

MEMORANDUM OF UNDERSTANDING
between
CHARTER COMMUNICATIONS, INC.
and
THE MULTICULTURAL LEADERSHIP ORGANIZATIONS

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is entered into on this **15th** day of **January, 2016**, by and among Charter Communications, Inc. (“Charter”) and certain civic and leadership organizations serving communities of color, namely: the National Urban League, National Action Network, Asian Americans Advancing Justice, Asian Pacific American Institute for Congressional Studies, Organization of Chinese Americans—Asian Pacific American Advocates, Media Action Network for Asian Americans, East West Players, National Council of La Raza, League of United Latin American Citizens, National Hispanic Foundation for the Arts, Hispanic Federation, and Service Employment Redevelopment National (collectively referred to herein as “the Multicultural Leadership Organizations”). The effective date of this MOU is wholly contingent upon the closing of the transaction between Charter and Time Warner Cable (“TWC”) and the closing of the transaction between Charter and Advance/Newhouse Partnership regarding Bright House Networks (“BHN”) (collectively referred to herein as the “Transactions”).

WHEREAS, diversity and inclusion are fundamental principles embraced by Charter, TWC, and BHN. The Multicultural Leadership Organizations expect that the combined company that will be formed following the close of the Transactions (hereinafter referred to as “New Charter”) will continue the diversity and inclusion practices developed and implemented by the companies, and will encourage New Charter to improve upon, if not exceed, any current diversity efforts in the five focus areas of corporate governance, employment/workforce recruitment and retention, procurement, programming, and philanthropy and community investments;

WHEREAS, Charter is dedicated to continuing and enhancing its commitment to diversity and to incorporating and expanding upon the existing diversity and inclusion programs of Charter, TWC, and BHN; and

WHEREAS, Charter seeks to grow and strengthen its relationships with national civic and leadership organizations representing communities of color with the goal of maintaining and improving its diversity and inclusion efforts;

1. **PURPOSE**

Charter and the Multicultural Leadership Organizations have entered into this MOU to establish an action plan, inclusive of strategic goals and timelines, to guide their collaborative efforts following the close of the transactions between Charter, TWC, and BHN on the diversity initiatives enumerated herein, with the stated objectives of maintaining and growing productive community partnerships with a wide array of diverse civic and leadership organizations.

2. **SCOPE**

a. **Structure of New Charter.**

This MOU is intended to include each of New Charter's operating subsidiaries. References herein to "Charter" are intended to include Charter Communications, Inc. and its operating subsidiaries.

b. **Focus Areas.**

Charter and the Multicultural Leadership Organizations agree that commitments will be made in the following five areas (collectively referred to as the "Focus Areas") for purposes of this MOU: (1) corporate governance, (2) employment/workforce recruitment and retention, (3) procurement, (4) programming, and (5) philanthropy and community investments.

3. **CORPORATE GOVERNANCE**

a. **Board of Directors.**

Following the close of the Transactions, New Charter will increase the diversity of its board of directors. To achieve this goal, New Charter will partner and collaborate with firms that specialize in searching for diverse board candidates, the Multicultural Leadership Organizations, and other sourcing channels to identify a diverse slate of candidates for its board of directors.

Charter commits to appoint at least one African American person, one Asian American/Pacific Islander (hereinafter referred to as "Asian American") person, and one Latino American person to the board of directors of the newly-formed entity within 24 months of the close of the Transactions. Thereafter, New Charter will consider a diverse pool of candidates from which board nominees will be chosen at any time there is a vacancy on the board of directors of New Charter.

b. Chief Diversity Officer.

New Charter will create the position of Chief Diversity Officer to lead the company's diversity and inclusion initiatives and efforts. The Chief Diversity Officer will be within one reporting level of the New Charter Chief Executive Officer. The Chief Diversity Officer will be empowered with decision-making authority to ensure that diversity is integrated into all aspects of the organization and is among the organization's core values. The Chief Diversity Officer will have primary responsibility for implementing the Diversity Strategic Plan, described below.

In filling the position of Chief Diversity Officer, New Charter will consider a diverse pool of candidates, which will include, at a minimum, African-Americans, Latinos, and Asian Americans. New Charter will partner with the Multicultural Leadership Organizations and diverse search firms to identify potential candidates.

c. External Diversity Council.

- i. Composition. New Charter will establish a diversity council comprised of non-employees who are highly esteemed, regarded as pillars in their respective communities, and represent a diverse constituency ("External Diversity Council"). Within 30 days following the close of the Transactions, New Charter will, in consultation with the Multicultural Leadership Organizations, appoint a person to serve as Chair of the External Diversity Council. New Charter's Chief Executive Officer, in consultation with the Council Chair, will select individuals to serve on the External Diversity Council.

The External Diversity Council will be comprised of no fewer than 12 individuals representative of diverse groups, including African Americans, Latinos, Asian Americans, Native Americans, women, the Lesbian/Gay/Bisexual/Transgender community, and persons with disabilities.

In an effort to ensure that the varying needs of the constituencies of the External Diversity Council are heard and recognized, the External Diversity Council will include a subcommittee representing African Americans, a subcommittee representing Asian Americans, and a subcommittee representing Latinos. The chairperson of each subcommittee will be selected by the Multicultural Leadership Organizations, subject to the approval of New Charter's Chief Executive Officer. The size and scope of each subcommittee will be determined by the New Charter Chief Executive Officer, in consultation with the External Diversity Council Chair. Additional subcommittees may be established at the sole discretion of New Charter's Chief Executive Officer.

- ii. Role. The role of the External Diversity Council will be to facilitate open communication with regard to the development, monitoring, and evaluation of diversity initiatives, and to assist New Charter in the creation of a Diversity Strategic Plan (inclusive of metrics and timelines) that will describe in detail goals and objectives for each of the Focus Areas. The proposed Diversity Strategic Plan shall be presented to the External Diversity Council for review within 120 days following the close of the Transactions.

The External Diversity Council will also provide guidance and advice to New Charter's senior executive teams regarding the development and implementation of the Diversity Strategic Plan, which is intended to improve diversity practices at New Charter.

- iii. Term. The External Diversity Council will be in effect for three years following the date on which it is established. Thereafter, the parties will jointly discuss whether it is advisable to renew the External Diversity Council for another three-year term.
- iv. Meetings. The External Diversity Council will meet at least two times per year at the headquarters of New Charter, unless another location is selected by New Charter's Chief Executive Officer. New Charter's Chief Diversity Officer will attend each meeting of the External Diversity Council. Additionally, the Chief Diversity Officer will meet separately with each subcommittee, generally on the same day as the meeting of the full External Diversity Council. New Charter's Chief Executive Officer will attend at least one External Diversity Council meeting each year.

The purpose of the External Diversity Council meetings will be to assist with the development of the Diversity Strategic Plan; brief the External Diversity Council and, as appropriate, the Multicultural Leadership Organizations as to relevant, non-confidential business and operations plans related to diversity and within the scope of this MOU; review progress on diversity initiatives; and recommend ways in which New Charter and the External Diversity Council can effectively collaborate to improve diversity and inclusion.

New Charter will reimburse members of the External Diversity Council, as well as the subcommittees, for reasonable meeting-related expenses, such as travel, lodging, and meals. New Charter will assist the External Diversity Council with scheduling the twice-annual meetings and related logistics, travel arrangements, and other associated administrative tasks.

4. EMPLOYMENT/WORKFORCE RECRUITMENT AND RETENTION

New Charter will strive to increase the diversity of its workforce at all levels to reflect the diversity of the communities in which it will operate. New Charter will work with the External Diversity Council to establish specific goals in this area, which will be included in the Diversity Strategic Plan. New Charter will coordinate and partner with the External Diversity Council to create and/or enhance existing mentoring, outreach, recruiting, development, and training programs that provide meaningful opportunities for advancement.

To achieve the goal of increasing diversity among its leadership, particularly at the director level and above, New Charter will take affirmative steps, which will be described in greater detail in the Diversity Strategic Plan, to recruit diverse candidates.

To improve its overall workplace diversity, at a minimum, New Charter will establish the following initiatives:

- a. New Charter will implement a workplace diversity and inclusion awareness program that will include the following components: (1) development of a comprehensive policy describing New Charter's commitment to a diverse employee population and creation of an inclusive culture; (2) dissemination and communication of New Charter's diversity policy via its Intranet and Internet sites, Employee Handbook, Code of Conduct, New Employee Orientation Program, and Careers web page; (3) encouraging and supporting the expansion and/or establishment of employee affinity groups; (4) training all leaders concerning their role in creating and maintaining an inclusive work environment and diverse workplace, and (5) requiring executives' compensation to depend in part on their success in furthering diversity and inclusion.
- b. A component of the performance evaluation and compensation of New Charter's senior leaders will be based upon achieving progress in implementing the diversity initiatives set forth in this MOU.
- c. New Charter will increase the pool of skilled and qualified diverse candidates for employment by supporting and partnering with local trade schools and other community and civic organizations to train and/or certify individuals in all facets of the cable industry. In addition, New Charter will invest in local community programs designed to prepare people of color and other diverse individuals to succeed in the workplace, including mentoring programs intended to enhance the opportunities for upward mobility and promotions of identified talent, moving those individuals from entry-level, to mid-level management, to senior management. Both the External

Diversity Council and the Multicultural Leadership Organizations may propose to New Charter organizations that are able to provide such training.

- d. Annually, New Charter will create 10 internships for college students who attend minority-serving educational institutions located in New Charter's footprint.
- e. The Multicultural Leadership Organizations may make recommendations to New Charter regarding the selection of executive leadership development programs (including recommendations for search firms with expertise in identifying diverse executive candidates) and the development of internship programs aimed at exposing college and university students to employment opportunities with the company.
- f. New Charter will partner with the Multicultural Leadership Organizations, other community and civic groups, as well as local workforce development organizations to assist in identifying, training, and recruiting qualified people of color and other diverse candidates to fill at least 10,000 field technician and customer service jobs anticipated to be created as part of New Charter.
- g. New Charter will educate its recruiters as to the importance and necessity of broad community outreach to create a diverse candidate pool. New Charter will coordinate with the External Diversity Council to identify niche job boards for people of color on which to advertise its job vacancies. New Charter also will regularly participate in minority job fairs targeted at communities of color at both the local and national level.
- h. New Charter will provide annual workforce demographic data in an agreed upon electronic format. The data will be provided to the External Diversity Council upon request, subject to an executed non-disclosure agreement and with the understanding that the data is to be used only for internal discussions and progress reports related to the company's diversity initiatives and efforts.

5. **PROCUREMENT**

Charter, TWC, and BHN currently maintain programs aimed at increasing supplier diversity. New Charter will partner with the External Diversity Council and the Multicultural Leadership Organizations to improve diversity in its procurement of goods and services by substantially increasing over the next three years its spend with diverse suppliers, including, but not limited to, business enterprises owned and operated by African Americans, Latinos, and Asian Americans. New Charter will work with the External Diversity Council to establish specific goals in this area, which will be included in the Diversity Strategic Plan. The following action will be taken to achieve this goal:

- a. New Charter will create opportunities for building and growing relationships between the minority-owned suppliers in the communities in which it operates and its leadership, partner with organizations that serve the minority business communities, and participate in procurement-related events that showcase diverse suppliers. New Charter will seek guidance and advice from the Multicultural Leadership Organizations to identify opportunities for spending with diverse suppliers who are able to meet the company's needs in areas such as banking, investments, information technology, engineering, construction, customer premise equipment, legal services, advertising and media services, janitorial services, building maintenance, office supplies and furniture, and staffing services.
- b. New Charter will partner with the Multicultural Leadership Organizations and the External Diversity Council to identify and invest in programs that mentor and coach diverse business owners who desire to compete for contracting opportunities in the cable industry, particularly with New Charter.
- c. New Charter will partner with minority-led organizations, including engaging with the U.S. Black Chamber of Commerce, U.S. Hispanic Chamber of Commerce, and other minority chambers of commerce in the communities it serves; becoming an active and participating member of the National Minority Supplier Development Council; and consulting the External Diversity Council to model best practices in supplier diversity and procurement successfully adopted by other companies.
- d. New Charter will provide guidance on its external website regarding the process vendors should follow to become a Charter supplier.
- e. New Charter will utilize an internal supplier diversity tracking system that meets the following criteria:
 - i. Identifies New Charter's diverse suppliers;
 - ii. Tracks, monitors, and reports on a companywide basis New Charter's spend with each diverse supplier;
 - iii. Shows the amount and percentage spent, of the New Charter's total procurement spend, among each diverse group (*i.e.*, African American, Latino, Asian, women and veterans);
 - iv. Categorizes the specific supplies and/or services provided by New Charter's diverse suppliers; and

- v. Tracks and analyzes New Charter's spend with tier 2 diverse suppliers.
- f. New Charter commits to expand its utilization of minority-owned law firms. New Charter will establish a relationship with one or more minority law firms in a metropolitan area in which it maintains significant presence.
- g. New Charter commits to engage at least one minority-owned advertising agency to develop national and/or local advertising and marketing materials. New Charter also commits to increase its spending on advertising with minority-owned media.
- h. New Charter will grow the diversity of its banking and other financial services partners by developing and expanding relationships with minority-owned investment firms, investment banks, and asset managers.
- i. New Charter will train its procurement team to search for and identify opportunities for inclusion, including opportunities for existing diverse suppliers to expand the goods and/or services currently provided to Charter, TWC, and BHN.
- j. New Charter will provide annual reports and data related to its supplier diversity efforts in an agreed upon format to the Multicultural Leadership Organizations. The reports and data will be provided to the Multicultural Leadership Organizations upon request, subject to an executed non-disclosure agreement and with the understanding that the reports and data are to be used only for internal discussions and to report the progress of New Charter's diversity initiatives and efforts.

6. PROGRAMMING

Charter, TWC, and BHN offer a robust variety of programming featuring persons and/or aimed at communities of color.

Charter currently carries more than 100 networks targeting communities of color, including independent networks like TV One, OWN and Bounce TV that cater to African-Americans. Given that the company will be entering into markets with a significant African-American presence, Charter will expand carriage of and agree to at least one programming agreement extension with existing African-American focused programming networks on the New Charter system that will cover no fewer than an aggregate of six million (6,000,000) subscribers within nine (9) months after the closing, if at all, of the transaction, subject to negotiating customary terms for expanded distribution and the extension of existing programming agreements. The selection of such programming networks will be in Charter or New Charter's discretion. In addition, New Charter will develop a framework, to be included in the Diversity Strategic Plan, for enhancing

the carriage of programming networks owned and operated by African-Americans in a way that supports the business goals of New Charter. For purposes of this commitment an African-American owned and operated programming network is one that produces its programming in the U.S. and is substantially owned, operated, and controlled by an African-American.

With respect to Asian American focused programming, Charter currently carries a wide variety of programming networks geared towards the Asian American community. New Charter's footprint will include some of the country's largest Asian American/Pacific Islander populations. In light of these facts, New Charter commits to explore opportunities to expand its programming offerings to serve these communities, recognizing the business opportunities that will be presented.

Charter currently carries more Spanish language programming than any other major MVPD, with over 70 Spanish language channels available to its customers. Prior to announcing the transaction, Charter already offered a variety of English language Latino targeted programming networks, including El Rey, Fusion, LATV, and BabyFirst TV. Understanding that New Charter will serve markets with heavy Latino populations, Charter – or, post-transaction, New Charter – will expand its carriage of Latino targeted English Language programming networks by no fewer than an aggregate of six million (6,000,000) subscribers within nine (9) months after the closing, if at all, of the transaction, subject to negotiating customary terms for expanded distribution. Included in the six million subscribers to whom Charter will expand its carriage of English language Latino targeted programming are those subscribers added by Charter, TWC, and BHN since the transaction was announced. The selection of such programming networks will be in New Charter's discretion. For purposes of this commitment, a Latino targeted English Language programming network is one that produces its programming in the U.S. or is owned, operated, and controlled by a U.S. based Latino/Hispanic.

New Charter will provide annual programming-related data in an agreed upon format to the External Diversity Council, subject to an executed non-disclosure agreement and with the understanding that the data is to be used only for internal discussions and to track progress of New Charter's diversity initiatives and efforts.

7. PHILANTHROPY AND COMMUNITY INVESTMENT

Charter recognizes the importance of investing in minority-led organizations, including African American, Latino, and Asian American organizations, as well as the programs and services provided by organizations that serve communities of color. Moreover, Charter understands that the financial support of these organizations is important to the communities in which they operate. In recognition thereof, New Charter commits to continuing and improving its involvement in and commitment to those organizations whose purpose is to improve the socio-

economic conditions facing people of color, women, disabled persons, and veterans in their respective communities.

- a. Community Investment. New Charter commits to increase its philanthropic efforts to support minority-led and minority-serving organizations and institutions within its footprint. The specific goal for increased giving will be included in the Diversity Strategic Plan, subject to a comprehensive analysis by New Charter of the combined philanthropic efforts of current Charter, TWC, and BHN.
- b. Low-Income Broadband Program Adoption. New Charter will offer a low-cost high-speed broadband offering to household with children on reduced or free school lunch and with seniors on SSI. The Multicultural Leadership Organizations and the External Diversity Council will recommend local community organizations New Charter can partner with to help reach the eligible population.
- c. Internships and Scholarship Support. New Charter will support minority-led and minority-serving organizations and educational institutions that provide internships and scholarships to minority students. As a part of its support, New Charter will create opportunities for internships for students from communities of color.
- d. Workforce Development and Training. New Charter will solicit recommendations from the External Diversity Council for investment opportunities for workforce development and job training for careers in the U.S. cable industry.
- e. Outreach. New Charter will promote and communicate the positive impact of its partnerships with the civic and community organizations that are party to this MOU by increasing the provision of public service announcements and by using social media, advertising, media, special events, and job fairs to disseminate the efforts and initiatives described herein.
- f. New Charter will provide annual community investment-related data in an agreed upon format to the External Diversity Council, subject to an executed non-disclosure agreement and with the understanding that the data is to be used only for internal discussions. This data will be disaggregated to reflect support given to each community of color.

8. MONITORING AND EVALUATION OF PROGRESS

Within 60 days of the close of the Transactions, New Charter will lay the groundwork for and begin planning to conduct a benchmark study of the initiatives set forth herein, against which

future progress will be measured and monitored, with the goal of completing the study within 90 days. On an annual basis thereafter, New Charter will assess its progress with regard to the diversity initiatives set forth herein and in the Diversity Strategic Plan. The annual assessment will be reviewed by the External Diversity Council for the purpose of seeking input and recommendations for strategies to improve performance on the diversity initiatives.

Charter affirms its commitment to publish annual data related to the diversity of its workforce and procurement.

9. **EFFECTIVE DATE**

This MOU will take effect upon the closing of the Transactions. The parties agree that, in anticipation of the close, they will continue discussions over matters contained in this MOU and will begin to work cooperatively to lay the groundwork for the initiatives described herein.

10. **MISCELLANEOUS**

- a. Charter and the Multicultural Leadership Organizations agree that the intent of this MOU is to create a binding agreement on diversity commitments and that Charter shall make commercially reasonable efforts to satisfy each of those commitments. The commitments set forth in the MOU shall not be conditioned upon approval of the transaction by the Federal Communications Commission (“FCC”). Although the MOU shall be binding upon the parties hereto, it shall not confer upon any other party the status of a third-party beneficiary to this agreement or the right to bring any legal or equitable action against the parties hereto.
- b. This MOU does not create a legal partnership among or between the any of undersigned parties. No party has the authority to bind the others to any agreement, contract, or understanding with any third party or to act in any way as the representative or agent of the other.
- c. The parties to this MOU intend that the planning, development, implementation, and oversight of this MOU be a cooperative, mutual, long-term endeavor in which the parties actively participate, in good faith and with due diligence. Nothing in this MOU is intended to imply or otherwise suggest that the Multicultural Leadership Organizations have any authority or discretion over the corporate governance, employment, programming, procurement, philanthropic, and/or community investment decisions of Charter, TWC, BHN, or New Charter.

Charter Communications, Inc.

Tom Rutledge
President and Chief Executive Officer

Date: _____

National Urban League

Marc Morial
President and Chief Executive Officer

Date: _____

National Action Network

Reverend Al Sharpton
President and Chief Executive Officer

Date: _____

Asian Americans Advancing Justice

Mee Moua
President and Executive Director

Date: _____

Asian Pacific American Institute for Congressional Studies

S. Floyd Mori
President and Chief Executive Officer

Date: _____

OCA—Asian Pacific American Advocates

Ken Lee
Chief Executive Officer

Date: _____

Media Action Network for Asian Americans

Guy Aoki
Founding President

Date: _____

East West Players

Daniel M. Mayeda
Legal Counsel, Board of Directors

Date: _____

National Council of La Raza

Janet Murguia
President and Chief Executive Officer

Date: _____

League of United Latin American Citizens

Roger C. Rocha
National President

Date: _____

National Hispanic Foundation for the Arts

Felix Sanchez
Chairman and Co-Founder

Date: _____

Hispanic Federation

Jose Calderón
President

Date: _____

Service Employment Redevelopment National

Ignacio Salazar
National President and CEO

Date: _____