



Qurate Retail, Inc. - Special Dividends FAQ

On August 21, 2020, Qurate Retail, Inc. ("Qurate Retail") announces declaration of the following special dividend, consisting of two pieces:

- a. Special cash dividend of \$1.50 per QRTEA/QRTEB share
 - i. Payable on September 14th
 - ii. Approximately \$633 million aggregate one-time cash dividend
- b. Newly issued preferred stock dividend of 0.03 shares per QRTEA/QRTEB share (the "Preferred Shares")
 - i. Initial liquidation price of \$100 per Preferred Share, with cash to be paid in lieu of fractional shares
 - ii. Payable on September 14th
 - iii. \$1.3 billion aggregate preferred stock dividend
 - iv. 8.0% dividend rate maturing in the first quarter of 2031 (no acceleration rights)

2) What are the key dates for the upcoming distributions?

- *August 31, 2020, 5 p.m. ET:* Record date
- *September 1, 2020:* "When-issued" market for preferred stock begins (symbol: QRTEV)
- *September 2, 2020:* "Ex-distribution when-issued" market for QRTEA and QRTEB begins (symbols: QRTAV and QRTBV, respectively)
- *September 14, 2020:* Distribution date
 - Last day of "when-issued" market for the Preferred Shares
 - Last day of "ex-distribution when-issued" market for the common stock
- *September 15, 2020:* Expected ex-dividend date
 - Regular-way trading begins
 - Preferred trades under ticker QRTEP
- *September 17, 2020:* "When-issued" trades of Preferred Shares and "ex-dividend when-issued" trades of common stock settled

3) What are my options for trading QRTEA/B securities prior to the distribution date on September 14th?

- a. QRTEA/B: Regular way market
- b. QRTEV: When-issued market for Preferred Shares
 - i. Trading on Nasdaq September 1st – September 14th
 - ii. Trades will settle on September 17th
- c. QRTAV / QRTBV: Ex-distribution when-issued market for QRTEA/QRTEB
 - i. Trading on Nasdaq September 2nd – September 14th

- ii. Represents common equity as though distributions of Preferred Shares and special cash dividend have occurred
- iii. Shares of common stock acquired by investors in this market will not have the right to receive the special dividend of cash and Preferred Shares

4) When is the last possible date a shareholder can purchase QRTEA/B shares and still be eligible to receive the special dividends?

As a result of due bill trading procedures, investors who held QRTEA/QRTEB shares on the record date of August 31st or purchase QRTEA/QRTEB shares subsequent to the record date will only be entitled to receive the special dividend of cash and Preferred Shares if they continue to hold such QRTEA/QRTEB shares through the distribution date on September 14th

5) What are the summary terms of the Preferred Shares?

- Issuer: Qurate Retail, Inc.
- Maturity: March 15, 2031
- Dividend Payment Dates: March 15, June 15, September 15, and December 15, commencing on December 15, 2020
- Listing / Format: Nasdaq / SEC Registered (symbol: QRTEP)

6) Where do the Preferred Shares rank relative to other debt/equity at Qurate Retail, Inc.?

The Preferred Shares will rank senior to common shares and to any other junior stock, of which Qurate Retail has none issued currently; on parity with any subsequently created parity stock; and junior to any subsequently created senior stock and all existing and future indebtedness

7) What happens upon maturity of the Preferred Shares?

The Preferred Shares mature on March 15, 2031. Upon maturity, Qurate Retail expects to pay out in cash the Liquidation Price (\$1.3 billion) plus accumulated and unpaid distributions

8) What is the tax treatment of quarterly dividends for the Preferred Shares?

Quarterly dividends paid to an individual out of earnings and profits will generally be considered qualified dividends so long as applicable holding periods have been met, customarily 61 days. The foregoing is not intended to be tax advice, and holders should consult their own tax advisors regarding the application of the U.S. federal tax laws to their particular situations and the applicability and effect of state, local or foreign tax laws

9) How will my basis be allocated across these securities?

The allocation of basis between the Preferred Shares and Qurate Retail common stock will be posted on Qurate Retail's website at <http://www.qurate.com/stock-cost-basis.html> following the distribution of the Preferred Shares

10) How will transactions in the when-issued markets be settled?

Settlements for the when-issued market for the Preferred Shares and for the ex-distribution when-issued market for QRTEA and QRTEB will occur automatically on September 17, 2020. For other inquiries regarding settlement, please contact your bank or broker