
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
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remaining QVCB Term Options and LVNTB Term Options, respectively, vesting on the fifth anniversary of the grant date, in each case, subject to Mr. Maffei being employed on the applicable vesting date. The QVCB Term Options and LVNTB Term Options will each have a term of 7 years.

Upon a change in control (as defined in the Employment Agreement) prior to Mr. Maffei's termination or in the event of Mr. Maffei's termination for death or disability, all of his unvested Term Options will become exercisable. If Mr. Maffei is terminated by Liberty without cause (as defined in the Employment Agreement) or if he terminates his employment for good reason (as defined in the Employment Agreement), then each unvested tranche of Term Options will vest pro rata based on the number of days elapsed since the grant date plus 548 calendar days; however, in the event (i) all members of the "Malone Group" cease to beneficially own Liberty securities representing at least 20% of Liberty's voting power, (ii) within 90 to 210 days of clause (i) Mr. Maffei's employment is terminated by Liberty without cause or by Mr. Maffei for good reason and (iii) at the time of clause (i) Mr. Maffei does not beneficially own Liberty securities representing at least 20% of Liberty's voting power, then all unvested Term Options will vest in full as of the date of Mr. Maffei's termination. If Mr. Maffei terminates his employment without good reason, then each unvested tranche of Term Options will vest pro rata based on the number of days elapsed since the grant date. In the event of a "change in control" prior to Mr. Maffei's termination, all of the Term Options will remain exercisable until the end of the term. If Mr. Maffei is terminated for "cause" prior to December 31, 2019 (without a prior change in control occurring), then all unvested Term Options will terminate immediately and all vested Term Options will expire on the 90 day following such termination. In all other events (without a prior change in control occurring) or if Mr. Maffei has not been terminated prior to December 31, 2019, any unvested Term Options will terminate immediately and all vested Term Options will expire at the end of the term.

Annual Performance-Based Awards. Beginning in 2015, Mr. Maffei will receive annual grants of performance-based options to purchase shares of QVCB and LVNTB with a term of 7 years (the "Performance Options") and performance-based restricted stock units with respect to QVCB and LVNTB (the "Performance RSUs") and together with the Performance Options, the "Performance Awards"). Grants of Performance Awards made by Liberty and grants of similar performance-based awards made by Liberty Media Corporation ("LMC," with whom Mr. Maffei has executed a substantially similar employment agreement on December 29, 2014) will be allocated between the two companies based on the relative market capitalization of all series of Liberty common stock, on the one hand, and all series of LMC common stock, on the other hand. The aggregate target amount to be allocated between Liberty and LIC will be \$16 million with respect to calendar year 2015, \$17 million with respect to calendar year 2016, \$18 million with respect to calendar year 2017, \$19 million with respect to calendar year 2018 and \$20 million with respect to calendar year 2019. Subject to certain exceptions, the grants of Performance Awards to be made by Liberty will then be further allocated between Performance Awards with respect to QVCB and Performance Awards with respect to LVNTB based on the relative market capitalization of all series of Liberty's Liberty Interactive common stock (which we refer to as the QVC Group), on the one hand, and all series of Liberty's Liberty Ventures common stock, on the other hand. In the first quarter of each applicable year, the Compensation Committee of the board of directors of Liberty will establish performance metrics with respect to a grant of Performance Awards with a maximum aggregate value of 100% of ¹² aggregate
