

COMMITMENTS PURSUANT TO ARTICLE 53 THIRD PARAGRAPH OF DECRETO LEY N° 211

Hereby, according to article 53, third paragraph, of Decreto con Fuerza de Ley N°1, of 2004, of the Department of Economy, Development and Reconstruction, that establishes the text of Decreto Ley N° 211 OF 1973, and its corresponding modifications (“**DL 211**”) and the Remedies Guidelines issued by the Fiscalía Nacional Económica (“**FNE**” or the “**Fiscalía**”) of June 2017 (“**Remedies Guidelines**”), the parties offer the commitments that follow (the “**Commitments**”).

I. PRELIMINARY CONSIDERATIONS AND PURPOSE OF THE COMMITMENTS

The Commitments offered in this document have the purpose of preserving the competitive environment, within the territory of the Republic of Chile, and without prejudice to those Commitments that by their nature must be executed and/or have effects outside said territory, in the market of retail distribution of pay-TV services, avoiding the materialization of potential risks identified by the FNE that arise from the concentration operation between the undertakings AT&T Inc. and Time Warner Inc. (jointly, the “**Parties**”). The abovementioned, considering that on October 22 of 2016, AT&T entered into an Agreement and Plan of Merger with Time Warner, AT&T, West Merger Sub. Inc., a wholly owned subsidiary of AT&T, and West Merger Sub. II Inc., a wholly owned subsidiary of AT&T (the “**Merger Agreement**”), which establishes the merger of West Merger Sub. Inc. into Time Warner, followed by the merger of the latter into West Merger Sub. II LLC. (collectively, the “**Operation**”).

The Commitments offered are submitted considering that the FNE understands that, at this stage, it is not possible to discard the possibility that the Operation generates an exchange of sensitive information, in particular, the costs of AT&T’s rivals and the

incomes/revenues of the rivals of Time Warner, and a strategy of total or partial input foreclosure in the market of licensing of Programming Channels.

Notwithstanding the above, AT&T and Time Warner submit that the Operation does not have the ability nor the capacity to cause negative effects in the competition of the aforementioned markets. However, they agree to reiterate their intention of protecting and defending a competitive environment, offering the Commitments that are listed as follows.

The Parties:

- **AT&T INC. ("AT&T")**, a company established under the laws of United States of America and headquartered at One AT&T Plaza, 208 S. Akard St., Suite 3202, Dallas, Texas 75202, United States of America, through its undersigned legal representatives;
- **DIRECTV Chile Televisión Ltda. and Incubtv Comercializadora y Distribuidora Sociedad de Responsabilidad Ltda. ("DIRECTV Chile")**, companies established under the laws of Chile and headquartered at Avenida Vitacura 4380, Piso 15, Vitacura, Santiago, Chile, through its undersigned legal representatives; and,
- **TIME WARNER INC. ("Time Warner")**, a company established under the laws of United States of America and headquartered at One Time Warner Center, New York, NY 10019-8016, United States of America, through its undersigned legal representatives.

II. DEFINITIONS

A. **Programming Channels:** Those pay-TV channels which are the result of programming activities that consist in the organization of audiovisual content in linear sequence in pre-established hours of the sort customarily distributed by Pay-TV Operators, regardless of the platform of delivery used, for example, cable, satellite or the internet. Also, it will be included in this definition all ancillary services to such pay-TV channels that consumers can have access to as part of a pay-TV subscription.

B. **Affiliate:** Any entity or economic agent directly or indirectly controlling, controlled by, or under the common control of a determined entity or economic agent. For purposes of this definition, "control", "controlling" and "controlled" shall be interpreted in accordance with the Chilean competition regulation.

C. **Pay-TV Operators:** Any entity or economic agent that has a corresponding permit from the Subsecretaría de Telecomunicaciones, to provide one or more pay-TV telecommunications services to subscribers in Chile (each a "**Pay-TV Operation Service**").

D. **Time Warner Channel Providers:** Any Affiliate of Time Warner engaged in the negotiation and concession of the licensing of Programming Channels to Pay-TV Operators in Chile, with the exception of HBO LAG.

E. **AT&T Group:** shall mean AT&T Inc. and its Affiliates.

F. **HBO LAG:** Will correspond, individually and collectively, to the legal entities or economic agents that are under the ultimate joint control, directly or indirectly, of Home Box Office Inc. (or any of its Affiliates) and Ole Communications, Inc. (or any of its Affiliates) and doing business under the name HBO Latin America or the HBO Latin

America Group or doing business as part of the joint venture commonly known as the HBO Latin America Group, including, without limitation, HBO Ole Partners, HBO Brasil Partners, HBO Ole Distribution LLC, HBO Latin American Productions Services, L. C. and any of their subsidiaries.

G. **DIRECTV LA:** shall mean DIRECTV LATIN AMERICA, LLC.

H. **HBO LAG Board Member:** Any member of the board of directors of HBO LAG appointed by Time Warner or AT&T Group (excluding HBO LAG for purposes of this definition).

III. THE OBLIGATIONS

1. CONFIDENTIALITY OF THE INFORMATION

1.1. In the licencing of Programming Channel agreements with Pay-TV Operators, that are executed or renewed as of the date of the authorization of the Operation by the FNE, AT&T and the Time Warner Channel Providers commit to insert a non-disclosure clause that prevents confidential information obtained by Time Warner Channel Providers as a result of negotiations or agreements with non-Affiliated Pay-TV Operators from being transferred to any employees of DIRECTV Chile and/or DIRECTV LA (as applicable).

1.2. Also, DIRECTV Chile and/or DIRECTV LA (as applicable) commit to insert a non-disclosure clause in its new licensing agreements, or its renewals, with non-Affiliated providers of Programming Channels that prevents information obtained by DIRECTV Chile and/or DIRECTV LA (as applicable) as a result of negotiations or agreements with the aforementioned providers from being transferred to any employees of the Time Warner Channel Providers.

2. ACCESS TO TW PROGRAMMING CHANNELS

2.1. AT&T and its Affiliates commit that the Time Warner Channel Providers will not discriminate arbitrarily in contravention of the provisions established in DL 211.

3. HBO LAG ACTIVITIES

3.1. AT&T Group (excluding HBO LAG for purposes of this item) will ensure that all non-public information in its possession and/or knowledge that is either contained in HBO LAG's licensing agreements with Pay-TV Operators or obtained from negotiations or renegotiations of licensing agreements even if they were not finally executed, will not be shared directly or indirectly with any employees of DIRECTV Chile and/or DIRECTV LA or with the Time Warner Channel Providers.

3.2 To ensure compliance with section 3.1 above, the AT&T Group will (i) put in place adequate internal policies, as firewalls, to prevent access to such information; and (ii) cause a duly authorized representative of the AT&T Group to sign a sworn statement attesting to the establishment and/or maintenance of such policies and firewalls to prevent access to such information.

3.3 AT&T Group (excluding HBO LAG for purposes of this item) will ensure that no employees of DIRECTV Chile, DIRECTV LA or the AT&T Group who otherwise receive non-public information about DIRECTV Chile and/or DIRECTV LA's business may serve as an HBO LAG Board Member.

3.4. If by reason of regulatory or legal provisions, it is required to share information regarding HBO LAG with the AT&T Group, with the object of complying with legal and

financial functions within the AT&T Group, that are related to their customary duties, the Commitments will not be an impediment.

3.5 HBO LAG will be deemed a Time Warner Channel Provider in the event that the AT&T Group individually controls, directly or indirectly, HBO LAG.

3.6 Also, if the Programming Channels licensed and/or distributed by HBO LAG at the date of the closing of the Operation, pass to be licensed and/or distributed, *de iure* or *de facto*, by the AT&T Group, all of the Commitments taken in this document will be understood to be applicable to those Programming Channels.

3.7 AT&T Group (excluding HBO LAG for purposes of this item) will not enter into any agreement with HBO LAG to jointly negotiate or renegotiate licensing agreements for the Programming Channels of Time Warner with the Programming Channels licensed and/or distributed by HBO LAG. Also, it will not, *de facto*, jointly commercialize, negotiate and/or renegotiate, under any form and/or combination, the Programming Channels of Time Warner or Programming Channels licensed and/or distributed by HBO LAG. All of the above, unless HBO LAG agrees in writing to be bound by the Commitments during the negotiation and effectiveness of any such arrangement.

4. OFFER OF ARBITRATION, AS A RESOLUTION MECHANISM FOR ANY DISPUTE IN THE CONTEXT OF THE NEGOTIATION OR RENEGOTIATION OF PROGRAMMING CHANNEL LICENSING AGREEMENTS

4.1 AT&T and its Affiliates commit that the disputes that may arise in the context of negotiations or in the absence of the same with non-Affiliated Pay-TV Operators with regard to the entry into new agreements or renewals of Programming Channel licensing

agreements of the Time Warner Channel Providers, may be referred to arbitration if a non-Affiliated Pay-TV Operator requests it, pursuant to sections 4.2 to 4.7 below:

4.2. The non-Affiliated Pay-TV Operator will submit a written request for arbitration and a copy of these Commitments to the Centro de Mediación y Arbitraje de la Cámara de Comercio de Santiago (“**CAM Santiago**”). The parties will name an Arbitrator Ex Aequo et Bono, by agreement; in case there is no agreement, the parties will mandate the CAM Santiago to name the Arbitrator Ex Aequo et Bono to resolve the dispute.

4.3 The arbitration will be ruled by the Reglamento Procesal de Arbitraje del CAM Santiago (“**Reglamento de Arbitraje**”), in only one judicial instance and all appeals will be waived, with the sole exception of those that cannot be waived under law. The rules of the Reglamento de Arbitraje will apply with the exception of the following:

4.3.1 The term of the arbitration will be 6 months, counted in the way established in article 4 of the Reglamento de Arbitraje. The term cannot be renewed.

4.3.2 AT&T and its Affiliates will pay the remuneration of the Arbitrator and the administrative fees of the CAM Santiago, without prejudice to the Arbitrator’s final decision regarding the costs of the arbitration.

4.4 The arbitrator must determine if the prices, terms and/or conditions offered by the AT&T Group to the non-Affiliated Pay-TV Operator correspond to fair market prices, terms and/or conditions, considering, among other factors, those offered and/or agreed with Affiliated or non-Affiliated Pay-TV Operators, and any other information that the parties may submit. In case that the AT&T Group were not in conditions to make an offer to the non-Affiliated Pay-TV Operator, the arbitrator must determine if that situation is justified or not.

4.5 If the arbitrator determines that the offer by the AT&T Group does not correspond to fair market prices, terms and/or conditions, or that the lack of an offer is not justified, then each party must present a final offer, and the arbitrator must decide between the offer of the AT&T Group or the offer the non-Affiliated Pay-TV Operator, according to which adjusts in a better way to fair market prices, terms and/or conditions.

4.6 The new agreement executed between AT&T or any of its Affiliates, and the non-Affiliated Pay-TV Operator, will adjust to what the arbitrator rules.

4.7 The current agreement between the entities of the AT&T Group and the non-Affiliated Pay-TV Operator (or the parties' most recent agreement if that agreement expired during arbitration under this section 4 or negotiations preceding the same) will remain in effect during the arbitration, in order to assure the provision of content and current commercial conditions. The ruling shall be applied retroactively to the original expiration date of the aforementioned agreement.

4.8 By no means this section 4 will be deemed to limit the rights of non-Affiliated Pay-TV Operators who reject arbitration hereunder to pursue claims allowed under law or contract, before the authorities and courts of competent jurisdiction.

5. CONDITIONAL OBLIGATION REGARDING CHILEVISIÓN

5.1 Red de Televisión Chilevision S.A. (“**CHV**” or “**Chilevisión**”) will be deemed, for purposes of these Commitments, a Time Warner Channel Provider, and the free to air signal of CHV, a Programming Channel, from the moment that Pay-TV Operators are required to pay a fee according to article 15 quater of the Ley N° 18.838 que Crea el Consejo Nacional de Televisión, pursuant to its terms and conditions.

IV. DURATION OF THE AGREEMENT

The obligations set forth herein shall be valid effective as of the closing of AT&T's acquisition of Time Warner and remain in effect for a period of 5 years, as long as AT&T controls DIRECTV Chile or other Pay-TV Operators in Chile. AT&T must inform the FNE of the date when the Operation effectively closes.

V. COMPLIANCE OF THE COMMITMENTS

DIRECTV Chile will be jointly and severally responsible for complying with the Commitments agreed to by AT&T and its Affiliates herein.

VI. PUBLICITY OF THE COMMITMENTS

AT&T Group commits to send a written communication attaching a copy of the Commitments to the Pay-TV Operators that have a presence in Chile on the date the Operation closes, in order to communicate the existence and terms of the Commitments herein.

VII. NOTIFICATIONS AND OTHER COMMUNICATIONS TO THE PARTIES

Every notification and other communication to AT&T must be sent to the following addresses:

To: **Barros y Errázuriz**

Isidora Goyenechea 2939, Piso 10

Las Condes, Santiago, Chile.

Contact attorneys: Luis Eduardo Toro Bossay and Francisco Bórquez

Electorat

Telephone: + (56) 22378-8900

mail: ltoro@bye.cl; fborquez@bye.cl

Att.: **DIRECTV Chile Televisión Ltda.**

Avenida Vitacura 4380, Piso 15.

Vitacura, Santiago, Chile

Contact person: Gianpaolo Peirano Bustos

Telephone: + (56) 223374003

mail: gpeiranob@directv.cl

AT&T INC.

DIRECTV Chile Televisión Limitada

TIME WARNER INC.