)(x) |
| Merger | Recitals |
| Merger Documents | Recitals |
| Merger Sub | Recitals |
| Mex$ | Section 10.10 |
| Mixed Tax Claim | Section 5.14(e)(iii) |
| New HoldCo | Recitals |
| New Stockholders Agreement | Recitals |

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|---|---|
| Non-Transferrable ContentCo Assets | Section 5.17(a) |
| Notice of Disagreement | Section 1.7(c) |
| Notifying Party | Section 5.16 |
| OpCo | Recitals |
| OpCo Payable Settlement | Section 1.2(h) |
| Order | Section 2.7 |
| Overall Cap | Section 5.14(c) |
| Parties | Preamble |
| Party | Preamble |
| Pre-Closing Business Records | Section 5.9(a) |
| Pre-Closing Restructuring | Section 5.13 |
| Preferred Share Consideration | Section 1.2(i) |
| Premium Cap | Section 5.5(c) |
| Purchased Entities | Recitals |
| Purchased Entity Interests | Recitals |
| Purchased Rights | Recitals |
| R&W Insurance Policy | Section 5.12 |
| Regulatory Restriction | Section 5.2(b) |
| Renewal Application | Section 5.2(e) |
| Reorganiztion Agreement | Section 1.9 |
| Replacement Financing | Section 5.6(d) |
| Required Amendments | Section 5.16 |
| Required Amount | Section 3.20 |
| Required Consents | Section 5.2(a) |
| Resolution Period | Section 1.7(d) |
| Review Period | Section 1.7(c) |
| Series B Certificate of Designations | Recitals |
| Series C Certificate of Designations | Recitals |
| Series D Certificate of Designations | Recitals |
| Share Consideration | Section 1.2(i) |
| Smoke | Preamble |
| Special Claim Notice | Section 5.14(d)(i) |
| Special Indemnification | Section 5.14(d)(i) |
| Specified Deductible | Section 5.14(c) |
| Specified Matter | Section 5.14(b) |
| Takeover Law | Section 3.14 |
| Tax Claim | Section 5.14(e)(iii) |
| Tax Controlling Party | Section 5.14(e)(iii) |
| Tax Non-Controlling Party | Section 5.14(e)(iii) |
| Termination Date | Section 9.1(b)(i) |
| Third Party Expert | Section 5.16 |
| Third-Party Consents | Section 5.17(a) |
| Torch | Preamble |
| Torch CLA Transactions | Section 1.2(c) |
| Torch Disclosure Letter | Article II |
| Torch FIFA Fees | Section 5.17(e) |

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|---|---|
| Torch FIFA Rights | Section 5.17(e) |
| Torch Indemnitee | Section 5.14(b) |
| Torch Licensees | Section 5.21(b) |
| Torch Licensors | Section 5.21(a) |
| Torch Reports | Article II |
| Torch Shareholder Approval | Section 2.3(a) |
| Torch Taxes | Section 5.14(e)(iii) |
| Transaction Documents | Recitals |
| Transactions | Recitals |
| Transactions Engagement | Section 10.12(a) |
| Transferred Cash Cap | Section 5.19 |
| Transferred Cash Floor | Section 5.19 |
| Transition Services Agreement | Recitals |
| TV Programming Rights | Section 1.2(c) |
| TV Programming Rights Amount | Section 1.2(c) |
| UCI | Section 3.5(a) |
| Unavailable Equity Financing | Section 5.6(d) |
| United | Preamble |
| United Additional Contract | Section 3.16(b) |
| United Capitalization Date | Section 3.2(a) |
| United Class A Common Stock | Section 3.2(a) |
| United Class B Common Stock | Section 3.2(a) |
| United Class C Common Stock | Section 3.2(a) |
| United Common Stock | Section 3.2(a) |
| United Disclosure Letter | Article III |
| United Environmental Permits | Section 3.12(b) |
| United Existing Charter | Recitals |
| United Existing Organizational Documents | Recitals |
| United Existing Stockholders Agreement | Recitals |
| United FCC Licenses | Section 3.8(b) |
| United Indemnitee | Section 5.14(a) |
| United IT Systems | Section 3.13(f) |
| United Leased Real Property | Section 3.15(a) |
| United Licensed Media Properties | Section 3.13(b) |
| United Material Contract | Section 3.16(a) |
| United New Bylaws | Recitals |
| United New Charter | Recitals |
| United New Organizational Documents | Recitals |
| United Owned IP | Section 3.13(a) |
| United Owned Media Properties | Section 3.13(b) |
| United Owned Real Property | Section 3.15(a) |
| United Permit | Section 3.8(a) |
| United Preferred Stock | Section 3.2(a) |
| United Purchaser Sub | Section 1.2(d) |
| United Real Property | Section 3.15(a) |
| United Real Property Lease | Section 3.15(a) |

| | |
|---|---|
| United Series A Preferred Stock | Section 3.2(a) |
| United Series B Preferred Stock | Recitals |
| United Series C Preferred Stock | Recitals |
| United Taxes | Section 5.14(e)(iii) |
| wholly-owned Subsidiary | Section 10.10 |
| Willful Breach | Section 9.2 |
| World Cup Contract | Section 5.17(d) |

**Exhibit 8.1**

**Grupo Televisa, S.A.B.**
**Subsidiaries, Associates and Joint Ventures**
**as of December 31, 2020**

| Name of Company | Country of Incorporation |
|---|---|
| Alektis Consultores, S. de R.L. de C.V. | Mexico |
| TVU Enterprises, Inc. | United States of America |
| ET Publishing International, LLC | United States of America |
| Sunny Isle, LLC | United States of America |
| M&M Media, Inc D/B/A Trebel (3) | United States of America |
| PayClip, Inc. (3) | United States of America |
| Rappi, Inc (3) | United States of America |
| Televisa Alternative Originals, LLC (1) | United States of America |
| Televisa Internacional, LLC | United States of America |
| Televisa International Marketing Group, Inc. | United States of America |
| W-TV Studios, LLC | United States of America |
| | |
| Coisa, Consultores Industriales, S.A. de C.V. | Mexico |
| Corporación Kante, S.A. de C.V. | Mexico |
| | |
| Controladora de Juegos y Sorteos de México, S.A. de C.V. | Mexico |
| Apuestas Internacionales, S.A. de C.V. | Mexico |
| Magical Entertainment, S. de R.L. de C.V. | Mexico |
| Sattora, S.A. de C.V. | Mexico |
| | |
| Corporativo Vasco de Quiroga, S.A. de C.V. | Mexico |
| Administradora de Sistemas de Comunicación, S.A. de C.V. | Mexico |
| Alvafig Holdings, S.A. de C.V. | Mexico |
| Aryadeba, S.A. de C.V. | Mexico |
| Cable y Comunicación de Morelia, S.A. de C.V. | Mexico |
| Cablemás Telecomunicaciones, S.A. de C.V. | Mexico |
| Cablemás International Telecomm, LLC (1) | United States of America |
| CM Equipos y Soporte, S.A. de C.V. | Mexico |
| Equipos e Insumos de Telecomunicaciones, S.A. de C.V. | Mexico |
| Grupo Mapsani, S.A. de C.V. | Mexico |
| IZZI GT, S.A. de C.V. | Mexico |
| Sumant, S.A. de C.V. | Mexico |
| Apocali, S.A. de C.V. | Mexico |
| Apoyo Telefónico Cablemás, S.A. de C.V. | Mexico |
| Arretis, S.A.P.I. de C.V. | Mexico |
| Cable Administradora, S.A. de C.V. | Mexico |
| Grupo Cable Asesores, S.A. de C.V. | Mexico |
| Cable Servicios Corporativos, S.A. de C.V. | Mexico |
| México Red de Telecomunicaciones, S. de R.L. de C.V. | Mexico |
| Corp MR II, S. de R.L. de C.V. | Mexico |
| Metrored Telecom Services, Inc. | United States of America |
| Televicable Regional, S.A. de C.V. | Mexico |
| TIN, S.A. de C.V. | Mexico |
| TV Cable de Oriente, S.A. de C.V. | Mexico |
| FTTH de México, S.A. de C.V. | Mexico |
| Wuru Telecom, Inc. (1) | United States of America |
| Cable TV Internacional, S.A. de C.V. | Mexico |
| Cablemás Holdings, S.A. de C.V. | Mexico |
| Cablevisión Red, S.A. de C.V. | Mexico |
| Caredteletv Servicios Administrativos FTTH de México, S.A. de C.V. | Mexico |
| Constructora Cablemás, S.A. de C.V. | Mexico |
| Digital TV, S.A. de C.V. (2) | Mexico |
| Empresas Cablevisión, S.A.B. de C.V. | Mexico |
| Milar, S.A. de C.V. | Mexico |
| Cablebox, S.A. de C.V. | Mexico |
| Cablestar, S.A. de C.V. | Mexico |
| Bestel USA, Inc. | United States of America |
| Letseb, S.A. de C.V. | Mexico |
| Operbes, S.A. de C.V. | Mexico |
| Servicios Letseb, S.A. de C.V. | Mexico |
| Servicios Operbes, S.A. de C.V. | Mexico |
| Cablevisión, S.A. de C.V. | Mexico |
| Grupo Mexicano de Cable, S.A. de C.V. | Mexico |
| Integravisión de Occidente, S.A. de C.V. | Mexico |
| Servicios Cablevisión, S.A. de C.V. | Mexico |
| Servicios Técnicos Cablevisión, S.A. de C.V. | Mexico |

| | |
|---|---|
| Telestar del Pacífico, S.A. de C.V. | Mexico |
| Gerit Profesionales, S.A. de C.V. | Mexico |

| Name of Company | Country of Incorporation |
|---|---|
| Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V. and subsidiary (*) | Mexico |
| Inmobiliaria Cablemás, S.A. de C.V. | Mexico |
| Bekyc Apoyo y Servicios de Ventas, S.A. de C.V. | Mexico |
| Mega Com-M Servicios, S.A. de C.V. | Mexico |
| Operadora de Redes, S.A. de C.V. (*) (1) | Mexico |
| Profesionales en Ventas y Mercadeo, S.A. de C.V. | Mexico |
| San Ángel Telecom, S.A. de C.V. | Mexico |
| Servicios Administrativos Cablemás, S.A. de C.V. | Mexico |
| Servicios Integrales para Sistemas de Cable, S.A. de C.V. | Mexico |
| Sky DTH, S.A. de C.V. | Mexico |
| Innova Holdings, S. de R.L. de C.V. | Mexico |
| Innova, S. de R.L. de C.V. | Mexico |
| Corporación Novaimagen, S. de R.L. de C.V. | Mexico |
| Corporación Novavisión, S. de R.L. de C.V. | Mexico |
| Novavision Group, Inc. | United States of America |
| Novavisión Honduras, S.A. de C.V. | Honduras |
| Novavisión Panamá, S.A. | Panama |
| Media Visión de Panamá, S.A. | Panama |
| Ridge Manor, S.R.L. | Spain |
| Galaxy Nicaragua, S.A. | Nicaragua |
| Servicios Directos de Satélite, S.A. | Costa Rica |
| Sky El Salvador, S.A. de C.V. | El Salvador |
| Televisión Novavisión de Guatemala, S.A. | Guatemala |
| Corporación de Radio y Televisión del Norte de México, S. de R.L. de C.V. | Mexico |
| Corporación Satelital Novavisión Dominicana, S.A.S. | Dominican Republic |
| Innovación Sistemática y Comercial, S. de R.L. de C.V. | Mexico |
| Novabox, S. de R.L. de C.V. | Mexico |
| Nova Call-Center, S. de R.L. de C.V. | Mexico |
| Servicios Corporativos de Telefonía, S. de R.L. de C.V. | Mexico |
| Servicios Novasat, S. de R.L. de C.V. | Mexico |
| Tele Cable de Michoacán, S.A. de C.V. | Mexico |
| Televisión Internacional, S.A. de C.V. | Mexico |
| Grupo Servicomunicación, S.A. de C.V. | Mexico |
| Multibip, S.A. de C.V. (1) | Mexico |
| R.H. Servicios Administrativos, S.A. de C.V. | Mexico |
| R.H. Servicios Ejecutivos, S.A. de C.V. | Mexico |
| Servicios Telum, S.A. de C.V. | Mexico |
| Sintonia Fina, S.A. de C.V. (1) | Mexico |
| Técnica Avanzada en Cableados, S.A. de C.V. | Mexico |
| Telum, S.A. de C.V. (1) | Mexico |
| Unisat Mexicana, S.A. de C.V. | Mexico |
| | |
| DTH Europa, S.A.U. | Spain |
| | |
| Editorial Televisa, S.A. de C.V. | Mexico |
| Auto Rent Acuario, S. de R.L. de C.V. | Mexico |
| Televisa Argentina, S.A. (2) | Argentina |
| Editorial Televisa Colombia, S.A. (2) | Colombia |
| Editorial Televisa Colombia Cultural, S.A. (2) | Colombia |
| Distribuidoras Unidas, S.A. (2) | Colombia |
| Editorial Televisa Puerto Rico, Inc. (2) | Puerto Rico |
| Editorial Televisa Venezuela, S.A. (1) | Venezuela |
| Editorial Zinet Televisa, S.A. de C.V. | Mexico |
| VeneTel Servicios Publicitarios, S.A. (1) | Venezuela |
| | |
| Factum Más, S.A. de C.V. | Mexico |
| | |
| Grupo Distribuidoras Intermex, S.A. de C.V. | Mexico |
| Editorial Televisa Chile, S.A. (2) | Chile |
| Distribuidora Bolivariana, S.A. (2) | Peru |
| Distribuidora Intermex, S.A. de C.V. | Mexico |
| Distribuidora Panamex, S.A. (1) | Panama |
| Gonarmex, S.A. de C.V. | Mexico |
| Samra, S.A. (1) | Ecuador |
| Distribuidora Los Andes, S.A. (1) | Ecuador |
| Vanipubli Ecuatoriana, S.A. (1) | Ecuador |

| Name of Company | Country of Incorporation |
|---|---|
| Grupo Telesistema, S.A. de C.V. | Mexico |
| Altavista Sur Inmobiliaria, S.A. de C.V. | Mexico |
| Argos Comunicación, S.A. de C.V. and subsidiaries (*) | Mexico |
| Corporativo TD Sports, S.A. de C.V. | Mexico |
| Servicios Administrativos Coapa, S.A. de C.V. | Mexico |
| En Vivo Espectáculos, S. de R.L. de C.V. (1) | Mexico |
| G. Televisa-D, S.A. de C.V. | Mexico |
| Grupo Bissagio, S.A. de C.V. | Mexico |
| Multimedia Telecom, S.A. de C.V. | Mexico |
| Comunicaciones Tieren, S.A. de C.V. | Mexico |
| Univision Holdings, Inc. and subsidiaries (including Univision Communications Inc.)(*) | United States of America |
| Villacezán, S.A. de C.V. | Mexico |
| CVQ Espectáculos, S.A. de C.V. | Mexico |
| Club de Fútbol América, S.A. de C.V. | Mexico |
| Gyali, S.A. de C.V. | Mexico |
| Cedecom, S.A. de C.V. (3) | Mexico |
| Periódico Digital Sendero, S.A.P.I. de C.V. and subsidiary (*) | Mexico |
| Teatro de los Insurgentes, S.A. de C.V. | Mexico |
| Videocine, S.A. de C.V. | Mexico |
| Coyoacán Films, S.A. de C.V. | Mexico |
| Pantelion, LLC | United States of America |
| CVQ Series, S.A. de C.V. (1) | Mexico |
| Editorial Clío, Libros y Videos, S.A. de C.V. and subsidiaries (*) | Mexico |
| Fútbol del Distrito Federal, S.A. de C.V. | Mexico |
| Grupo Comunicación y Esfuerzo Comercial, S.A. de C.V. (1) | Mexico |
| Intellectus Comunicación, S.C. | Mexico |
| Marcas y Desarrollos, S.A. de C.V. (*) (1) | Mexico |
| Mednet, S.A. de C.V. (*) (2) | Mexico |
| Plataforma OTT, S.A. de C.V. | Mexico |
| Productora Contadero, S.A. de C.V. (*) (1) | Mexico |
| Promo-Certamen, S.A. de C.V. | Mexico |
| Inmobiliaria Amber, S.A. de C.V. | Mexico |
| Medios y Estrategias Promocionales, S.A. de C.V. | Mexico |
| Mexvisa Ltd. | Switzerland |
| Mountrigi Management Group, Ltd. | Switzerland |
| Ollin VFX, S.A.P.I. de C.V. and subsidiary (*) | Mexico |
| Ollin VFX Servicios, S.A. de C.V. (*) | Mexico |
| Operadora Dos Mil, S.A. de C.V. (1) | Mexico |
| Producciones Deportivas TUDN, S.A. de C.V. (1) | Mexico |
| Publicidad Virtual, S.A. de C.V. and subsidiary | Mexico |
| Rodium, A.C. (1) | Mexico |
| Teleinmobiliaria, S. de R.L. de C.V. | Mexico |
| Televisa, S.A. de C.V. | Mexico |
| Centros de Conocimiento Tecnológico, S.A. de C.V. and subsidiary (3) | Mexico |
| Endemol México, S.A. de C.V. (*) | Mexico |
| Espacio de Vinculación, A.C. (1) | Mexico |
| Televisa Music Publishing, S.A. de C.V. | Mexico |
| Televisa Transmedia, S.A. de C.V. | Mexico |
| Televisión Independiente de México, S.A. de C.V. | Mexico |
| Canal XXI, S.A. de C.V. | Mexico |
| Canales de Televisión Populares, S.A. de C.V. | Mexico |
| Desarrollo Milaz, S.A. de C.V. | Mexico |
| Radio Televisión, S.A. de C.V. | Mexico |
| Radiotelevisora de México Norte, S.A. de C.V. | Mexico |
| T.V. de los Mochis, S.A. de C.V. | Mexico |
| Teleimagen del Noroeste, S.A. de C.V. | Mexico |
| Telemercado Alameda, S. de R.L. de C.V. (*) (2) | Mexico |
| Televimex, S.A. de C.V. | Mexico |
| Televisión de Puebla, S.A. de C.V. | Mexico |
| Televisora de Mexicali, S.A. de C.V. | Mexico |
| Televisora de Navojoa, S.A. | Mexico |
| Televisora de Occidente, S.A. de C.V. | Mexico |
| Televisora del Yaqui, S.A. de C.V. (3) | Mexico |
| Televisora Peninsular, S.A. de C.V. | Mexico |
| Torali, S.A. de C.V. | Mexico |
| Terma, S.A. de C.V. | Mexico |
| Todos los Jugadores, S.A. de C.V. (*) | Mexico |
| | |
| Idzumedia, S.A. de C.V. (1) | Mexico |

| | |
|---|---|
| Kapa Capital, S.A. de C.V. | Mexico |
| Multimedia CTI, S.A. de  C.V. | Mexico |

| Name of Company | Country of Incorporation |
|---|---|
| OISE Entretenimiento, S.A. de C.V. | Mexico |
| OCESA Entretenimiento, S.A. de C.V. and subsidiaries (*) | Mexico |
| | |
| PI Metropolitanas, S.A. de C.V. | Mexico |
| Telestar de Occidente, S.A. de C.V. | Mexico |
| | |
| Promo-Industrias Metropolitanas, S.A. de C.V. | Mexico |
| | |
| Servicios Administrativos DYE, S.A. de C.V. | Mexico |
| | |
| Telesistema Mexicano, S.A. de C.V. (2) | Mexico |
| | |
| Ulvik, S.A. de C.V. | Mexico |
| Cadena de las Américas, S.A. de C.V. | Mexico |
| Corporatel, S.A. de C.V. | Mexico |
| Corporativo Bosque de Canelos, S.A. de C.V. | Mexico |
| Desarrollo Vista Hermosa, S.A. de C.V. | Mexico |
| ECO Producciones, S.A. de C.V. | Mexico |
| Empresas Baluarte, S.A. de C.V. | Mexico |
| Grupo Montdoval, S.A. de C.V. | Mexico |
| Intellectus T, S.A. de C.V. | Mexico |
| Intellectus Técnico, S.C. | Mexico |
| Servicios Deportivos Amec, S.A. de C.V. | Mexico |
| Servicios Deportivos Luportas, S.A. de C.V. | Mexico |
| SOC Servicio Operativo Centralizado, S.A. de C.V. | Mexico |
| Televisa Corporación, S.A. de C.V. | Mexico |
| Administradora de Prestaciones Sociales, S.C. | Mexico |
| Televisa Producciones, S.A. de C.V. | Mexico |
| Televisa Talento, S.A. de C.V. | Mexico |
| Transmisiones Nacionales de Televisión, S.A. de C.V. | Mexico |
| TV Conceptos, S.A. de C.V. | Mexico |

(*) Associate or Joint Venture.
(1) Without current operations.
(2) In process of liquidation.
(3) Equity financial instrument.

**Exhibit 12.1**

**CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER**
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Alfonso de Angoitia Noriega, certify that:

1. I have reviewed this annual report on Form 20-F of Grupo Televisa, S.A.B.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) 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 company and 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 company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this 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 company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company'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 company's internal control over financial reporting.

Date: April 30, 2021

By: /s/ Alfonso de Angoitia Noriega
Name: Alfonso de Angoitia Noriega
Title: Co-Chief Executive Officer

**Exhibit 12.2**

**CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER**
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Bernardo Gómez Martínez, certify that:

1. I have reviewed this annual report on Form 20-F of Grupo Televisa, S.A.B.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) 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 company and 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 company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this 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 company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company'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 company's internal control over financial reporting.

Date: April 30, 2021

By: /s/ Bernardo Gómez Martínez
Name: Bernardo Gómez Martínez
Title: Co-Chief Executive Officer

**Exhibit 12.3**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Carlos Ferreiro Rivas, certify that:

1. I have reviewed this annual report on Form 20-F of Grupo Televisa, S.A.B.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) 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 company and 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 company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal controls 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 company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company'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 company's internal control over financial reporting.

Date: April 30, 2021

By: /s/ Carlos Ferreiro Rivas
Name: Carlos Ferreiro Rivas
Title: Corporate Vice President of Finance
(Principal Financial Officer)

**Exhibit 13.1**

**GRUPO TELEVISA, S.A.B.**
**SECTION 906 CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER**

I, Alfonso de Angoitia Noriega, Co-Chief Executive Officer of Grupo Televisa, S.A.B. (the "Company"), hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Company's annual report on Form 20-F for the fiscal year ended December 31, 2020, to which this statement is filed as an exhibit (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2021

By: /s/ Alfonso de Angoitia Noriega
Name: Alfonso de Angoitia Noriega
Title: Co-Chief Executive Officer

**Exhibit 13.2**

**GRUPO TELEVISA, S.A.B.**
**SECTION 906 CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER**

I, Bernardo Gómez Martínez, Co-Chief Executive Officer of Grupo Televisa, S.A.B. (the "Company"), hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Company's annual report on Form 20-F for the fiscal year ended December 31, 2020, to which this statement is filed as an exhibit (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2021

By: /s/ Bernardo Gómez Martínez
Name: Bernardo Gómez Martínez
Title: Co-Chief Executive Officer

**Exhibit 13.3**

**GRUPO TELEVISA, S.A.B.**
**SECTION 906 CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**

I, Carlos Ferreiro Rivas, the Corporate Vice President of Finance (Principal Financial Officer) of Grupo Televisa, S.A.B. (the "Company"), hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Company's annual report on Form 20-F for the fiscal year ended December 31, 2020, to which this statement is filed as an exhibit (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2021

By: /s/ Carlos Ferreiro Rivas
Name: Carlos Ferreiro Rivas
Title: Corporate Vice President of Finance
(Principal Financial Officer)

**Exhibit 23.1**

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Grupo Televisa, S. A. B.:

We consent to the incorporation by reference in the registration statements on Form S-8 (No. 333-126827) and Form F-3 (No. 333-231344) of Grupo Televisa, S.A.B. of our reports dated April 30, 2021, with respect to the consolidated statements of financial position of Grupo Televisa, S.A.B. as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes, and the effectiveness of internal control over financial reporting as of December 31, 2020, which reports appear in the December 31, 2020 annual report on Form 20-F of Grupo Televisa, S.A.B.

(Signed) KPMG Cardenas Dosal, S. C.
Mexico City, Mexico
April 30, 2021