

Item 1.01. Entry into a Material Definitive Agreement.

Item 8.01. Other Events

Reorganization Agreement

On April 4, 2017, Liberty Interactive Corporation, a Delaware corporation ("Liberty"), entered into an Agreement and Plan of Reorganization (the "Reorganization Agreement") with General Communication, Inc. ("GCI"), an Alaska corporation, and Liberty Interactive LLC, a Delaware limited liability company and a direct wholly-owned subsidiary of Liberty ("LI LLC"), whereby Liberty will acquire GCI through a reorganization in which certain Liberty Ventures Group ("Liberty Ventures") assets and liabilities will be contributed to GCI in exchange for a controlling interest in GCI. Liberty will then effect a tax-free separation of its controlling interest in the combined company (to be named GCI Liberty, Inc. ("GCI Liberty")) to the holders of Liberty Ventures common stock in full compliance with the terms of the Reorganization Agreement.

Auto Conversion

Auto Conversion

Subject to the satisfaction of certain conditions, as soon as reasonably practicable following the GCI Reclassification Effective Date and in accordance with the terms of the Restated Articles, each outstanding share of GCI Class A-1 Common Stock and GCI Class B-1 Common Stock will convert into (a) 0.63 of a share of Reclassified GCI Class A Common Stock and (b) 0.2 of a share of GCI Preferred Stock (with fractional shares being issued, as applicable) (the "Auto Conversion", and the date and time of the Auto Conversion, the "Auto Conversion Effective Time"). Equity awards with respect to (i) options to purchase shares of GCI Common Stock will be converted into options to purchase shares of Reclassified GCI Class A Common Stock and (ii) shares of restricted GCI Common Stock will be converted into shares of restricted Reclassified GCI Class A Common Stock and restricted GCI Preferred Stock, in each case, pursuant to the terms of the Reorganization Agreement. Pursuant to the terms of the Amended and Restated Stock Appreciation Rights Agreement, dated July 13, 2015, by and between GCI and Searchlight ALX Luante Lu a Nchabnd igA tio Ala LXce ReoEcaabee Scd @mex intc ublcl I 20 ru L oeo ap

separately as



Subject to the terms and conditions of the Reorganization Agreement, Liberty will pay GCI a termination fee of \$65 million if (a) the Liberty stockholders have approved the transactions and the Contribution and Split-Off have not been completed within five business days after the date of the Auto Conversion Effective Time, (b) GCI terminates the Reorganization Agreement because Liberty's board of directors changes its recommendation in favor of the transactions, (c) GCI terminates the Reorganization Agreement because Liberty has materially breached its non-solicitation covenant or (d) (i) an alternative Liberty Ventures transaction proposal is made to Liberty, (ii) thereafter the Reorganization Agreement is terminated (A) by either party for failure to consummate the Auto Conversion by the Outside Date (if at the time of such termination the Liberty stockholders have not approved the transactions and such termination does not result in the payment of a termination fee by GCI) or (B) by GCI because Liberty has breached its representations or covenants in a way that prevents satisfaction of a closing condition, subject to a cure period) and (iii) prior to the eighteen month anniversary (iii) riyrsa

month anniversary of the Split-Off Effective Time, the Malones have agreed to certain transfer restrictions with respect to their Liberty Subject Shares, including (i) restrictions on selling, transferring or disposing of any of their Liberty Subject Shares and (ii) restrictions on the ability to enter into voting agreements or to grant proxies or powers of attorney with respect to their Liberty Subject Shares, in each case, subject to certain exceptions. Under the Malone Voting Agreement, Liberty agreed to pay up to \$75,000 in reasonable out-of-pocket fees and expenses of the Malones in connection with the Malone Voting Agreement and to indemnify the Malones for losses relating to or arising out of the Malone Voting Agreement, the Reorganization Agreement and the Reincorporation Merger.

The above descriptions of each of the GCI Voting Agreements and the Malone Voting Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of such agreements, which will be filed by GCI at a later date.

Related Agreements and Exchange Offer

Liberty and GCI agreed to enter into, on or prior to the closing of the Contribution, (a) an indemnification agreement (the “ Indemnification Agreement”), (b) a tax sharing agreement, (c) a services agreement, (d) aircraft time sharing agreements and (e) a facilities sharing agreement.

In addition, prior to the Split-Off Effective Time, a subsidiary of GCI Liberty intends to execute a margin loan against the 42.7 million shares of Series C common stock of Liberty Broadband Corporation such subsidiary will hold upon the closing of the Contribution. At the date hereof, it is expected that the amount of the margin loan will be \$500 million and it will be drawn in full at the Split-Off Effective Time. Concurrent with the Split-Off, a portion of proceeds drawn on the margin loan may be distributed to Liberty to be used within one year for the repurchase of QVC Group stock or to pay down debt. The amount of such proceeds depends upon the portion of the 1.75% Charter Exchangeable Debentures due 2046 that are not exchanged for mirror debentures of GCI Liberty (as described below). Proceeds that are not distributed to Liberty may be used for general corporate purposes at GCI Liberty.

In connection with the closing of the Transactions, LI LLC will offer to exchange any or all of its outstanding 1.75% Charter Exchangeable Debentures due 2046 for mirror debentures of GCI Liberty (the “Exchange Offer”). Pursuant to the Indemnification Agreement, LI LLC will guarantee GCI Liberty’s payment obligations under the mirror debentures through October 5, 2023 (including any payment obligations relating to mirror debentures that are put, exchanged or redeemed on or before such date) in exchange for a guarantee fee, and GCI Liberty and LV Bridge LLC (a subsidiary of GCI Liberty) will provide an indemnity to Liberty for any payments made in respect of the guarantee, supported by a negative pledge by LV Bridge LLC on the portion of the Charter shares referenced by the mirror debentures. With respect to any Liberty exchangeable debentures not tendered in the Exchange Offer (a) in the Reattribution, Liberty expects to reattribute from Liberty Ventures to the QVC Group an amount of cash sufficient to pay the stated principal and interest of such debentures, through October 5, 2023 and (b) GCI Liberty will provide to Liberty an indemnity with respect to any payments in excess of stated principal and interest made by LI LLC to any holder of the exchangeable debentures that exercises its exchange right under the terms of the debentures on or before October 5, 2023.

Item 3.02 Unregistered Sales of Equity Securities

The information contained in Item 1.01 above under the heading “Voting Agreements - GCI Voting Agreements” is incorporated by reference herein.

Item 5.01 Change in Control of Registrant

(b)

The information contained in Item 1.01 above is incorporated by reference herein.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GENERAL COMMUNICATION, INC.
