

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2020

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-6961

TEGNA INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

8350 Broad Street, Suite 2000, Tysons, Virginia  
(Address of principal executive offices)

(703) 873-6600

(Registrant's telephone number, including area code)

16-0442930

(I.R.S. Employer Identification No.)

22102-5151  
(Zip Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock	TGNA	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes  No

The total number of shares of the registrant's Common Stock, \$1 par value, outstanding as of October 31, 2020 was 219,241,555.

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**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**TEGNA Inc.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*In thousands of dollars (Unaudited)*

	<u>Sept. 30, 2020</u>	<u>Dec. 31, 2019</u>
<b>ASSETS</b>		
<i>Current assets</i>		
Cash and cash equivalents	\$ 164,586	\$ 29,404
Accounts receivable, net of allowances of \$8,427 and \$3,723, respectively	503,000	581,765
Other receivables	14,093	19,640
Syndicated programming rights	60,378	49,616
Prepaid expenses and other current assets	21,224	26,899
<i>Total current assets</i>	<u>763,281</u>	<u>707,324</u>
<i>Property and equipment</i>		
Cost	1,011,744	997,736
Less accumulated depreciation	(541,197)	(512,015)
<i>Net property and equipment</i>	<u>470,547</u>	<u>485,721</u>
<i>Intangible and other assets</i>		
Goodwill	2,968,693	2,950,587
Indefinite-lived and amortizable intangible assets, less accumulated amortization of \$218,468 and \$168,452, respectively	2,501,027	2,561,614
Right-of-use assets for operating leases	98,242	103,461
Investments and other assets	143,206	145,269
<i>Total intangible and other assets</i>	<u>5,711,168</u>	<u>5,760,931</u>
<b>Total assets</b>	<u>\$ 6,944,996</u>	<u>\$ 6,953,976</u>

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**TEGNA Inc.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*In thousands of dollars, except par value and share amounts (Unaudited)*

	<u>Sept. 30, 2020</u>	<u>Dec. 31, 2019</u>
<b>LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND EQUITY</b>		
<i>Current liabilities</i>		
Accounts payable	\$ 61,441	\$ 51,894
Accrued liabilities		
Compensation	44,744	63,876
Interest	25,699	46,013
Contracts payable for programming rights	145,796	119,872
Other	98,438	60,983
Dividends payable	—	15,188
Income taxes payable	23,226	3,332
<b>Total current liabilities</b>	<b>399,344</b>	<b>361,158</b>
<i>Noncurrent liabilities</i>		
Income taxes	7,671	7,490
Deferred income tax liability	524,974	515,621
Long-term debt	3,906,196	4,179,245
Pension liabilities	114,281	127,146
Operating lease liabilities	100,660	105,902
Other noncurrent liabilities	77,681	67,037
<b>Total noncurrent liabilities</b>	<b>4,731,463</b>	<b>5,002,441</b>
<b>Total liabilities</b>	<b>5,130,807</b>	<b>5,363,599</b>
Commitments and contingent liabilities (see Note 11)		
Redeemable noncontrolling interest (see Note 11)		
	14,653	—
<i>Shareholders' equity</i>		
Common stock of \$1 par value per share, 800,000,000 shares authorized, 324,418,632 shares issued	324,419	324,419
Additional paid-in capital	119,794	247,497
Retained earnings	6,846,554	6,655,088
Accumulated other comprehensive loss	(139,087)	(142,597)
Less treasury stock at cost, 105,271,009 shares and 106,955,082 shares, respectively	(5,352,144)	(5,494,030)
<b>Total equity</b>	<b>1,799,536</b>	<b>1,590,377</b>
<b>Total liabilities, redeemable noncontrolling interest and equity</b>	<b>\$ 6,944,996</b>	<b>\$ 6,953,976</b>

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**TEGNA Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
*Unaudited, in thousands of dollars, except per share amounts*

	Quarter ended Sept. 30,		Nine months ended Sept. 30,	
	2020	2019	2020	2019
<b>Revenues</b>	\$ 738,389	\$ 551,857	\$ 2,000,205	\$ 1,605,542
<b>Operating expenses:</b>				
Cost of revenues <sup>1</sup>	379,185	306,474	1,103,920	873,078
Business units - Selling, general and administrative expenses	89,943	78,439	267,919	223,845
Corporate - General and administrative expenses	11,263	29,792	61,289	60,363
Depreciation	16,086	15,381	49,697	44,831
Amortization of intangible assets	17,113	15,018	50,577	32,530
Spectrum repacking reimbursements and other, net	(2,902)	(80)	(10,533)	(11,399)
<b>Total</b>	510,688	445,024	1,522,869	1,223,248
<b>Operating income</b>	227,701	106,833	477,336	382,294
<b>Non-operating income (expense):</b>				
Equity (loss) income in unconsolidated investments, net	(2,529)	(491)	8,407	10,922
Interest expense	(51,896)	(52,454)	(160,733)	(145,166)
Other non-operating items, net	961	(463)	(17,270)	6,962
<b>Total</b>	(53,464)	(53,408)	(169,596)	(127,282)
<b>Income before income taxes</b>	174,237	53,425	307,740	255,012
Provision for income taxes	41,967	5,079	69,699	52,732
<b>Net Income</b>	132,270	48,346	238,041	202,280
Net (income) loss attributable to redeemable noncontrolling interest	(51)	—	433	—
<b>Net income attributable to TEGNA Inc.</b>	\$ 132,219	\$ 48,346	\$ 238,474	\$ 202,280
<b>Net income per share:</b>				
Basic	\$ 0.60	\$ 0.22	\$ 1.08	\$ 0.93
Diluted	\$ 0.60	\$ 0.22	\$ 1.08	\$ 0.93
<b>Weighted average number of common shares outstanding:</b>				
Basic shares	219,579	217,315	218,997	217,040
Diluted shares	219,977	218,310	219,423	217,808

<sup>1</sup> Cost of revenues exclude charges for depreciation and amortization expense, which are shown separately above.

The accompanying notes are an integral part of these condensed consolidated financial statements.

**TEGNA Inc.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
*Unaudited, in thousands of dollars*

	Quarter ended Sept. 30,		Nine months ended Sept. 30,	
	2020	2019	2020	2019
Net income	\$ 132,270	\$ 48,346	\$ 238,041	\$ 202,280
Other comprehensive income, before tax:				
Foreign currency translation adjustments	(93)	(318)	37	(775)
Recognition of previously deferred post-retirement benefit plan costs	1,551	1,431	4,653	4,293
Pension lump-sum payment charges	—	—	—	686
Other comprehensive income, before tax	1,458	1,113	4,690	4,204
Income tax effect related to components of other comprehensive income	(366)	(278)	(1,180)	(1,052)
Other comprehensive income, net of tax	1,092	835	3,510	3,152
Comprehensive income	133,362	49,181	241,551	205,432
Comprehensive (income) loss attributable to redeemable noncontrolling interest	(51)	—	433	—
Comprehensive income attributable to TEGNA Inc.	<u>\$ 133,311</u>	<u>\$ 49,181</u>	<u>\$ 241,984</u>	<u>\$ 205,432</u>

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**TEGNA Inc.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*Unaudited, in thousands of dollars*

	<b>Nine months ended Sept. 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 238,041	\$ 202,280
Adjustments to reconcile net income to net cash flow from operating activities:		
Depreciation and amortization	100,274	77,361
Stock-based compensation	12,578	13,887
Company stock 401(k) contribution	13,023	6,486
Gains on sales of assets	—	(11,728)
Equity income from unconsolidated investments, net	(8,407)	(10,922)
Pension contributions, net of expense	(8,144)	(5,543)
Change in other assets and liabilities, net of acquisitions:		
Decrease (increase) in trade receivables	73,838	(24,708)
Increase (decrease) in accounts payable	10,636	(15,950)
Increase (decrease) in interest and taxes payable	13,793	(1,815)
Increase in deferred revenue	27,706	1,027
Change in other assets and liabilities, net	42,413	(15,790)
<b>Net cash flow from operating activities</b>	<b>515,751</b>	<b>214,585</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(30,583)	(51,231)
Reimbursements from spectrum repacking	12,670	13,975
Payments for acquisitions of businesses and other assets, net of cash acquired	(15,841)	(1,507,483)
Payments for investments	(709)	(4,041)
Proceeds from investments	5,028	4,020
Proceeds from sale of assets and businesses	5,023	21,733
<b>Net cash flow used for investing activities</b>	<b>(24,412)</b>	<b>(1,523,027)</b>
<b>Cash flows from financing activities:</b>		
(Payments) proceeds under revolving credit facilities, net	(728,000)	223,000
Proceeds from borrowings	1,550,000	1,100,000
Debt repayments	(1,085,000)	(75,000)
Payments for debt issuance costs and early redemption fee	(36,896)	(20,276)
Proceeds from sale of minority ownership interest in Premion	14,000	—
Dividends paid	(61,110)	(45,451)
Other, net	(9,151)	(499)
<b>Net cash flow (used for) provided by financing activities</b>	<b>(356,157)</b>	<b>1,181,774</b>
<b>Increase (decrease) in cash</b>	<b>135,182</b>	<b>(126,668)</b>
Balance of cash, beginning of period	29,404	135,862
<b>Balance of cash, end of period</b>	<b>\$ 164,586</b>	<b>\$ 9,194</b>
<b>Supplemental cash flow information:</b>		
Cash paid for income taxes, net of refunds	\$ 39,872	\$ 73,457
Cash paid for interest	\$ 174,575	\$ 117,913

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

TEGNA Inc.

CONSOLIDATED STATEMENTS OF EQUITY AND REDEEMABLE NONCONTROLLING INTEREST

Unaudited, in thousands of dollars, except per share data

Quarters Ended:	Redeemable noncontrolling interest	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total Equity
<b>Balance at June 30, 2020</b>	<b>\$ 14,373</b>	<b>\$ 324,419</b>	<b>\$ 140,255</b>	<b>\$ 6,729,896</b>	<b>\$ (140,179)</b>	<b>\$ (5,379,084)</b>	<b>\$ 1,675,307</b>
Net income	51	—	—	132,219	—	—	132,219
Other comprehensive income, net of tax	—	—	—	—	1,092	—	1,092
<i>Total comprehensive income</i>							133,311
Dividends declared: \$0.07 per share	—	—	—	(15,332)	—	—	(15,332)
Company stock 401(k) contribution	—	—	(21,886)	—	—	26,344	4,458
Stock-based awards activity	—	—	(652)	—	—	596	(56)
Stock-based compensation	—	—	5,010	—	—	—	5,010
Accretion of redeemable noncontrolling interest	280	—	—	(280)	—	—	(280)
Adjustment of redeemable noncontrolling interest to redemption value	(51)	—	—	51	—	—	51
Other activity	—	—	(2,933)	—	—	—	(2,933)
<b>Balance at Sept. 30, 2020</b>	<b>\$ 14,653</b>	<b>\$ 324,419</b>	<b>\$ 119,794</b>	<b>\$ 6,846,554</b>	<b>\$ (139,087)</b>	<b>\$ (5,352,144)</b>	<b>\$ 1,799,536</b>

	Redeemable noncontrolling interest	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total
<b>Balance at June 30, 2019</b>	<b>\$ —</b>	<b>\$ 324,419</b>	<b>\$ 256,024</b>	<b>\$ 6,553,149</b>	<b>\$ (134,194)</b>	<b>\$ (5,519,656)</b>	<b>\$ 1,479,742</b>
Net income	—	—	—	48,346	—	—	48,346
Other comprehensive income, net of tax	—	—	—	—	835	—	835
<i>Total comprehensive income</i>							49,181
Dividends declared: \$0.07 per share	—	—	—	(15,174)	—	—	(15,174)
Company stock 401(k) contribution	—	—	(7,794)	—	—	11,036	3,242
Stock-based awards activity	—	—	(763)	—	—	711	(52)
Stock-based compensation	—	—	4,445	—	—	—	4,445
Other activity	—	—	312	—	—	—	312
<b>Balance at Sept. 30, 2019</b>	<b>\$ —</b>	<b>\$ 324,419</b>	<b>\$ 252,224</b>	<b>\$ 6,586,321</b>	<b>\$ (133,359)</b>	<b>\$ (5,507,909)</b>	<b>\$ 1,521,696</b>



TEGNA Inc.

CONSOLIDATED STATEMENTS OF EQUITY AND REDEEMABLE NON-CONTROLLING INTEREST

Unaudited, in thousands of dollars, except per share data

Nine Months Ended:	Redeemable noncontrolling interest	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total
<b>Balance at Dec. 31, 2019</b>	\$ —	\$ 324,419	\$ 247,497	\$ 6,655,088	\$ (142,597)	\$ (5,494,030)	\$ 1,590,377
Net income (loss)	(433)	—	—	238,474	—	—	238,474
Other comprehensive income, net of tax	—	—	—	—	3,510	—	3,510
<i>Total comprehensive income</i>							241,984
Dividends declared: \$0.21 per share	—	—	—	(45,922)	—	—	(45,922)
Company stock 401(k) contribution	—	—	(57,606)	—	—	70,629	13,023
Stock-based awards activity	—	—	(80,408)	—	—	71,257	(9,151)
Stock-based compensation	—	—	12,578	—	—	—	12,578
Sale of minority ownership interest in Premion	14,000	—	—	—	—	—	—
Accretion of redeemable noncontrolling interest	653	—	—	(653)	—	—	(653)
Adjustment of redeemable noncontrolling interest to redemption value	433	—	—	(433)	—	—	(433)
Other activity	—	—	(2,267)	—	—	—	(2,267)
<b>Balance at Sept. 30, 2020</b>	\$ 14,653	\$ 324,419	\$ 119,794	\$ 6,846,554	\$ (139,087)	\$ (5,352,144)	\$ 1,799,536

	Redeemable noncontrolling interest	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total
<b>Balance at Dec. 31, 2018</b>	\$ —	\$ 324,419	\$ 301,352	\$ 6,429,512	\$ (136,511)	\$ (5,577,848)	\$ 1,340,924
Net income	—	—	—	202,280	—	—	202,280
Other comprehensive income, net of tax	—	—	—	—	3,152	—	3,152
<i>Total comprehensive income</i>							205,432
Dividends declared: \$0.21 per share	—	—	—	(45,471)	—	—	(45,471)
Company stock 401(k) contribution	—	—	(15,053)	—	—	21,539	6,486
Stock-based awards activity	—	—	(48,899)	—	—	48,400	(499)
Stock-based compensation	—	—	13,887	—	—	—	13,887
Other activity	—	—	937	—	—	—	937
<b>Balance at Sept. 30, 2019</b>	\$ —	\$ 324,419	\$ 252,224	\$ 6,586,321	\$ (133,359)	\$ (5,507,909)	\$ 1,521,696

The accompanying notes are an integral part of these condensed consolidated financial statements.

TEGNA Inc.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – Accounting policies

**Basis of presentation:** Our accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial reporting, the instructions for Form 10-Q and Article 10 of the U.S. Securities and Exchange Commission (SEC) Regulation S-X. Accordingly, they do not include all information and footnotes which are normally included in the Form 10-K and annual report to shareholders. In our opinion, the condensed consolidated financial statements reflect all adjustments of a normal recurring nature necessary for a fair statement of the results for the interim periods presented. The condensed consolidated financial statements should be read in conjunction with our (or TEGNA's) audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2019.

The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. During the first quarter of 2020, a novel strain of coronavirus (COVID-19) believed to have been first identified in Wuhan, China, spread globally, including to every state in the United States. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, the United States declared a national emergency with respect to COVID-19. The federal and state governments in the United States responded by instituting a wide variety of mitigating control measures, including, mandatory quarantines, closures of non-essential businesses and all other places of social interaction, while implementing "shelter in place" orders and travel restrictions in an effort to slow the spread of the virus. Such mitigating measures began negatively impacting our advertising and marketing services (AMS) revenue stream in mid-March as demand for non-political advertising softened. While some of these measures have been lifted or relaxed in certain state and local governments, other jurisdictions have seen increases in new COVID-19 cases resulting in restrictions being reinstated, or new restrictions imposed. Overall, demand improved for advertising during the second and third quarters as steps toward economic re-opening were implemented. There continues to be considerable uncertainty regarding how current and future health and safety measures implemented in response to the pandemic will impact our business.

Beginning in mid-March, as a result of the expected near-term impact on non-political advertising demand caused by the COVID-19 pandemic, we implemented cost saving measures to reduce operating expenses and discretionary capital expenditures. These measures included implementing temporary furloughs for one week during the second quarter for most personnel, reducing compensation for executives and our board of directors, and reducing non-critical discretionary spending. As is true of most businesses, the ultimate magnitude of the COVID-19 pandemic cannot be reasonably estimated at this time, but we do expect it to continue to have a dampening effect on our near-term AMS revenues.

While it is too early to predict the duration of the pandemic or the long term effects on our financial condition, results of operations, and liquidity, we use the best information available in developing significant estimates included in our financial statements. Actual results could differ from these estimates, and these differences resulting from changes in facts and circumstances could be material. Significant estimates include, but are not limited to, evaluation of goodwill and other intangible assets for impairment, business combinations, fair value measurements, post-retirement benefit plans, income taxes including deferred taxes, and contingencies. The condensed consolidated financial statements include the accounts of subsidiaries we control. We eliminate all intercompany balances, transactions, and profits in consolidation. Investments in entities over which we have significant influence, but do not have control, are accounted for under the equity method. Our share of net earnings and losses from these ventures is included in "Equity (loss) income in unconsolidated investments, net" in the Consolidated Statements of Income.

We operate one operating and reportable segment, which primarily consists of our 63 television stations and two radio stations operating in 51 markets, offering high-quality television programming and digital content. Our reportable segment determination is based on our management and internal reporting structure, the nature of products and services we offer, and the financial information that is evaluated regularly by our chief operating decision maker.

**Accounting guidance adopted in 2020:** In June 2016, the Financial Accounting Standards Board (FASB) issued new guidance related to the measurement of credit losses on financial instruments. The new guidance changed the way credit losses on accounts receivable are estimated. Under previous GAAP, credit losses on accounts receivable were recognized once it was probable that such losses will occur. Under the new guidance, we are required to estimate credit losses based on the expected amount of future collections which may result in earlier recognition of doubtful accounts. We adopted the new guidance on January 1, 2020 using a modified retrospective approach. Due to the short-term nature of our accounts receivable balance, there was no material change to our allowance for doubtful accounts as a result of adopting this new guidance.

In March 2019, the FASB issued new guidance related to the accounting for episodic television series. The most significant aspect of this new guidance that was applicable to us relates to the level at which our capitalized programming assets are monitored for impairment. Under the new guidance these assets are monitored at the film group level which is the lowest level at which independently identifiable cash flows are identifiable. We adopted the new guidance prospectively on January 1, 2020. There was no material impact on our consolidated financial statements and related disclosures as of the adoption date.

Programming assets are recorded at the gross amount of the related liability when the programs are available for telecasting. The related assets are recorded at the lower of cost or estimated net realizable value. Expense is recognized on a straight line basis which appropriately matches the cost of the programs with the revenues associated with them. During the first nine months of 2020 and 2019, we incurred programming expense of \$53.6 million and \$42.5 million; in the third quarter of 2020 and 2019, we incurred programming expense of \$17.6 million and \$15.5 million, respectively. Programming expense is included in the "Cost of revenues" line item of our Consolidated Statements of Income. As of September 30, 2020, \$60.4 million of programming assets had been recorded, to be expensed within the next twelve months.

We evaluate the net realizable value of our program broadcasting contract assets when a triggering event occurs, such as a change in our intended usage, or sustained lower-than-expected ratings for the program. Impairment analyses are performed at the syndicated program level (across all stations that utilize the program). We determine the net realizable value based on a projection of the estimated revenues less projected direct costs associated with the syndicated program (which is classified as Level 3 in the fair value hierarchy). If the future direct costs exceed expected revenues, impairment of the program asset may be required. No impairment charges were recognized in 2020 or 2019.

**New accounting guidance not yet adopted:** In August 2018, the FASB issued new guidance that changed disclosures related to defined benefit pension and other postretirement benefit plans. The guidance removed disclosures that are no longer economically relevant, clarifies certain existing disclosure requirements and added some new disclosures. The most relevant elimination for us is the annual disclosure of the amount of gain/loss and prior service cost/credit amortization expected in the following year. Additions most relevant to us include annually disclosing narrative explanations of the drivers for significant changes in plan obligations or assets, and disclosure for cost of living adjustments for certain participants of our TEGNA retirement plan. We will include the new disclosures in our 2020 Annual Report on Form 10-K and will apply them on a retrospective basis.

There is currently no other pending accounting guidance that we expect to have a material impact on our consolidated financial statements or disclosures.

**Trade receivables and allowances for doubtful accounts:** Trade receivables are recorded at invoiced amounts and generally do not bear interest. The allowance for doubtful accounts reflects our estimate of credit exposure, determined principally on the basis of our collection experience, aging of our receivables and any specific reserves needed for certain customers based on their credit risk. Our allowance also takes into account expected future trends which may impact our customers' ability to pay, such as economic growth, unemployment and demand for our products and services, including the impacts of the COVID-19 pandemic on these trends. We monitor the credit quality of our customers and their ability to pay through the use of analytics and communication with individual customers. As of September 30, 2020, our allowance for doubtful accounts was \$8.4 million as compared to \$3.7 million as of December 31, 2019.

**Revenue recognition:** Revenue is recognized upon the transfer of control of promised services to our customers in an amount that reflects the consideration we expect to receive in exchange for those services. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities. Amounts received from customers in advance of providing services to our customers are recorded as deferred revenue.

The primary sources of our revenues are: 1) advertising & marketing services revenues, which include local and national non-political television advertising, digital marketing services (including Premion), and advertising on the stations' websites and tablet and mobile products; 2) subscription revenues, reflecting fees paid by satellite, cable, OTT (companies that deliver video content to consumers over the Internet) and telecommunications providers to carry our television signals on their systems; 3) political advertising revenues, which are driven by even year election cycles at the local and national level (e.g. 2020, 2018) and particularly in the second half of those years; and 4) other services, such as production of programming and advertising material.

Revenue earned by these sources in the third quarter and first nine months of 2020 and 2019 are shown below (amounts in thousands):

	Quarter ended Sept. 30,		Nine months ended Sept. 30,	
	2020	2019	2020	2019
Advertising & Marketing Services	\$ 298,605	\$ 297,333	\$ 822,841	\$ 851,304
Subscription	316,677	240,735	972,954	718,472
Political	116,494	8,131	181,425	14,064
Other	6,613	5,658	22,985	21,702
<b>Total revenues</b>	<b>\$ 738,389</b>	<b>\$ 551,857</b>	<b>\$ 2,000,205</b>	<b>\$ 1,605,542</b>

## NOTE 2 – Acquisitions

During 2019, we acquired the television stations listed in the table below, and a summary of each acquisition follows:

<b>Market</b>	<b>Station</b>	<b>Affiliation</b>	<b>Seller</b>
Indianapolis, IN	WTHR	NBC	Dispatch Broadcast Group
Columbus, OH	WBNS	CBS	Dispatch Broadcast Group
Hartford-New Haven, CT	WTIC/WCCT	FOX/CW	Nexstar Media Group
Harrisburg-Lancaster-Lebanon-York, PA	WPMT	FOX	Nexstar Media Group
Memphis, TN	WATN/WLMT	ABC/CW	Nexstar Media Group
Wilkes Barre-Scranton, PA	WNEP	ABC	Nexstar Media Group
Des Moines-Ames, IA	WOI/KCWI	ABC/CW	Nexstar Media Group
Huntsville-Decatur-Florence, AL	WZDX	FOX	Nexstar Media Group
Davenport, IA and Rock Island-Moline, IL	WQAD	ABC	Nexstar Media Group
Ft. Smith-Fayetteville-Springdale-Rogers, AR	KFSM	CBS	Nexstar Media Group
Toledo, OH	WTOL	CBS	Gray Television
Midland-Odessa, TX	KWES	NBC	Gray Television

### *Nexstar Stations*

On September 19, 2019, we completed our acquisition of 11 local television stations in eight markets, including eight Big Four affiliates, from Nexstar Media Group (the Nexstar Stations). These stations were divested by Nexstar Media Group in connection with its acquisition of Tribune Media Company. The purchase price for the Nexstar Stations was \$769.9 million which included a base purchase price of \$740.0 million and working capital of \$29.9 million.

### *Dispatch Stations*

On August 8, 2019, we completed the acquisition of Dispatch Broadcast Group's two top-rated television stations and two radio stations (the Dispatch Stations). The purchase price for the Dispatch Stations was \$560.5 million which consisted of a base purchase price of \$535.0 million and working capital and cash acquired of \$25.5 million.

### *Justice and Quest Multicast Networks*

On June 18, 2019, we completed the acquisition of the remaining approximately 85% interest that we did not previously own in the multicast networks Justice Network (recently rebranded as True Crime Network) and Quest from Cooper Media. Cash paid for this acquisition was \$77.1 million (which included \$4.6 million for working capital).

### *Gray Stations*

On January 2, 2019, we completed our acquisition of WTOL and KWES from Gray Television, Inc. for \$109.9 million in cash (which included \$4.9 million for working capital paid at closing).

The following table summarizes the fair values of the assets acquired and liabilities assumed in connection with these acquisitions (in thousands):

	<u>Nexstar Stations</u>	<u>Dispatch Stations</u>	<u>Justice &amp; Quest</u>	<u>Gray Stations</u>	<u>Total</u>
Cash	\$ —	\$ 2,363	\$ —	\$ —	\$ 2,363
Accounts receivable	34,680	26,344	8,501	5,553	75,078
Prepaid and other current assets	3,776	6,092	6,987	987	17,842
Property and equipment	45,186	40,418	361	11,757	97,722
Goodwill	128,191	202,312	23,567	19,405	373,475
FCC licenses	374,269	295,983	—	47,061	717,313
Network affiliation agreements	123,926	60,765	—	14,420	199,111
Retransmission agreements	68,316	33,107	—	12,198	113,621
Other intangible assets	—	—	52,553	—	52,553
Right-of-use assets for operating leases	22,715	362	—	251	23,328
Other noncurrent assets	237	—	5,253	18	5,508
Total assets acquired	\$ 801,296	\$ 667,746	\$ 97,222	\$ 111,650	\$ 1,677,914
Accounts payable	2,037	954	725	1	3,717
Accrued liabilities	8,544	9,011	4,236	1,494	23,285
Deferred income tax liability	—	97,082	(462)	—	96,620
Operating lease liabilities - noncurrent	20,346	226	—	235	20,807
Other noncurrent liabilities	426	—	2,677	—	3,103
Total liabilities assumed	\$ 31,353	\$ 107,273	\$ 7,176	\$ 1,730	\$ 147,532
Net assets acquired	\$ 769,943	\$ 560,473	\$ 90,046	\$ 109,920	\$ 1,530,382
Less: cash acquired	\$ —	\$ (2,363)	\$ —	\$ —	\$ (2,363)
Less: fair value of existing ownership	—	—	(12,995)	—	(12,995)
Cash paid for acquisitions	\$ 769,943	\$ 558,110	\$ 77,051	\$ 109,920	\$ 1,515,024

We accounted for each of these acquisitions as business combinations, which required us to record the assets acquired and liabilities assumed at fair value. The amount by which the purchase price exceeds the fair value of the net assets acquired was recorded as goodwill.

During 2020, we continued to analyze information related to the estimated fair values for certain tangible and intangible assets acquired, liabilities assumed and the amount of goodwill recognized for these acquisitions. As a result, measurement period adjustments were reflected in the periods in which the adjustments occurred. The most significant changes were to retransmission agreement intangible assets, which were reduced by \$21.3 million and goodwill, the carrying amount of which increased by \$18.1 million. As a result of these adjustments, we expect our amortization expense related to intangible assets during fiscal year 2020 to be appropriately \$68.0 million. During the three months ended September 30, 2020, we finalized the fair value of assets acquired and liabilities assumed for the acquisitions; therefore, the amounts presented above are now final.

**NOTE 3 – Goodwill and other intangible assets**

The following table displays goodwill, indefinite-lived intangible assets, and amortizable intangible assets as of September 30, 2020 and December 31, 2019 (in thousands):

	Sept. 30, 2020		Dec. 31, 2019	
	Gross	Accumulated Amortization	Gross	Accumulated Amortization
Goodwill	\$ 2,968,693	\$ —	\$ 2,950,587	\$ —
Indefinite-lived intangibles:				
Television and radio station FCC broadcast licenses	2,104,167	—	2,090,732	—
Amortizable intangible assets:				
Retransmission agreements	235,215	(130,236)	256,533	(105,212)
Network affiliation agreements	309,503	(66,569)	309,496	(48,174)
Other	70,610	(21,663)	73,305	(15,066)
Total indefinite-lived and amortizable intangible assets	<u>\$ 2,719,495</u>	<u>\$ (218,468)</u>	<u>\$ 2,730,066</u>	<u>\$ (168,452)</u>

Our retransmission agreements and network affiliation agreements are amortized on a straight-line basis over their estimated useful lives. Other intangibles primarily include distribution agreements and brand names from our Justice & Quest acquisition, which are also amortized on a straight-line basis over their useful lives.

In the second quarter of 2020, we recognized a \$2.1 million impairment charge in connection with eliminating the use of the Justice Network brand name and re-establishing the business under a new brand name called True Crime Network. The impairment was recorded in the "Spectrum repacking reimbursements and other, net" line item of the Consolidated Statements of Income.

*Interim impairment assessment*

We review our goodwill and intangible assets for impairment at least annually and also when events or changes in circumstances occur that indicate the fair value may be below its carrying amount. As discussed in Note 2, during 2019 we acquired 15 television stations and as such, the indefinite-lived FCC licenses recently acquired have limited valuation headroom as they were recorded at fair value upon acquisition. As a result of the negative effects we expect COVID-19 to have on our future AMS revenue and operating cash flows, we assessed whether it was more likely than not that our FCC licenses, including those that were recently acquired, were impaired.

In performing this assessment, we analyzed the significant inputs used in the fair value determination of the recently acquired FCC license assets. This included reviewing the impact of estimated changes in trends in market revenues and changes in the discount rate on the fair value of our licenses. Based on the analysis performed, we concluded that none of our FCC licenses were more likely than not impaired as of September 30, 2020. However, a sustained economic decline resulting from COVID-19 could result in future non-cash impairment charges of our recently acquired FCC licenses, and any related impairment could have a material adverse impact on our results of operations.

**NOTE 4 – Investments and other assets**

Our investments and other assets consisted of the following as of September 30, 2020, and December 31, 2019 (in thousands):

	Sept. 30, 2020	Dec. 31, 2019
Cash value life insurance	\$ 52,050	\$ 52,462
Equity method investments	30,257	27,650
Other equity investments	28,124	32,383
Deferred debt issuance costs	10,279	10,921
Other long-term assets	22,496	21,853
Total	<u>\$ 143,206</u>	<u>\$ 145,269</u>

*Cash value life insurance:* We are the beneficiary of life insurance policies on the lives of certain employees/retirees, which are recorded at their cash surrender value as determined by the insurance carrier. These policies are utilized as a partial funding source for deferred compensation and other non-qualified employee retirement plans. Gains and losses on these investments are included in "Other non-operating items, net" within our Consolidated Statement of Income and were not material for all periods presented.

*Equity method investments:* We hold equity method investments. Our largest equity method investment is our ownership in CareerBuilder, of which we own approximately 17% (or approximately 10% on a fully-diluted basis). In the first quarter of 2020, CareerBuilder sold its employment screening business; our portion on the pre-tax gain of the sale was \$18.6 million, and is recorded within "Equity (loss) income in unconsolidated investments, net" on our Consolidated Statement of Income. Our investment balance was \$11.1 million and \$7.9 million as of September 30, 2020 and December 31, 2019, respectively.

*Other equity investments:* Represents investments in non-public businesses that do not have readily determinable pricing, and for which we do not have control or do not exert significant influence. These investments are recorded at cost less impairments, if any, plus or minus changes in observable prices for those investments. In the second quarter of 2020, we sold one of these investments for \$4.3 million. This investment had previously been recorded at estimated fair value. No gains or losses were recorded on these investments in the first nine months of 2020.

*Deferred debt issuance costs:* These costs consist of amounts paid to lenders related to our revolving credit facility. Debt issuance costs paid for our term debt and unsecured notes are accounted for as a reduction in the debt obligation.

#### **NOTE 5 - Income taxes**

We generally estimate our annual effective tax rate for the full year and apply that rate to net income before tax in determining the provision for income taxes for interim periods. We record discrete items in each respective interim period as appropriate. However, for the three months ended March 31, 2020, we determined that the annual rate method would not provide for a reliable estimate due to volatility in the forecasting process as a result of the COVID-19 pandemic. As a result, we recorded the provision for income taxes for the three months ended March 31, 2020 using the actual effective rate plus discrete items for the three months ended March 31, 2020 (the "cut-off" method). We recorded the provision for income taxes for the six months ended June 30, 2020 and the nine months ended September 30, 2020 using the annual rate method, consistent with our general practice.

In response to the COVID-19 pandemic, President Donald Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) on March 27, 2020. The CARES Act provides numerous tax provisions and other stimulus measures, including refundable payroll tax credits, deferral of employer social security payments, modifications to the net interest deduction limitations, expansions to the use and carryback of net operating losses, and a technical correction to the depreciation method applicable to qualified improvement property under the 2017 Tax Cuts and Jobs Act. We will benefit from the technical correction for qualified improvement property which allows for an immediate deduction of any eligible leasehold improvements placed in service during 2018 and 2019. We will also benefit from the new depreciation method available for qualified improvement property which allows for an immediate retroactive deduction of certain eligible leasehold improvements previously placed in service. As a result, our 2020 tax payments are reduced by approximately \$5 million. There is no change to our tax expense or our effective income tax rate since the changes are payment deferrals only. We will continue to monitor the impact of the CARES Act on our business as conditions change.

Due to guidance from the U.S. Department of the Treasury and the Internal Revenue Service, certain federal income tax payments due before July 15, 2020, were deferred to July 15, 2020. As a result, we made federal income tax payments of \$30 million in the third quarter. We estimate making federal income tax payments of \$40 million in the fourth quarter.

**NOTE 6 – Long-term debt**

Our long-term debt is summarized below (in thousands):

	Sept. 30, 2020	Dec. 31, 2019
Unsecured floating rate term loan due quarterly through June 2020	\$ —	\$ 20,000
Unsecured floating rate term loan due quarterly through September 2020	—	105,000
Unsecured notes bearing fixed rate interest at 5.125% due July 2020	—	310,000
Unsecured notes bearing fixed rate interest at 4.875% due September 2021 <sup>1</sup>	350,000	350,000
Unsecured notes bearing fixed rate interest at 6.375% due October 2023	—	650,000
Borrowings under revolving credit agreement expiring August 2024	175,000	903,000
Unsecured notes bearing fixed rate interest at 5.500% due September 2024	325,000	325,000
Unsecured notes bearing fixed rate interest at 4.750% due March 2026	550,000	—
Unsecured notes bearing fixed rate interest at 7.75% due June 2027	200,000	200,000
Unsecured notes bearing fixed rate interest at 7.25% due September 2027	240,000	240,000
Unsecured notes bearing fixed rate interest at 4.625% due March 2028	1,000,000	—
Unsecured notes bearing fixed rate interest at 5.00% due September 2029	1,100,000	1,100,000
<b>Total principal long-term debt</b>	<b>3,940,000</b>	<b>4,203,000</b>
Debt issuance costs	(40,175)	(26,873)
Unamortized premiums and discounts, net	6,371	3,118
<b>Total long-term debt</b>	<b>\$ 3,906,196</b>	<b>\$ 4,179,245</b>

<sup>1</sup> We have the intent and ability to refinance the principal payment due within the next 12 months on a long-term basis through our revolving credit facility. As such, all debt presented in the table above is classified as long-term on our September 30, 2020 Condensed Consolidated Balance Sheet.

On January 9, 2020, we completed a private placement offering of \$1.0 billion aggregate principal amount of senior unsecured notes bearing an interest rate of 4.625% which are due in March 2028.

On February 11, 2020 we used the net proceeds from the \$1.0 billion senior notes to repay the remaining \$310.0 million of unsecured notes bearing fixed rate interest of 5.125%, which were due in July 2020 and \$650.0 million of unsecured notes bearing fixed rate interest of 6.375%, which were due in October 2023. We incurred \$13.8 million of early redemption fees in relation to the 2023 debt payoff. Additionally, we wrote off \$7.9 million of unamortized financing fees and discounts related to the early payoff of the 2020 and 2023 notes. These charges were recorded in the “Other non-operating items, net” within our Consolidated Statement of Income.

Given the unpredictability of market conditions during the pandemic, we amended our revolving credit facility on June 11, 2020 to extend the initial step-down of the maximum permitted total leverage ratio (from 5.50 to 1.00 to 5.25 to 1.00) until the fiscal quarter ending March 31, 2022, with additional step downs continuing thereafter. The maximum permitted total leverage ratios under our revolving credit facility are now as follows:

Period	Leverage Ratio
Fiscal quarter ending September 30, 2020 through and including fiscal quarter ending December 31, 2021	5.50 to 1.00
Fiscal quarter ending March 31, 2022	5.25 to 1.00
Fiscal quarter ending June 30, 2022	5.00 to 1.00
Fiscal quarter ending September 30, 2022	4.75 to 1.00
Thereafter	4.50 to 1.00

As of September 30, 2020, cash and cash equivalents totaled \$164.6 million and we had unused borrowing capacity of \$1.31 billion under our \$1.51 billion revolving credit facility (which expires August 2024). We were in compliance with all covenants, including the leverage ratio (our one financial covenant) contained in our debt agreements and revolving credit facility. We believe that we will remain compliant with all covenants for the foreseeable future.

On September 10, 2020, we completed a private placement offering of \$550 million aggregate principal amount of senior unsecured notes bearing an interest rate of 4.750% which are due in March 2026. The proceeds were used to pay down borrowings from our revolving credit facility. Then, on October 13, 2020 we utilized our revolving credit facility to repay the entire



\$350 million aggregate principal amount of our 4.875% Senior Notes due in 2021 and \$188 million aggregate principal amount of our 5.500% Senior Notes due in 2024 and a \$3.4 million redemption premium on our Senior Notes due in 2024. After these payments, our revolving credit facility had an unused borrowing capacity of \$950 million as of October 31, 2020.

#### NOTE 7 – Retirement plans

We have various defined benefit retirement plans. Our principal defined benefit pension plan is the TEGNA Retirement Plan (TRP). The disclosure table below includes the pension expenses of the TRP and the TEGNA Supplemental Retirement Plan (SERP). The total net pension obligations, including both current and non-current liabilities, as of September 30, 2020, were \$121.1 million, of which \$6.8 million is recorded as a current obligation within accrued liabilities on the Condensed Consolidated Balance Sheet.

Pension costs, which primarily include costs for the qualified TRP and the non-qualified SERP, are presented in the following table (in thousands):

	Quarter ended Sept. 30,		Nine months ended Sept. 30,	
	2020	2019	2020	2019
Service cost-benefits earned during the period	\$ 1	\$ 2	\$ 5	\$ 6
Interest cost on benefit obligation	4,868	5,761	14,605	17,284
Expected return on plan assets	(7,765)	(6,580)	(23,294)	(19,740)
Amortization of prior service cost	23	23	68	68
Amortization of actuarial loss	1,541	1,521	4,622	4,562
Pension payment timing related charge	—	—	—	686
(Gains from) expense for company-sponsored retirement plans	\$ (1,332)	\$ 727	\$ (3,994)	\$ 2,866

Benefits no longer accrue for substantially all TRP and SERP participants as a result of amendments to the plans in the past years and as such we no longer incur a significant amount of the service cost component of pension expense. All other components of our pension expense presented above are included within the “Other non-operating items, net” line item of the Consolidated Statements of Income.

During the nine months ended September 30, 2020 we made no cash contributions to the TRP, and made \$2.4 million during the nine months ended September 30, 2019. We made benefit payments to participants of the SERP of \$4.1 million and \$6.0 million, during nine months ended September 30, 2020 and 2019, respectively. Based on actuarial projections and funding levels, we do not expect to make any cash payments to the TRP in 2020. We expect to make additional cash payments of \$1.8 million to our SERP participants in 2020.

## NOTE 8 – Accumulated other comprehensive loss

The following table summarizes the components of, and the changes in, Accumulated Other Comprehensive Loss (AOCL), net of tax (in thousands):

	Retirement Plans	Foreign Currency Translation	Total
<b>Quarters Ended:</b>			
Balance at June 30, 2020	\$ (140,076)	\$ (103)	\$ (140,179)
Other comprehensive loss before reclassifications	—	(69)	(69)
Amounts reclassified from AOCL	1,161	—	1,161
Total other comprehensive income	1,161	(69)	1,092
Balance at Sept. 30, 2020	<u>\$ (138,915)</u>	<u>\$ (172)</u>	<u>\$ (139,087)</u>
Balance at June 30, 2019	\$ (134,233)	\$ 39	\$ (134,194)
Other comprehensive loss before reclassifications	—	(238)	(238)
Amounts reclassified from AOCL	1,073	—	1,073
Total other comprehensive income	1,073	(238)	835
Balance at Sept. 30, 2019	<u>\$ (133,160)</u>	<u>\$ (199)</u>	<u>\$ (133,359)</u>

	Retirement Plans	Foreign Currency Translation	Total
<b>Nine Months Ended:</b>			
Balance at Dec. 31, 2019	\$ (142,398)	\$ (199)	\$ (142,597)
Other comprehensive income before reclassifications	—	27	27
Amounts reclassified from AOCL	3,483	—	3,483
Total other comprehensive income	3,483	27	3,510
Balance at Sept. 30, 2020	<u>\$ (138,915)</u>	<u>\$ (172)</u>	<u>\$ (139,087)</u>
Balance at Dec. 31, 2018	\$ (136,893)	\$ 382	\$ (136,511)
Other comprehensive income before reclassifications	—	(581)	(581)
Amounts reclassified from AOCL	3,733	—	3,733
Total other comprehensive income	3,733	(581)	3,152
Balance at Sept. 30, 2019	<u>\$ (133,160)</u>	<u>\$ (199)</u>	<u>\$ (133,359)</u>

Reclassifications from AOCL to the Consolidated Statements of Income are comprised of pension and other post-retirement components. Pension and other post retirement reclassifications are related to the amortization of prior service costs, and amortization of actuarial losses. Amounts reclassified out of AOCL are summarized below (in thousands):

	Quarter ended Sept. 30,		Nine months ended Sept. 30,	
	2020	2019	2020	2019
Amortization of prior service credit, net	\$ (120)	\$ (120)	\$ (360)	\$ (360)
Amortization of actuarial loss	1,671	1,551	5,013	4,653
Pension payment timing related charges	—	—	—	686
Total reclassifications, before tax	1,551	1,431	4,653	4,979
Income tax effect	(390)	(358)	(1,170)	(1,246)
Total reclassifications, net of tax	<u>\$ 1,161</u>	<u>\$ 1,073</u>	<u>\$ 3,483</u>	<u>\$ 3,733</u>

**NOTE 9 – Earnings per share**

Our earnings per share (basic and diluted) are presented below (in thousands, except per share amounts):

	Quarter ended Sept. 30,		Nine months ended Sept. 30,	
	2020	2019	2020	2019
Net Income	\$ 132,270	\$ 48,346	\$ 238,041	\$ 202,280
Net (income) loss attributable to the noncontrolling interest	(51)	—	433	—
Accretion of redeemable noncontrolling interest (see Note 11)	(280)	—	(653)	—
Adjustment of redeemable noncontrolling interest to redemption value	51	—	(433)	—
Earnings available to common shareholders	\$ 131,990	\$ 48,346	\$ 237,388	\$ 202,280
Weighted average number of common shares outstanding - basic	219,579	217,315	218,997	217,040
<i>Effect of dilutive securities:</i>				
Restricted stock units	180	607	163	420
Performance shares	216	364	262	312
Stock options	2	24	1	36
Weighted average number of common shares outstanding - diluted	219,977	218,310	219,423	217,808
Net income per share - basic	\$ 0.60	\$ 0.22	\$ 1.08	\$ 0.93
Net income per share - diluted	\$ 0.60	\$ 0.22	\$ 1.08	\$ 0.93

Our calculation of diluted earnings per share includes the dilutive effects for the assumed vesting of outstanding restricted stock units and performance shares.

**NOTE 10 – Fair value measurement**

We measure and record certain assets and liabilities at fair value in the accompanying condensed consolidated financial statements. U.S. GAAP establishes a hierarchy for those instruments measured at fair value that distinguishes between market data (observable inputs) and our own assumptions (unobservable inputs). The hierarchy consists of three levels:

Level 1 - Quoted market prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than Level 1 inputs that are either directly or indirectly observable; and

Level 3 - Unobservable inputs developed using our own estimates and assumptions, which reflect those that a market participant would use.

In the second quarter of 2019 we recognized a \$1.6 million gain on one of our investments due to an observable price increase, which represents a Level 2 input. This gain was recorded in the Other non-operating items, net line item in our Consolidated Statements of Income. No other gains or losses were recorded on these investments in the nine months ended September 30, 2020 or 2019.

We additionally hold other financial instruments, including cash and cash equivalents, receivables, accounts payable and debt. The carrying amounts for cash and cash equivalents, receivables and accounts payable approximated their fair values. The fair value of our total debt, based on the bid and ask quotes for the related debt (Level 2), totaled \$3.99 billion at September 30, 2020, and \$4.32 billion at December 31, 2019.

## **NOTE 11 – Other matters**

### **Litigation**

In the third quarter of 2018, certain national media outlets reported the existence of a confidential investigation by the United States Department of Justice Antitrust Division (DOJ) into the local television advertising sales practices of station owners. We received a Civil Investigative Demand (CID) in connection with the DOJ's investigation. On November 13 and December 13, 2018, the DOJ and seven broadcasters settled a DOJ complaint alleging the exchange of competitively sensitive information in the broadcast television industry. In June 2019, we and four other broadcasters entered into a substantially identical agreement with DOJ, which was entered by the court on December 3, 2019. The settlement contains no finding of wrongdoing or liability and carries no penalty. It prohibits us and the other settling entities from sharing certain confidential business information, or using such information pertaining to other broadcasters, except under limited circumstances. The settlement also requires the settling parties to make certain enhancements to their antitrust compliance programs, to continue to cooperate with the DOJ's investigation, and to permit DOJ to verify compliance. We do not expect the costs of compliance to be material.

Since the national media reports, numerous putative class action lawsuits were filed against owners of television stations (the Advertising Cases) in different jurisdictions. Plaintiffs are a class consisting of all persons and entities in the United States who paid for all or a portion of advertisement time on local television provided by the defendants. The Advertising Cases assert antitrust and other claims and seek monetary damages, attorneys' fees, costs and interest, as well as injunctions against the allegedly wrongful conduct.

These cases have been consolidated into a single proceeding in the United States District Court for the Northern District of Illinois, captioned Clay, Massey & Associates, P.C. v. Gray Television, Inc. et. al., filed on July 30, 2018. At the court's direction, plaintiffs filed an amended complaint on April 3, 2019, that superseded the original complaints. Although we were named as a defendant in sixteen of the original complaints, the amended complaint did not name TEGNA as a defendant. After TEGNA and four other broadcasters entered into consent decrees with the DOJ in June 2019, the plaintiffs sought leave from the court to further amend the complaint to add TEGNA and the other settling broadcasters to the proceeding. The court granted the plaintiffs' motion, and the plaintiffs filed the second amended complaint on September 9, 2019. On October 8, 2019, the defendants jointly filed a motion to dismiss the matter. On November 6, 2020, the court denied the motion to dismiss. We deny any violation of law, believe that the claims asserted in the Advertising Cases are without merit, and intend to defend ourselves vigorously against them.

We, along with a number of our subsidiaries, also are defendants in other judicial and administrative proceedings involving matters incidental to our business. We do not believe that any material liability will be imposed as a result of any of the foregoing matters.

### **FCC Broadcast Spectrum Program**

In April 2017, the FCC announced the completion of a voluntary incentive auction to reallocate certain spectrum then occupied by television broadcast stations to mobile wireless broadband services, along with a related "repacking" of the television spectrum for remaining television stations. None of our stations relinquished any spectrum rights as a result of the auction. Stations in eighteen of our markets (which include four of our recently acquired stations from 2019 and one station we acquired in 2020 after it had completed its repacking) were repacked to new channels. As of July 3, 2020 - the end of the tenth and last official phase of the FCC's post-auction transition schedule - all of our repacked stations had moved to their new channels, with one station broadcasting on an interim antenna pending the completion of its main post-auction facility. As of August 20, 2020, all of our repacked stations have completed construction on their permanent post-auction facilities.

The legislation authorizing the incentive auction and repacking established a \$1.75 billion fund for reimbursement of costs incurred by stations required to change channels in the repacking. Subsequent legislation enacted on March 23, 2018, appropriated an additional \$1 billion for the repacking fund, of which up to \$750 million may be made available to repacked full power and Class A television stations and multichannel video programming distributors. Other funds are earmarked to assist affected low power television stations, television translator stations, and FM radio stations, as well for consumer education efforts. On October 7, 2020, the FCC announced that all final invoices and supporting documentation for reimbursement requests will be due no later than (1) October 8, 2021, for full power and Class A TV stations that transitioned in Phase 5 or earlier; (2) March 22, 2022, for full power and Class A TV stations that transitioned in Phase 6 or later; and (3) September 5, 2022, for all other entities entitled to seek repacking-related reimbursements (including low power television stations and television translator stations). By law, the repacking reimbursement program will end July 3, 2023, at which point any remaining unobligated funds will be returned to the U.S. Treasury.

A majority of our capital expenditures in connection with the repack occurred in 2018 and 2019. To date, we have incurred approximately \$41.7 million in capital expenditures for the spectrum repack project (of which \$6.1 million was paid during the first nine months of 2020). We have received FCC reimbursements of approximately \$37.0 million through September 30, 2020. We expect to receive reimbursements for the remaining \$4.7 million of our spend upon completion of the FCC's reimbursement review process. The reimbursements were recorded as a contra operating expense within our "Spectrum repacking

reimbursements and other, net" line item on our Consolidated Statement of Income and reported as an investing inflow on the Consolidated Statement of Cash Flows.

### **Related Party Transactions**

We have an equity and debt investment in MadHive, Inc. (MadHive) which is a related party of TEGNA. In addition to our investment, we also have a commercial agreement with MadHive where they support our Premion business in acquiring and delivering over-the-top ad impressions. In the third quarter and first nine months of 2020, we incurred expenses of \$8.5 million and \$32.7 million, respectively, as a result of the commercial agreement with MadHive. In the third quarter and first nine months of 2019, we incurred expenses of \$5.8 million and \$21.6 million respectively, as a result of the commercial agreement with MadHive. As of September 30, 2020 and December 31, 2019 we had accounts payable and accrued liabilities associated with the commercial agreement of \$10.9 million and \$4.3 million, respectively.

### **Sale of minority ownership interest in Premion**

On March 2, 2020, we sold a minority ownership interest in Premion, LLC (Premion) for \$14.0 million to an affiliate of Gray Television (Gray). In connection with that transaction, Premion and Gray entered into a commercial arrangement under which Gray resells Premion services across all of Gray's 93 television markets. Our TEGNA stations and Gray each have the right to independently sell Premion's inventory in markets where we both operate a local television station. The sale of spot television advertising is not part of this agreement, and Gray and our TEGNA stations continue to sell spot advertising for our respective stations without any involvement from the other party.

In connection with acquiring a minority interest, Gray has the right to sell its interest to Premion if there is a change in control of TEGNA or if the commercial reselling agreement terminates. Since redemption of the minority ownership interest is outside our control, Gray's equity interest is presented outside of the Equity section on the Condensed Consolidated Balance Sheet in the caption "Redeemable noncontrolling interest." On the date of sale, we recorded a \$14.0 million redeemable noncontrolling interest on the Condensed Consolidated Balance Sheet in connection with Gray's investment. When the redemption value or the carrying value (the acquisition date fair value adjusted for the noncontrolling interest's share of net income (loss) and dividends) is less than the redemption value, we adjust the redeemable noncontrolling interest to equal the redemption value with changes recognized as an adjustment to retained earnings. Any such adjustment, when necessary, will be performed as of the applicable balance sheet date.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

### **Company Overview**

We are an innovative media company that serves the greater good of our communities. Our business includes 63 television stations and two radio stations in 51 U.S. markets, we are the largest owner of top four network affiliates in the top 25 markets among independent station groups, reaching approximately 39% of U.S. television households. We also own leading multicast networks True Crime Network and Quest. Each television station also has a robust digital presence across online, mobile and social platforms, reaching consumers whenever, wherever they are. We have been consistently honored with the industry's top awards, including Edward R. Murrow, George Polk, Alfred I. DuPont and Emmy Awards. Through TEGNA Marketing Solutions (TMS), our integrated sales and back-end fulfillment operations, we deliver results for advertisers across television, digital and Over the Top (OTT) platforms, including Premion, our OTT advertising network.

We have one operating and reportable segment. The primary sources of our revenues are: 1) advertising & marketing services (AMS) revenues, which include local and national non-political television advertising, digital marketing services (including Premion), and advertising on the stations' websites and tablet and mobile products; 2) subscription revenues, reflecting fees paid by satellite, cable, OTT (companies that deliver video content to consumers over the Internet) and telecommunications providers to carry our television signals on their systems; 3) political advertising revenues, which are driven by even year election cycles at the local and national level (e.g. 2020, 2018) and particularly in the second half of those years; and 4) other services, such as production of programming and advertising material.

As illustrated in the table below, our business continues to evolve toward growing stable and profitable revenue streams. Our high margin subscription and political revenues account for approximately half of our total two-year revenue for the period ending September 30, 2020, and we expect it will account for a larger percentage on a rolling two-year cycle thereafter.

	Two Years Ending September 30,	
	2020	2019
Advertising & Marketing Services	47 %	53 %
Subscription	45 %	40 %
Political	7 %	6 %
Other	1 %	1 %
Total revenues	100 %	100 %

} 52%      } 46%

Over the past several years, we have transformed our company to become a pure-play broadcasting company, adding approximately 40 stations in attractive markets and divesting non-core assets. During 2019 alone, we completed four strategic acquisitions for a total purchase price of \$1.5 billion which enhanced our geographic diversity and bolstered our portfolio of Big Four stations while positioning our company to take full advantage of emerging viewing trends. As a result of this strategic evolution, we have increased revenue and cash flow, reduced economic cyclicality, and continue to be well-positioned to benefit from additional industry consolidation.

### Recent Developments from COVID-19

During the first quarter of 2020, a novel strain of coronavirus (COVID-19) believed to have been first identified in Wuhan, China, spread globally, including to every state in the United States. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, the United States declared a national emergency with respect to COVID-19. The federal and state governments in the United States responded by instituting a wide variety of mitigating control measures, including, mandatory quarantines, closures of non-essential businesses and all other places of social interaction, while implementing "shelter in place" orders and travel restrictions in an effort to slow the spread of the virus. While some of these measures have been lifted or relaxed in certain state and local governments, other jurisdictions have seen increases in new COVID-19 cases resulting in restrictions being reinstated, or new restrictions imposed. Overall however, demand improved for advertising during the second and third quarters as steps toward re-opening were implemented. However, there continues to be considerable uncertainty regarding how current and future health and safety measures implemented in response to the pandemic will impact our business.

Despite a strong start to the year, the wide variety of COVID-19 mitigating measures began negatively impacting our AMS revenue stream in mid-March as demand for non-political advertising softened. As noted above, the relative percentage of subscription and political revenues has grown over recent years and we expect this trend to continue. Historically, these revenue streams have been influenced less than AMS when economic conditions change. While the contribution of subscription and political revenues are increasing, AMS revenue still accounts for a significant amount of our total revenue. The impacts to AMS revenues in the near-term have been material. However, on a pro forma basis (assuming the businesses we acquired in mid-2019 were purchased on January 1, 2019) we have experienced sequential year over year improvement in AMS revenue each month since April, the month most significantly impacted since the onset of the pandemic. In the third quarter of 2020, AMS revenue was flat compared to the same period in 2019, due to the partial impact of 2019 acquisitions, return of live sporting events, and stronger than previously expected demand for advertising.

The duration of these trends and the magnitude of such impacts cannot be precisely estimated at this time, as they are affected by a number of factors (many of which are outside of management's control), including those presented in Part II, Item 1A. "Risk Factors" of this Quarterly Report. Based on currently known information about COVID-19 trends and the governmental emphasis on re-opening the economy, we expect on a pro forma basis, continued improvement in quarterly year-over-year comparisons for total revenues in the fourth quarter of 2020.

Our broadcast business has been designated an essential business, and therefore, our stations' operations are continuing with new safeguards put in place to create a safe work environment for our employees. At most of our television stations, a majority of the employees are working remotely. We have also adopted new measures based on current Centers for Disease Control guidelines to keep our employees safe and healthy. Measures include limiting the number of news and production employees in our stations to only those necessary to produce the newscasts, remote interviews, social distancing, and telework for all non-news personnel.

As a result of the near-term impact on non-political advertising demand caused by the COVID-19 pandemic, we implemented cost saving measures to reduce operating expenses and capital expenditures. These measures include implementing temporary furloughs for one week during the second quarter for most personnel, reducing compensation for executives and our board of directors, and reducing non-critical discretionary spending. As is true of most businesses, the

ultimate magnitude of the COVID-19 pandemic cannot be reasonably estimated at this time, but we do expect it to continue to have an adverse effect on our near-term AMS revenues.

The scope and nature of the COVID-19 impacts continue to evolve each day. For a discussion of mitigating measures being taken by management to navigate through these conditions as well as a discussion of key trends and uncertainties that have affected our business, see the sections that follow under the captions "Consolidated Results from Operations" and "Liquidity, Capital Resources and Cash Flows," as well as within Part II, Item 1A "Risk Factors."

## Consolidated Results from Operations

The following discussion is a comparison of our consolidated results on a GAAP basis. The year-to-year comparison of financial results is not necessarily indicative of future results. In addition, see the section titled "Results from Operations - Non-GAAP Information" for additional tables presenting information which supplements our financial information provided on a GAAP basis.

During 2019, we acquired multiple local television stations and multicast networks. Specifically, we acquired the Gray stations (January 2, 2019), Justice (recently rebranded as True Crime Network) and Quest multicast networks (June 18, 2019), the Dispatch stations (August 8, 2019) and the Nexstar stations (September 19, 2019). See Note 2 to the condensed consolidated financial statements for further details. The Dispatch and Nexstar stations are collectively referred to as the "2019 Acquisitions" in the discussion of the results for the quarter ended September 30, 2020 as compared to the same period in 2019. When discussing results for the nine months ended September 30, 2020 compared to the same period in 2019, the "2019 Acquisitions" also includes the multicast networks. The absence of the operating results from these 2019 Acquisitions for the periods prior to their acquisition in our financial statements impacts the year-to-year comparability of our consolidated operating results. The Gray stations do not impact the year-to-year comparability.

Our consolidated results of operations on a GAAP basis were as follows (in thousands, except per share amounts):

	Quarter ended Sept. 30,			Nine months ended Sept. 30,		
	2020	2019	Change	2020	2019	Change
<b>Revenues</b>	\$ 738,389	\$ 551,857	34 %	\$ 2,000,205	\$ 1,605,542	25 %
<b>Operating expenses:</b>						
Cost of revenues	379,185	306,474	24 %	1,103,920	873,078	26 %
Business units - Selling, general and administrative expenses	89,943	78,439	15 %	267,919	223,845	20 %
Corporate - General and administrative expenses	11,263	29,792	(62 %)	61,289	60,363	2 %
Depreciation	16,086	15,381	5 %	49,697	44,831	11 %
Amortization of intangible assets	17,113	15,018	14 %	50,577	32,530	55 %
Spectrum repacking reimbursements and other, net	(2,902)	(80)	***	(10,533)	(11,399)	(8 %)
<b>Total operating expenses</b>	\$ 510,688	\$ 445,024	15 %	\$ 1,522,869	\$ 1,223,248	24 %
<b>Total operating income</b>	\$ 227,701	\$ 106,833	***	\$ 477,336	\$ 382,294	25 %
Non-operating expenses	(53,464)	(53,408)	0 %	(169,596)	(127,282)	33 %
Provision for income taxes	41,967	5,079	***	69,699	52,732	32 %
<b>Net income</b>	132,270	48,346	***	238,041	202,280	18 %
Net (income) loss attributable to redeemable noncontrolling interest	(51)	—	***	433	—	***
<b>Net income attributable to TEGNA Inc.</b>	\$ 132,219	\$ 48,346	***	\$ 238,474	\$ 202,280	18 %
Net income per share - basic	\$ 0.60	\$ 0.22	***	\$ 1.08	\$ 0.93	16 %
Net income per share - diluted	\$ 0.60	\$ 0.22	***	\$ 1.08	\$ 0.93	16 %

\*\*\* Not meaningful

## Revenues

Our AMS category includes all sources of our traditional television advertising and digital revenues including Premion and other digital advertising and marketing revenues across our platforms. Our Subscription revenue category includes revenue

earned from cable and satellite providers for the right to carry our signals and the distribution of TEGNA stations on OTT streaming services.

Our revenues and operating results are subject to seasonal fluctuations. Generally, our second and fourth quarter revenues and operating results are stronger than those we report for the first and third quarter. This is driven by the second quarter reflecting increased spring seasonal advertising, while the fourth quarter typically includes increased advertising related to the holiday season. In addition, our revenue and operating results are subject to significant fluctuations across yearly periods resulting from political advertising. In even numbered years, political spending is usually significantly higher than in odd numbered years due to advertising for the local and national elections. Additionally, every four years, we typically experience even greater increases in political advertising in connection with the presidential election. The strong demand for advertising from political advertisers in these even years can result in the significant use of our available inventory (leading to a "crowd out" effect), which can diminish our AMS revenue in the even year of a two year election cycle, particularly in the fourth quarter of those years. In addition, in even years, our advertising revenue typically benefits from the Olympics which is carried on NBC, our largest network affiliation, although the summer Olympics originally scheduled for 2020 have been postponed to July 2021 due to the COVID-19 pandemic. To a lesser extent, the Super Bowl can influence our advertising results, the degree to which depending on which network broadcasts the event.

As noted above, while we expect the impacts of the COVID-19 pandemic to continue to have a dampening effect on non-political advertising placements and revenues while containment measures are in place and possibly longer, it is too early to tell with any kind of precision how or the extent to which future declines in non-political advertising revenues, particularly with respect to local AMS advertising, will impact our revenues and operating results in future quarters.

The following table summarizes the year-over-year changes in our revenue categories (in thousands):

	Quarter ended Sept. 30,			Nine months ended Sept. 30,		
	2020	2019	Change	2020	2019	Change
Advertising & Marketing Services	\$ 298,605	\$ 297,333	— %	\$ 822,841	\$ 851,304	(3 %)
Subscription	316,677	240,735	32 %	972,954	718,472	35 %
Political	116,494	8,131	***	181,425	14,064	***
Other	6,613	5,658	17 %	22,985	21,702	6 %
<b>Total revenues</b>	<b>\$ 738,389</b>	<b>\$ 551,857</b>	<b>34 %</b>	<b>\$ 2,000,205</b>	<b>\$ 1,605,542</b>	<b>25 %</b>

\*\*\* Not meaningful

Total revenues increased \$186.5 million in the third quarter of 2020 compared to the same period in 2019. Our 2019 Acquisitions contributed revenues of \$73.3 million in the third quarter of 2020. Excluding the 2019 Acquisitions, total revenues increased \$113.2 million, primarily due to a \$95.1 million increase in political advertising, reflecting increased spending on the upcoming elections. Also contributing to the increase was \$39.1 million in subscription revenue, primarily due to annual rate increases under existing and newly renegotiated retransmission agreements. This increase was partially offset by a decrease in AMS revenue of \$21.7 million. AMS revenue was lower, due to reduced advertising demand primarily caused by COVID-19, partially offset by increases from Premion OTT revenue, increased advertising demand from the return of live sporting events, and an aggregate market share improvement across our portfolio.

In the first nine months of 2020, revenues increased \$394.7 million compared to the same period in 2019. Our 2019 Acquisitions contributed total revenues of \$270.5 million in the first nine months of 2020. Excluding the 2019 Acquisitions, total revenues increased \$124.2 million. This increase is primarily due to an increase in political advertising of \$145.7 million, reflecting increased spending on the upcoming elections and \$119.1 million increase in subscription revenue for the first nine months of 2020 from annual rate increases under existing and newly renegotiated retransmission agreements. This increase was partially offset by a decline in AMS revenue of \$142.4 million primarily driven by reduced advertising demand caused by COVID-19.

### Cost of Revenues

Cost of revenues increased \$72.7 million in the third quarter of 2020 compared to the same period in 2019. Our 2019 Acquisitions added cost of revenues of \$38.6 million in the third quarter of 2020. Excluding the 2019 Acquisitions, cost of revenues increased \$34.1 million. The increase was primarily due to a \$33.4 million increase in programming costs, due to the growth in subscription revenues (certain programming costs are linked to such revenues).

In the first nine months of 2020, cost of revenues increased \$230.8 million compared to the same period in 2019. Our 2019 Acquisitions added cost of revenues of \$149.0 million in the first nine months of 2020. Excluding the 2019 Acquisitions, cost of



revenues increased \$81.8 million. This increase was primarily due to a \$91.0 million increase in programming costs, due to the growth in subscription revenues.

### **Business Units - Selling, General and Administrative Expenses**

Business unit selling, general and administrative (SG&A) expenses increased \$11.5 million in the third quarter of 2020 compared to the same period in 2019. Our 2019 Acquisitions added business unit SG&A expenses of \$8.2 million in the third quarter of 2020. Excluding the 2019 Acquisitions, SG&A expenses increased \$3.3 million primarily due to higher outside professional services costs.

In the first nine months of 2020, business unit SG&A expenses increased \$44.1 million compared to the same period in 2019. Our 2019 Acquisitions added business unit SG&A expenses of \$33.4 million in the first nine months of 2020. Excluding the 2019 Acquisitions, SG&A expenses increased \$10.7 million primarily due to increases to bad debt expense and outside professional services costs.

### **Corporate General and Administrative Expenses**

Our corporate costs are separated from our business expenses and are recorded as general and administrative expenses in our Consolidated Statement of Income. This category primarily consists of broad corporate management functions including Legal, Human Resources, and Finance, as well as activities and costs not directly attributable to the operations of our media business.

Corporate general and administrative expenses decreased \$18.5 million in the third quarter of 2020 compared to the same period in 2019. The decrease was primarily driven by the absence in 2020 of \$20.0 million of acquisition-related costs (principally advisory fees) incurred in 2019 associated with acquisitions and strategic initiatives.

In the first nine months of 2020, corporate general and administrative expenses increased \$1.0 million compared to the same period in 2019. The increase was primarily due to \$23.1 million of costs for successful activism defense and \$4.6 million of M&A due diligence costs. Partially offsetting this was a decrease of \$29.1 million in acquisition-related costs (principally advisory fees) due to the reduction in acquisition activity in 2020.

### **Depreciation Expense**

Depreciation expense increased by \$0.7 million in the third quarter of 2020 compared to the same period in 2019. Our 2019 Acquisitions added depreciation expense of \$2.3 million. Excluding the impact of the 2019 Acquisitions, depreciation expense decreased \$1.6 million due to certain assets reaching the end of their assumed useful lives, therefore, becoming fully depreciated.

In the first nine months of 2020, depreciation expense increased \$4.9 million compared to the same period in 2019. Our 2019 Acquisitions added depreciation expense of \$7.8 million. Excluding the impact of the 2019 Acquisitions, depreciation expense decreased \$2.9 million due to certain assets reaching the end of their assumed useful lives.

### **Amortization Expense**

Amortization expense increased \$2.1 million in the third quarter of 2020 compared to the same period in 2019. Our 2019 Acquisitions added amortization expense of \$3.9 million. Excluding the impact of the 2019 Acquisitions, amortization expense decreased \$1.8 million due to certain assets reaching the end of their assumed useful lives, therefore, becoming fully amortized.

In the first nine months of 2020, amortization expense increased \$18.0 million as compared to the same period in 2019. Our 2019 Acquisitions added amortization expense of \$22.0 million. Excluding the impact of the 2019 Acquisitions, amortization expense decreased \$4.0 million due to certain assets reaching the end of their assumed useful lives.

### **Spectrum Repacking Reimbursements and Other, net**

Spectrum repacking reimbursements and other net gains were \$2.9 million in the third quarter of 2020 compared to an immaterial amount in the same period in 2019. The 2020 activity is related to \$2.9 million of reimbursements received from the Federal Communications Commission (FCC) for required spectrum repacking. The 2019 activity consists of gains of \$5.5 million from reimbursements received from the FCC for required spectrum repacking, offset by a one-time contract termination and incremental transition costs of \$5.5 million related to bringing our national sales organization in-house.

In the first nine months of 2020, we recognized net gains of \$10.5 million, compared to \$11.4 million recognized in the same period in 2019. The 2020 net gains primarily consist of \$12.7 million of reimbursements received from the FCC for required spectrum repacking, partially offset by a \$2.1 million impairment charge due to the retirement of a brand name. The 2019 gain primarily relates to \$14.0 million of reimbursements received from the FCC for required spectrum repacking and a gain of \$2.9

million as a result of the sale of certain real estate. These 2019 gains were partially offset by \$5.5 million in one-time contract termination and incremental transition costs discussed above.

### **Operating Income**

Our operating income increased \$120.9 million in the third quarter of 2020 compared to the same period in 2019. Results from our 2019 Acquisitions added operating income of \$20.4 million in the third quarter of 2020. Excluding the 2019 Acquisitions, operating income increased \$100.5 million. The increase was driven by the changes in revenue and expenses discussed above, most notably the increase in political revenue.

Our operating income increased \$95.0 million in the first nine months of 2020 compared to the same period in 2019. Our 2019 Acquisitions added operating income of \$58.2 million in the first nine months of 2020. Excluding the 2019 Acquisitions, total operating income increased \$36.8 million in the first nine months compared to the same period. The increase was driven by the changes in revenue and expenses discussed above.

### **Non-Operating Expenses**

Non-operating expenses increased \$0.1 million in the third quarter of 2020 compared to the same period in 2019. Interest expense decreased by \$0.6 million driven by a lower average interest rate due to the refinancings undertaken in 2019 and 2020 partially offset by higher average outstanding debt used to finance the 2019 Acquisitions. Total average outstanding debt was \$4.04 billion for the third quarter of 2020, compared to \$3.38 billion in the same period of 2019. The weighted average interest rate on total outstanding debt was 4.89% for the third quarter of 2020, compared to 5.91% in the same period of 2019.

In the first nine months of 2020, non-operating expenses increased \$42.3 million compared to the same period in 2019. This increase was partially due to a \$13.8 million call premium related to the repayment of our 2023 Senior Notes, acceleration of \$7.9 million of previously deferred financing fees associated with the 2023 and 2020 Senior notes in the first quarter of 2020 due to their early repayment. In addition, the increase was driven by the absence of a \$7.3 million gain we recognized from the acquisition of Justice and Quest in 2019 and \$13.1 million of gains recognized in our equity income in unconsolidated investments as a result of the sale of two investments in 2019. Further, interest expense increased \$15.6 million driven by higher average outstanding debt used to finance the 2019 Acquisitions partially offset by a lower average interest rate due to the refinancings undertaken in 2019 and 2020. The average debt outstanding was \$4.12 billion for the first nine months of 2020, compared to \$3.08 billion in the same period of 2019. The weighted average interest rate on total outstanding debt was 4.99% for the first nine months of 2020, compared to 6.00% in the same period of 2019. Partially offsetting the increase in non-operating expenses was equity income increase of \$7.2 million from our CareerBuilder investment (which sold its employment screening business in 2020 resulting in a pre-tax gain of \$18.6 million being recognized by us).

### **Income Tax Expense**

Income tax expense increased \$36.9 million in the third quarter of 2020 compared to the same period in 2019. Income tax expense increased \$17.0 million in the first nine months of 2020 compared to the same period in 2019. The increases were primarily due to increases in net income before tax. Our effective income tax rate was 24.1% for the third quarter of 2020, compared to 9.5% for the third quarter of 2019. Our effective income tax rate was 22.6% for the first nine months of 2020, compared to 20.7% for the same period in 2019. The tax rate for the third quarter and first nine months of 2019 are lower than the comparable amount in 2020 primarily as a result of the release of certain tax reserves due to a state audit settlement and the expiration of a statute of limitations as well as discrete tax benefits realized related to a 2019 acquisition and a previously-disposed business.

### **Net Income attributable to TEGNA Inc.**

Net income attributable to TEGNA Inc. was \$132.2 million, or \$0.60 per diluted share, in the third quarter of 2020 compared to \$48.3 million, or \$0.22 per diluted share, during the same period in 2019. For the first nine months of 2020, net income attributable to TEGNA Inc. was \$238.5 million, or \$1.08 per diluted share, compared to \$202.3 million, or \$0.93 per diluted share, for the same period in 2019. Both income and earnings per share were affected by the factors discussed above, most notably, the increase in political revenue reflecting increased spending on the upcoming elections, increase in subscription revenue from annual rate increases under existing and newly renegotiated retransmission agreements and decline of AMS due, in part, to reduced advertising demand as a result of the COVID-19 pandemic.

The weighted average number of diluted common shares outstanding in the third quarter of 2020 and 2019 were 220.0 million and 218.3 million, respectively. The weighted average number of diluted shares outstanding in the first nine months of 2020 and 2019 was 219.4 million and 217.8 million, respectively.

## Results from Operations - Non-GAAP Information

### Presentation of Non-GAAP information

We use non-GAAP financial performance measures to supplement the financial information presented on a GAAP basis. These non-GAAP financial measures should not be considered in isolation from, or as a substitute for, the related GAAP measures, nor should they be considered superior to the related GAAP measures, and should be read together with financial information presented on a GAAP basis. Also, our non-GAAP measures may not be comparable to similarly titled measures of other companies.

Management and our Board of Directors use non-GAAP financial measures for purposes of evaluating company performance. Furthermore, the Leadership Development and Compensation Committee of our Board of Directors uses non-GAAP measures such as Adjusted EBITDA, non-GAAP net income, non-GAAP EPS and free cash flow to evaluate management's performance. Therefore, we believe that each of the non-GAAP measures presented provides useful information to investors and other stakeholders by allowing them to view our business through the eyes of management and our Board of Directors, facilitating comparisons of results across historical periods and focus on the underlying ongoing operating performance of our business. We also believe these non-GAAP measures are frequently used by investors, securities analysts and other interested parties in their evaluation of our business and other companies in the broadcast industry.

We discuss in this Form 10-Q non-GAAP financial performance measures that exclude from our reported GAAP results the impact of "special items" consisting of spectrum repacking reimbursements and other, gains related to businesses we account for under the equity method, acquisition-related costs, advisory fees related to activism defense, M&A due diligence costs, workforce restructuring costs, intangible asset impairment charges, certain non-operating expenses related to the early extinguishment of debt, and a TEGNA foundation donation. In addition, we have excluded certain income tax special items associated with deferred tax benefits related to partial capital loss valuation allowance release, the tax impacts related to the recent acquisitions and adjustments related to previously-disposed businesses.

We believe that such expenses and gains are not indicative of normal, ongoing operations. While these items may be recurring in nature and should not be disregarded in evaluation of our earnings performance, it is useful to exclude such items when analyzing current results and trends compared to other periods as these items can vary significantly from period to period depending on specific underlying transactions or events that may occur. Therefore, while we may incur or recognize these types of expenses and gains in the future, we believe that removing these items for purposes of calculating the non-GAAP financial measures provides investors with a more focused presentation of our ongoing operating performance.

We discuss Adjusted EBITDA (with and without corporate expenses), a non-GAAP financial performance measure that we believe offers a useful view of the overall operation of our businesses. We define Adjusted EBITDA as net income attributable to TEGNA before (1) net (income) loss attributable to redeemable noncontrolling interest, (2) income taxes, (3) interest expense, (4) equity (loss) income in unconsolidated investments, net, (5) other non-operating items, net, (6) workforce restructuring expense, (7) M&A due diligence costs, (8) acquisition-related costs, (9) advisory fees related to activism defense, (10) spectrum repacking reimbursements and other, net, (11) depreciation and (12) amortization. We believe these adjustments facilitate company-to-company operating performance comparisons by removing potential differences caused by variations unrelated to operating performance, such as capital structures (interest expense), income taxes, and the age and book appreciation of property/equipment (and related depreciation expense). The most directly comparable GAAP financial measure to Adjusted EBITDA is Net income attributable to TEGNA. Users should consider the limitations of using Adjusted EBITDA, including the fact that this measure does not provide a complete measure of our operating performance. Adjusted EBITDA is not intended to purport to be an alternate to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. In particular, Adjusted EBITDA is not intended to be a measure of cash flow available for management's discretionary expenditures, as this measure does not consider certain cash requirements, such as working capital needs, capital expenditures, contractual commitments, interest payments, tax payments and other debt service requirements.

We also discuss free cash flow, a non-GAAP performance measure that the Board of Directors uses to review the performance of the business. The most directly comparable GAAP financial measure to free cash flow is Net income attributable to TEGNA. Free cash flow is calculated as non-GAAP Adjusted EBITDA (as defined above), further adjusted by adding back (1) stock-based compensation, (2) non-cash 401(k) company match, (3) syndicated programming amortization, (4) pension reimbursements, (5) dividends received from equity method investments and (6) reimbursements from spectrum repacking. This is further adjusted by deducting payments made for (1) syndicated programming, (2) pension, (3) interest, (4) taxes (net of refunds) and (5) purchases of property and equipment. Like Adjusted EBITDA, free cash flow is not intended to be a measure of cash flow available for management's discretionary use.

## Discussion of Special Charges Affecting Reported Results

Our results included the following items we consider “special items” that while at times recurring, can vary significantly from period to period:

Quarter and nine months ended September 30, 2020:

- Workforce restructuring expense which included payroll and related benefit costs at our stations (including the shutdown of our TMS Phoenix operations) and corporate headquarters;
- Spectrum repacking reimbursements and other, net consists of gains due to reimbursements from the FCC for required spectrum repacking, partially offset by an intangible asset impairment charge due to the retirement of a brand name;
- Advisory fees related to activism defense;
- M&A due diligence costs we incurred to assist prospective buyers of our company with their due diligence;
- A gain recognized in our equity income in unconsolidated investments, related to our share of CareerBuilder’s gain on the sale of its employment screening business;
- Other non-operating items primarily related to costs incurred in connection with the early extinguishment of debt; and
- Deferred tax benefits related to partial capital loss valuation allowance release.

Quarter and nine months ended September 30, 2019:

- Workforce restructuring expense which included payroll and related benefit costs at our stations and corporate headquarters;
- Acquisition-related costs associated with business acquisitions;
- Spectrum repacking reimbursements and other, net consisting of a gain recognized on the sale of real estate and gains due to reimbursements from the FCC for required spectrum repacking and a one-time contract termination and incremental transition costs related to bringing our national sales organization in-house;
- Gains recognized in our equity income in unconsolidated investments as a result of the sale of two investments;
- Other non-operating items primarily relates to a gain for the remeasurement of our previously held ownership in Justice Network and Quest to fair value, and a charitable donation made to the TEGNA Foundation; and
- Realization of discrete tax benefits related to one of the recent acquisitions and a previously-disposed business.

Reconciliations of certain line items impacted by special items to the most directly comparable financial measure calculated and presented in accordance with GAAP on our Consolidated Statements of Income follow (in thousands, except per share amounts):

Quarter ended September 30, 2020	GAAP measure	Special Items		Non-GAAP measure
		Workforce restructuring expense	Spectrum repacking reimbursements and other	
Cost of revenues	\$ 379,185	\$ (595)	\$ —	\$ 378,590
Business units - Selling, general and administrative expenses	89,943	(372)	—	89,571
Corporate - General and administrative expenses	11,263	(54)	—	11,209
Spectrum repacking reimbursements and other, net	(2,902)	—	2,902	—
Operating expenses	510,688	(1,021)	2,902	512,569
Operating income	227,701	1,021	(2,902)	225,820
Income before income taxes	174,237	1,021	(2,902)	172,356
Provision for income taxes	41,967	256	(749)	41,474
Net income attributable to TEGNA Inc.	132,219	765	(2,153)	130,831
Net income per share- diluted	\$ 0.60	\$ —	\$ (0.01)	\$ 0.59

Quarter ended September 30, 2019	GAAP measure	Special Items			Non-GAAP measure
		Acquisition- related costs	Spectrum repacking reimbursements and other	Special tax benefits	
Corporate - General and administrative expenses	\$ 29,792	\$ (19,973)	\$ —	\$ —	\$ 9,819
Spectrum repacking reimbursements and other, net	(80)	—	80	—	—
Operating expenses	445,024	(19,973)	80	—	425,131
Operating income	106,833	19,973	(80)	—	126,726
Income before income taxes	53,425	19,973	(80)	—	73,318
Provision for income taxes	5,079	3,889	(3)	5,992	14,957
Net income attributable to TEGNA Inc.	48,346	16,084	(77)	(5,992)	58,361
Net income per share- diluted <sup>(a)</sup>	\$ 0.22	\$ 0.07	\$ —	\$ (0.03)	\$ 0.27

<sup>(a)</sup> Per share amounts do not sum due to rounding

Nine months ended September 30, 2020	Special Items									Non-GAAP measure
	GAAP measure	Workforce restructuring expense	M&A due diligence costs	Advisory fees related to activism defense	Spectrum repacking reimbursements and other	Gains on equity method investment	Other non- operating items	Special tax benefits		
Cost of revenues	\$ 1,103,920	\$ (595)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,103,325
Business units - Selling, general and administrative expenses	267,919	(372)	—	—	—	—	—	—	—	267,547
Corporate - General and administrative expenses	61,289	(54)	(4,588)	(23,087)	—	—	—	—	—	33,560
Spectrum repacking reimbursements and other, net	(10,533)	—	—	—	10,533	—	—	—	—	—
Operating expenses	1,522,869	(1,021)	(4,588)	(23,087)	10,533	—	—	—	—	1,504,706
Operating income	477,336	1,021	4,588	23,087	(10,533)	—	—	—	—	495,499
Equity income (loss) in unconsolidated investments, net	8,407	—	—	—	—	(18,585)	—	—	—	(10,178)
Other non-operating items, net	(17,270)	—	—	—	—	—	21,744	—	—	4,474
Total non-operating expenses	(169,596)	—	—	—	—	(18,585)	21,744	—	—	(166,437)
Income before income taxes	307,740	1,021	4,588	23,087	(10,533)	(18,585)	21,744	—	—	329,062
Provision for income taxes	69,699	256	1,151	5,801	(2,766)	(4,670)	5,463	3,944	—	78,878
Net income attributable to TEGNA Inc.	238,474	765	3,437	17,286	(7,767)	(13,915)	16,281	(3,944)	—	250,617
Net income per share- diluted <sup>(a)</sup>	\$ 1.08	\$ —	\$ 0.02	\$ 0.08	\$ (0.04)	\$ (0.06)	\$ 0.07	\$ (0.02)	\$ —	\$ 1.14

<sup>(a)</sup> Per share amounts do not sum due to rounding

Nine months ended September 30, 2019	Special Items								Non-GAAP measure
	GAAP measure	Workforce restructuring expense	Acquisition-related costs	Spectrum repacking reimbursements and other	Gain on equity method investment	Other non- operating items	Special tax benefits		
Cost of revenues	\$ 873,078	\$ (875)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 872,203
Business units - Selling, general and administrative expenses	223,845	(376)	—	—	—	—	—	—	223,469
Corporate - General and administrative expenses	60,363	(201)	(29,092)	—	—	—	—	—	31,070
Spectrum repacking reimbursements and other, net	(11,399)	—	—	11,399	—	—	—	—	—
Operating expenses	1,223,248	(1,452)	(29,092)	11,399	—	—	—	—	1,204,103
Operating income	382,294	1,452	29,092	(11,399)	—	—	—	—	401,439
Equity income (loss) in unconsolidated investments, net	10,922	—	—	—	(13,126)	—	—	—	(2,204)
Other non-operating items, net	6,962	—	—	—	—	(6,285)	—	—	677
Total non-operating expense	(127,282)	—	—	—	(13,126)	(6,285)	—	—	(146,693)
Income before income taxes	255,012	1,452	29,092	(11,399)	(13,126)	(6,285)	—	—	254,746
Provision for income taxes	52,732	359	5,931	(2,850)	(3,169)	(1,574)	5,992	—	57,421
Net income attributable to TEGNA Inc.	202,280	1,093	23,161	(8,549)	(9,957)	(4,711)	(5,992)	—	197,325
Net income per share- diluted	\$ 0.93	\$ 0.01	\$ 0.11	\$ (0.04)	\$ (0.05)	\$ (0.02)	\$ (0.03)	\$ —	\$ 0.91

## Adjusted EBITDA - Non-GAAP

Reconciliations of Adjusted EBITDA to net income presented in accordance with GAAP on our Consolidated Statements of Income are presented below (in thousands):

	Quarter ended Sept. 30,			Nine months ended Sept. 30,		
	2020	2019	Change	2020	2019	Change
Net income attributable to TEGNA Inc. (GAAP basis)	\$ 132,219	\$ 48,346	***	\$ 238,474	\$ 202,280	18 %
Plus (Less): Net income (loss) attributable to redeemable noncontrolling interest	51	—	***	(433)	—	***
Plus: Provision for income taxes	41,967	5,079	***	69,699	52,732	32 %
Plus: Interest expense	51,896	52,454	(1 %)	160,733	145,166	11 %
Plus (Less): Equity loss (income) in unconsolidated investments, net	2,529	491	***	(8,407)	(10,922)	(23 %)
(Less) Plus: Other non-operating items, net	(961)	463	***	17,270	(6,962)	***
Operating income (GAAP basis)	227,701	106,833	***	477,336	382,294	25 %
Plus: Workforce restructuring expense	1,021	—	***	1,021	1,452	(30 %)
Plus: M&A due diligence costs	—	—	***	4,588	—	***
Plus: Acquisition-related costs	—	19,973	***	—	29,092	***
Plus: Advisory fees related to activism defense	—	—	***	23,087	—	***
Less: Spectrum repacking reimbursements and other, net	(2,902)	(80)	***	(10,533)	(11,399)	(8 %)
Adjusted operating income (non-GAAP basis)	225,820	126,726	78 %	495,499	401,439	23 %
Plus: Depreciation	16,086	15,381	5 %	49,697	44,831	11 %
Plus: Amortization of intangible assets	17,113	15,018	14 %	50,577	32,530	55 %
<b>Adjusted EBITDA (non-GAAP basis)</b>	<b>259,019</b>	<b>157,125</b>	<b>65 %</b>	<b>595,773</b>	<b>478,800</b>	<b>24 %</b>
Corporate - General and administrative expense (non-GAAP basis)	11,209	9,819	14 %	33,560	31,070	8 %
<b>Adjusted EBITDA, excluding Corporate (non-GAAP basis)</b>	<b>\$ 270,228</b>	<b>\$ 166,944</b>	<b>62 %</b>	<b>\$ 629,333</b>	<b>\$ 509,870</b>	<b>23 %</b>

\*\*\* Not meaningful

In the third quarter of 2020 Adjusted EBITDA margin was 37% without corporate expense or 35% with corporate expense, compared to third quarter of 2019 Adjusted EBITDA margin of 30% without corporate expense or 28% with corporate expense. For the nine months ended September 30, 2020, Adjusted EBITDA margin was 31% without corporate expense or 30% with corporate expense, compared to nine months ended September 30, 2019 Adjusted EBITDA of 32% without corporate expense or 30% with corporate expense. The increases in Adjusted EBITDA margins are primarily driven by the increase in high-margin political revenue reflecting increased spending on the upcoming elections, as well as an increase in subscription revenue from annual rate increases under existing and newly renegotiated retransmission agreements.

Our total Adjusted EBITDA increased \$101.9 million in the third quarter of 2020 compared to 2019. Our 2019 Acquisitions added Adjusted EBITDA of \$26.6 million. Excluding the 2019 Acquisitions, Adjusted EBITDA increased by \$75.3 million. This increase was primarily driven by the operational factors discussed above within the revenue and operating expense fluctuation explanation sections, most notably, the increase in political revenue.

For the first nine months of 2020, Adjusted EBITDA increased \$117.0 million primarily due to the same factors affecting the third quarter. Our 2019 Acquisitions added Adjusted EBITDA of \$88.1 million. Excluding the 2019 Acquisitions, Adjusted EBITDA increased by \$28.9 million. This increase was primarily driven by the operational factors discussed above within the revenue and operating expense fluctuation explanation sections, most notably, the increase in political revenue.

## Free Cash Flow Reconciliation

Our free cash flow, a non-GAAP performance measure, was \$391.4 million in the first half of 2020 compared to \$265.4 million for the same period in 2019.

Reconciliations from "Net income" to "Free cash flow" follow (in thousands):

	Nine months ended Sept. 30,		
	2020	2019	Change
Net income attributable to TEGNA Inc. (GAAP basis)	\$ 238,474	\$ 202,280	18 %
Plus: Provision for income taxes	69,699	52,732	32 %
Plus: Interest expense	160,733	145,166	11 %
Plus: M&A due diligence costs	4,588	—	***
Plus: Acquisition-related costs	—	29,092	***
Plus: Depreciation	49,697	44,831	11 %
Plus: Amortization	50,577	32,530	55 %
Plus: Stock-based compensation	12,578	13,887	(9 %)
Plus: Company stock 401(k) contribution	13,023	6,486	***
Plus: Syndicated programming amortization	53,599	42,510	26 %
Plus: Workforce restructuring expense	1,021	1,452	(30 %)
Plus: Advisory fees related to activism defense	23,087	—	***
Plus: Cash dividend from equity investments for return on capital	5,771	751	***
Plus: Cash reimbursements from spectrum repacking	12,670	13,975	(9 %)
Plus: Other non-operating items, net	17,270	(6,962)	***
Less: Net loss attributable to redeemable noncontrolling interest	(433)	—	***
Less: Income tax payments, net of refunds	(39,872)	(73,457)	(46 %)
Less: Spectrum repacking reimbursements and other, net	(10,533)	(11,399)	(8 %)
Less: Equity income in unconsolidated investments, net	(8,407)	(10,922)	(23 %)
Less: Syndicated programming payments	(52,840)	(40,038)	32 %
Less: Pension contributions	(4,192)	(8,407)	(50 %)
Less: Interest payments	(174,575)	(117,913)	48 %
Less: Purchases of property and equipment	(30,583)	(51,231)	(40 %)
Free cash flow (non-GAAP basis)	<u>\$ 391,352</u>	<u>\$ 265,363</u>	<u>47 %</u>

\*\*\* Not meaningful



## Liquidity, Capital Resources and Cash Flows

Our operations have historically generated strong positive cash flow which, along with availability under our existing revolving credit facility and cash and cash equivalents on hand, have been sufficient to fund our capital expenditures, interest expense, dividends, investments in strategic initiatives (including acquisitions) and other operating requirements.

The COVID-19 pandemic has had far-reaching material adverse impacts on many aspects of our operations, directly and indirectly, including our employees, consumer behavior, distribution of our content, our vendors, and the overall market. The full impact of the COVID-19 pandemic, particularly with regard to the broader advertising industry, remains uncertain and is evolving. In light of the uncertain and evolving situation relating to the COVID-19 pandemic, we have taken a number of precautionary measures to mitigate the financial impact of the pandemic, and minimize the resultant risks to our company, employees, our shareholders, customers, and the communities in which we serve. Such steps include the following:

- Halted the discretionary repayment of short-term borrowings resulting in the build up our cash balance to approximately \$164.6 million as of September 30, 2020;
- Refinanced \$538.0 million of debt with maturities in 2021 or 2024 to 2026;
- Amended our revolving credit facility on June 11, 2020 to extend the initial step-down of the maximum permitted total leverage ratio by 15 months. Under the amendment our total leverage ratio will remain at 5.5x until the fiscal quarter ending March 31, 2022;
- Implemented temporary company-wide one-week furlough program of our workforce during the second quarter of 2020;
- Announced temporary pay reductions of 8% for certain key newsroom personnel, 20% for general managers and corporate senior vice presidents, and 25% for our CEO and Board of Directors during the second quarter of 2020, in lieu of the one week furlough;
- Reduced and/or deferred capital expenditures and non-critical operating expenses; and
- Implemented travel bans and restrictions.

Further, in response to COVID-19, President Donald Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) on March 27, 2020. The CARES Act provides numerous tax provisions and other stimulus measures. We believe we will benefit from the CARES Act as a result of lower 2020 tax payments of approximately \$5 million from the provisions that allow for (1) immediate deduction of any eligible leasehold improvements placed in service during 2018 and 2019, and (2) temporary relaxation of net interest deduction limitations which will allow us to immediately deduct 2019 interest expense that would otherwise have been disallowed and carried forward to future periods. We also elected to defer the employer portion of the social security payroll tax (6.2%) as outlined within the CARES Act. The deferral is effective from March 27, 2020 through December 31, 2020. We estimate the cash flow benefit of this to be approximately \$20 million in 2020. The deferred amount will be paid in two installments and the amount will be considered timely paid if 50% of the deferred amount is paid by December 31, 2021 and the remainder by December 31, 2022.

In addition, due to guidance from the U.S. Department of the Treasury and the Internal Revenue Service, certain federal income tax payments due before July 15, 2020, were deferred to July 15, 2020. As a result, we made federal income tax payments of \$30 million in the third quarter. We estimate making federal income tax payments of \$40 million in the fourth quarter of 2020.

As of September 30, 2020, we were in compliance with all covenants contained in our debt agreements and credit facility and our leverage ratio, calculated in accordance with our revolving credit agreement and term loan agreements, was 4.4x, well below the permitted leverage ratio of less than 5.5x. The leverage ratio is calculated using annualized adjusted EBITDA (as defined in the agreement) for the trailing eight quarters. We believe that we will remain compliant with all covenants for the foreseeable future.

We often present a different leverage ratio in our investor communications than the one required to be computed by our revolving covenant agreement. The ratio disclosed in our investor communications, which is regularly reviewed by our management and our board of directors, was 4.5x as of September 30, 2020. The primary difference between this computation and the leverage ratio calculated in accordance with our revolving credit agreement is the definition of adjusted EBITDA in the revolving credit agreement version requires additional adjustments to add back non-cash compensation and contractual synergy benefits during periods in the trailing eight quarters that preceded the acquisition.

On September 13, 2019, we completed a private placement offering of \$1.1 billion aggregate principal amount of unsecured notes bearing an interest rate of 5.00% which are due in September 2029. The proceeds from this note offering were used to finance a portion of the acquisition of the Nexstar Stations, and along with borrowing under the revolving credit facility, were used to repay the remaining \$320 million of notes bearing fixed rate interest at 5.125% which had become due in October 2019. Additionally we early repaid \$290 million of our \$600 million unsecured notes bearing fixed interest at 5.125% which are due in July 2020.

On January 9, 2020 we completed a private placement offering of \$1.0 billion senior notes bearing an interest rate of 4.625% which are due in March 2028. These senior notes, as well as those issued in September 2019, include customary market covenants and call provisions consistent with our past issuances. On February 11, 2020 we used the net proceeds to repay the remaining \$310 million principal amount of our 5.125% Senior Notes due 2020, the \$650 million principal amount of our 6.375%

Senior Notes due 2023, a \$13.8 million call premium on our 6.375% Senior Notes due 2023 and borrowings under our revolving credit facility.

On September 10, 2020, we completed a private placement offering of \$550 million aggregate principal amount of senior unsecured notes bearing an interest rate of 4.750% which are due in March 2026. The proceeds were used to pay down borrowings from our revolving credit facility. Then, on October 13, 2020 we utilized our revolving credit facility to repay the entire \$350 million aggregate principal amount of our 4.875% Senior Notes due in 2021 and \$188 million aggregate principal amount of our 5.500% Senior Notes due in 2024 and a \$3.4 million redemption premium on our Senior Notes due in 2024.

As of September 30, 2020, our total debt was \$3.9 billion, cash and cash equivalents totaled \$164.6 million, and we had unused borrowing capacity of \$1.31 billion under our revolving credit facility. Approximately \$3.77 billion, or 96%, of our debt has a fixed interest rate. Following the October debt payments we had an unused borrowing capacity on our revolving credit facility of \$950 as of October 31, 2020. Based on operating trends, we now expect that our net leverage ratio (as calculated for investor communications) will be 4.2x or less by the end of 2020.

Our financial and operating performance, as well as our ability to generate sufficient cash flow to maintain compliance with credit facility covenants, are subject to certain risk factors; see Item 1A. "Risk Factors" in this Report as well as our 2019 Annual Report on Form 10-K for further discussion. We expect our existing cash and cash equivalents, cash flow from our operations, and borrowing capacity under the revolving credit facility will be more than sufficient to satisfy our debt service obligations, capital expenditure requirements, and working capital needs for the next twelve months.

## Cash Flows

The following table provides a summary of our cash flow information followed by a discussion of the key elements of our cash flow (in thousands):

	<b>Nine months ended Sept. 30,</b>	
	<b>2020</b>	<b>2019</b>
Balance of cash and cash equivalents beginning of the period	\$ 29,404	\$ 135,862
<b>Operating activities:</b>		
Net income	238,041	202,280
Depreciation, amortization and other non-cash adjustments	117,468	75,084
Pension contributions, net of expense	(8,144)	(5,543)
Decrease (increase) in trade receivables	73,838	(24,708)
Increase (decrease) in interest and taxes payable	13,793	(1,815)
Other, net	80,755	(30,713)
Cash flow from operating activities	<u>515,751</u>	<u>214,585</u>
<b>Investing activities:</b>		
Payments for acquisitions of businesses and other assets, net of cash acquired	(15,841)	(1,507,483)
All other investing activities	(8,571)	(15,544)
Cash flow used for investing activities	<u>(24,412)</u>	<u>(1,523,027)</u>
Cash flow (used for) provided by financing activities	<u>(356,157)</u>	<u>1,181,774</u>
Increase (decrease) in cash and cash equivalents	135,182	(126,668)
Balance of cash and cash equivalents end of the period	<u>\$ 164,586</u>	<u>\$ 9,194</u>

**Operating Activities** - Cash flow from operating activities was \$515.8 million for the nine months ended September 30, 2020, compared to \$214.6 million for the same period in 2019. This increase was primarily driven by the \$167.4 million increase in political revenue in 2020. As political advertisements are typically paid upfront, they provide an immediate benefit to operating cash flow as compared to non-political advertising which is billed and collected in arrears after the advertisement has been delivered. Also contributing to the increase was a favorable change in accounts receivable of \$98.5 million due to increases in cash collection on AMS revenue and decrease in tax payments of \$33.6 million. The 2019 Acquisitions and higher subscription revenue also contributed to the increase.

**Investing Activities** - Cash flow used for investing activities was \$24.4 million for the nine months ended September 30, 2020, compared to \$1,523.0 million for the same period in 2019. The decrease was primarily due to \$15.8 million being spent on acquisitions in 2020 as compared to cash used in the acquisitions of the Gray Stations, Justice and Quest multicast networks, Dispatch stations, and Nexstar stations for \$1,507.5 million in the first nine months of 2019.

**Financing Activities** - Cash flow used for financing activities was \$356.2 million for the nine months ended September 30, 2020, compared to \$1,181.8 million for the same period in 2019. The change was primarily due to debt activity in 2020. Specifically, in January 2020 we issued \$1.0 billion of unsecured notes, the proceeds of which were used to early redeem \$650.0 million of unsecured notes due in October 2023 and \$310.0 million due in July 2020. Additionally, in September 2020 we issued \$550 million of senior unsecured notes. We incurred fees of \$36.9 million related to these debt issuances, and an amendment of the revolving credit facility. We also paid down \$728.0 million on our revolving credit facility early in the first nine months of 2020 as compared to borrowing \$223.0 million in the first nine months of 2019.

### **Certain Factors Affecting Forward-Looking Statements**

Certain statements in this Quarterly Report on Form 10-Q contain forward-looking statements regarding business strategies, market potential, future financial performance and other matters, which include, but are not limited to the adverse impacts caused by the COVID-19 pandemic and its effect on our revenues, particularly our non-political advertising revenues. The words “believe,” “expect,” “estimate,” “could,” “should,” “intend,” “may,” “plan,” “seek,” “anticipate,” “project” and similar expressions, among others, generally identify “forward-looking statements”. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results and events to differ materially from those anticipated in the forward-looking statements, including those described within Part II, Item 1A “Risk Factors” in this current report, as well as under Item 1A. “Risk Factors” in our 2019 Annual Report on Form 10-K.

Our actual financial results may be different from those projected due to the inherent nature of projections. Given these uncertainties, forward-looking statements should not be relied on in making investment decisions. The forward-looking statements contained in this Form 10-Q speak only as of the date of its filing. Except where required by applicable law, we expressly disclaim a duty to provide updates to forward-looking statements after the date of this Form 10-Q to reflect subsequent events, changed circumstances, changes in expectations, or the estimates and assumptions associated with them. The forward-looking statements in this Form 10-Q are intended to be subject to the safe harbor protection provided by the federal securities laws.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

For quantitative and qualitative disclosures about market risk, refer to the following section of our 2019 Annual Report on Form 10-K: “Item 7A. Quantitative and Qualitative Disclosures about Market Risk.” Our exposures to market risk have not changed materially since December 31, 2019.

As of September 30, 2020, approximately \$3.77 billion of our debt has a fixed interest rate (which represents approximately 96% of our total principal debt obligation). Our remaining debt obligation of \$175 million has floating interest rates. These obligations fluctuate with market interest rates. By way of comparison, a 50 basis points increase or decrease in the average interest rate for these obligations would result in a change in annual interest expense of approximately \$0.9 million. The fair value of our total debt, based on bid and ask quotes for the related debt, totaled \$3.99 billion as of September 30, 2020 and \$4.32 billion as of December 31, 2019.

#### **Item 4. Controls and Procedures**

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of September 30, 2020. Based on that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective, as of September 30, 2020, to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 are recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

During the third quarter of 2020, we implemented an enterprise resource planning, or ERP, system. This upgraded system is a systems improvement initiative and is not in response to any identified deficiency or weakness in our internal control over financial reporting. We reviewed the implementation effort as well as the impact on our internal controls over financial reporting and where appropriate, made changes to our controls to address the system changes. We believe that the internal control changes resulting from the new ERP implementation provide a more effective management of our business operations and improve the overall control environment.

There have been no other material changes in our internal controls or in other factors during the fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

## **PART II. OTHER INFORMATION**

### **Item 1. Legal Proceedings**

See Note 11 to the condensed consolidated financial statements for information regarding our legal proceedings.

### **Item 1A. Risk Factors**

While we attempt to identify, manage and mitigate risks and uncertainties associated with our business, some level of risk and uncertainty will always be present. "Item 1A. Risk Factors" of our 2019 Annual Report on Form 10-K describes the risks and uncertainties that we believe may have the potential to materially affect our business, results of operations, financial condition, cash flows, projected results and future prospects. The information below represents a new risk factor related to the adverse impacts from the COVID-19 pandemic.

#### **A resurgence in the rate of COVID-19 infections that is significant enough to force widespread business closures could materially and adversely affect our financial condition, results of operations and cash flows.**

During the first quarter of 2020, a novel strain of coronavirus (COVID-19) believed to have been first identified in Wuhan, China, spread globally, including to every state in the United States. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, the United States declared a national emergency with respect to COVID-19. The federal and state governments in the United States have responded by instituting a wide variety of mitigating control measures, including, mandatory quarantines, closures of non-essential businesses and all other places of social interaction, while implementing "shelter in place" orders and restricting travel. Such control measures have resulted in cancellation or postponement of sporting events, including the Olympics, and suspension of popular entertainment content production. The mitigating control measures began negatively impacting our AMS revenue stream in mid-March as demand for non-political advertising softened. During the second and third quarters, certain state and local governments began to implement multi-step policies towards re-opening and lifting the control measures. Demand improved for advertising as this occurred. However, some states which re-opened also experienced increases in new COVID-19 cases, forcing some to reinstate control measures and restrict public gatherings.

The extent of its impact on our financial and operational results, which could be material, will depend on the length of time that the pandemic continues and whether we experience subsequent waves of the infection, its effect on our customers' demand for our advertising products (as well as their ability to pay us for services provided), the pace at which governmental regulations closing businesses and restricting movement imposed in response to the pandemic are relaxed, the success of large economic stimulus measures passed into law as well as uncertainty regarding all of the foregoing.

While we cannot at this time predict the full impact of the COVID-19 pandemic, it has had, and is likely to continue to have a dampening effect on our near-term AMS revenues. In addition, a sustained adverse impact on our non-political advertising from the COVID-19 pandemic could eventually impact our ability to maintain compliance with covenants under our revolving credit facility in the future further affecting our liquidity and financial condition. In addition, we may experience an increased risk of undetected malicious cyber-security attacks due to our workforce working remotely. We continue to closely monitor the situation, to assess further possible implications to our business and customers, and to take actions in an effort to mitigate adverse consequences.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

On September 19, 2017, we announced that our Board of Directors authorized a share repurchase program for up to \$300.0 million of our common stock over three years, expiring in September 2020. During the third quarter of 2020, no shares were repurchased and, approximately \$279.1 million remained under this program upon its expiration. As a result of our 2019 Acquisitions, we had suspended share repurchases under this program.

### **Item 3. Defaults Upon Senior Securities**

None.

### **Item 4. Mine Safety Disclosures**

None.

### **Item 5. Other Information**

None.

## Item 6. Exhibits

<u>Exhibit Number</u>	<u>Description</u>
3-1	<a href="#">Third Restated Certificate of Incorporation of TEGNA Inc. (incorporated by reference to Exhibit 3-1 to TEGNA Inc.'s Form 10-Q for the fiscal quarter ended April 1, 2007).</a>
3-1-1	<a href="#">Amendment to Third Restated Certificate of Incorporation of TEGNA Inc. (incorporated by reference to Exhibit 3-1 to TEGNA Inc.'s Form 8-K filed on May 1, 2015).</a>
3-1-2	<a href="#">Amendment to Third Restated Certificate of Incorporation of TEGNA Inc. (incorporated by reference to Exhibit 3-1 to TEGNA Inc.'s Form 8-K filed on July 2, 2015).</a>
3-2	<a href="#">By-laws, as amended through July 24, 2018. (incorporated by reference to Exhibit 3-1 to TEGNA Inc.'s Form 8-K filed on July 27, 2018).</a>
4-1	<a href="#">Fifteenth Supplemental Indenture, dated as of September 10, 2020, between TEGNA Inc. and U.S. Bank National Association, as Trustee.</a>
31-1	<a href="#">Rule 13a-14(a) Certification of CEO.</a>
31-2	<a href="#">Rule 13a-14(a) Certification of CFO.</a>
32-1	<a href="#">Section 1350 Certification of CEO.</a>
32-2	<a href="#">Section 1350 Certification of CFO.</a>
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

We agree to furnish to the Commission, upon request, a copy of each agreement with respect to long-term debt not filed herewith in reliance upon the exemption from filing applicable to any series of debt representing less than 10% of our total consolidated assets.

SIGNATURE

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

Date: November 9, 2020

TEGNA, INC.

/s/ Clifton A. McClelland III

Clifton A. McClelland III

Senior Vice President and Controller

(on behalf of Registrant and as Principal Accounting Officer)

FIFTEENTH SUPPLEMENTAL INDENTURE

between

TEGNA INC., Issuer

and

U.S. BANK NATIONAL ASSOCIATION, Trustee

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Dated as of September 10, 2020

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This FIFTEENTH SUPPLEMENTAL INDENTURE (this "Fifteenth Supplemental Indenture"), is dated as of September 10, 2020, between TEGNA INC. (formerly known as Gannett Co., Inc.), a corporation duly organized and existing under the laws of the State of Delaware (the "Issuer" or the "Company"), and U.S. BANK NATIONAL ASSOCIATION, as Trustee, a national banking association duly organized and existing under the laws of the United States of America (the "Trustee" or "U.S. Bank").

WITNESSETH:

WHEREAS, capitalized terms used in this Fifteenth Supplemental Indenture which are not defined herein shall have the meaning ascribed to them in the Indenture (as defined below);

WHEREAS, the Issuer and Citibank, N.A. ("Citibank") have executed and delivered heretofore an Indenture, dated as of March 1, 1983 (the "Base Indenture"), as amended and supplemented by a First Supplemental Indenture, dated as of November 5, 1986 (the "First Supplemental Indenture"), among the Issuer, Citibank and Sovran Bank, N.A. (now known as Bank of America) and a Second Supplemental Indenture dated as of June 1, 1995 (the "Second Supplemental Indenture"), among the Issuer, NationsBank, N.A. (now known as Bank of America) and Crestar Bank (now known as Truist Securities) (the term "Indenture" as used hereinafter refers to the Base Indenture as amended and supplemented by the First Supplemental Indenture, the Second Supplemental Indenture and this Fifteenth Supplemental Indenture);

WHEREAS, the Issuer, Wells Fargo and the Trustee entered into that certain Instrument of Resignation, Appointment and Acceptance, dated as of July 28, 2011, pursuant to which Wells Fargo resigned as trustee under the Indenture and U.S. Bank accepted appointment as trustee under the Indenture;

WHEREAS, the Issuer shall issue a new series of debt securities, consisting of \$550,000,000 aggregate principal amount of 4.750% Senior Notes due 2026 (the "Notes");

WHEREAS, in accordance with Section 6.14 of the Indenture, the Issuer has appointed U.S. Bank as trustee under the Indenture with respect to all Securities issued pursuant to the Indenture;

WHEREAS, in accordance with Section 6.14 of the Indenture, U.S. Bank has accepted such appointment by the Issuer;

WHEREAS, pursuant to Section 8.4 of the Indenture, the Issuer has furnished U.S. Bank with an Opinion of Counsel and an Officers' Certificate as conclusive evidence that this Fifteenth Supplemental Indenture complies with the applicable provisions of the Indenture; and

WHEREAS, all things necessary to make this Fifteenth Supplemental Indenture a valid agreement of the Issuer and U.S. Bank have been done.

NOW THEREFORE, for and in consideration of the premises, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Notes as follows:

## SECTION 1. CONFIRMATION OF APPOINTMENT

(a) The Issuer hereby confirms the appointment, pursuant to Section 6.14 of the Indenture, of U.S. Bank as trustee under the Indenture with respect to the Issuer's \$550,000,000 aggregate principal amount of 4.750% Senior Notes due 2026.

(b) U.S. Bank hereby confirms its acceptance, pursuant to Section 6.14 of the Indenture, as trustee under the Indenture with respect to the Issuer's \$550,000,000 aggregate principal amount of 4.750% Senior Notes due 2026.

## SECTION 2. CONFIRMATION OF RIGHTS, POWERS, TRUSTS AND DUTIES

The Issuer and U.S. Bank hereby confirm that:

(a) The rights, powers, trusts and duties of U.S. Bank, as Trustee, with respect to the Issuer's 4.875% Senior Notes due September 15, 2021 and 5.50% Senior Notes due September 15, 2024 shall continue to be vested in U.S. Bank.

(b) The rights, powers, trusts and duties of U.S. Bank, as Trustee, with respect to the Issuer's 4.625% Senior Notes due March 15, 2028 shall continue to be vested in U.S. Bank.

(c) The rights, powers, trusts and duties of U.S. Bank, as Trustee, with respect to the Issuer's 5.000% Senior Notes due September 15, 2029 shall continue to be vested in U.S. Bank.

(d) The rights, powers, trusts and duties of U.S. Bank, as Trustee, with respect to any other series of the Issuer's Securities issued under the Indenture as to which it presently serves as Trustee shall continue to be vested in U.S. Bank.

(e) U.S. Bank is vested with all the rights, powers, trusts and duties of a Trustee under the Indenture with respect to the Notes.

## SECTION 3. DEFINITIONS

Solely with respect to the Notes, Section 1.1 of the Indenture is hereby amended as follows:

(a) The following definitions are hereby deleted:

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

(b) The following definitions are hereby added and inserted in alphabetical order:

“144A Global Note” means a Global Note bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in a denomination equal

to the outstanding principal amount of the Notes issued to qualified institutional buyers (as such term is defined in Rule 144A) that are U.S. Persons.

“Applicable Premium” means, with respect to any Note on any redemption date, the greater of: (1) 1.0% of the principal amount of the Note; or (2) the excess, if any, of: (a) the present value at such redemption date of (i) the redemption price of the Note at March 15, 2023 as set forth in Section 12.6 plus (ii) all required interest payments due on the Note through March 15, 2023 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over (b) the principal amount of the Note.

“Applicable Procedures” means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary.

“Attributable Debt” means, at the time of determination, the present value (discounted semi-annually at the interest rate implicit in the terms of the lease) of the obligation of a lessee for rental payments pursuant to any sale and leaseback transaction during the remaining term of such sale and leaseback transaction (including any period for which such lease has been extended), such rental payments not to include amounts payable by the lessee for maintenance and repairs, insurance, utilities, taxes, assessments and similar charges.

“Capital Stock” means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing, but excluding any debt securities convertible into any of the foregoing.

“Change of Control” means the occurrence of one or more of the following events: (i) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the properties and assets of the Issuer and its Subsidiaries, to any Person or group of related Persons (other than one of the Issuer’s Subsidiaries), as defined in Section 13(d) of the Exchange Act (a “Group”); (ii) the approval by the holders of the Issuer’s Capital Stock of a complete liquidation or dissolution of the Issuer, whether or not otherwise in compliance with the provisions of this Indenture; (iii) any Person or Group, other than the Issuer or any of its Subsidiaries or any employee benefit plan of the Issuer or any of its Subsidiaries, becoming the beneficial owner, directly or indirectly, of shares of the Issuer’s Voting Shares representing more than 50% of the aggregate combined voting power represented by the Issuer’s issued and outstanding Voting Shares; or (iv) the first day on which a majority of the members of the Board of Directors are not Continuing Directors.

“Continuing Directors” means, as of any date of determination, any member of the Board of Directors who (a) was a member of such Board of Directors as of the date

hereof or (b) was nominated for election or appointed or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination, appointment or election, either by specific vote or other action of the Board of Directors or approval of the proxy statement issued by the Issuer in which such member is named as nominee for director.

“Credit Agreement” means that certain Amended and Restated Competitive Advance and Revolving Credit Agreement, dated as of December 13, 2004 and effective as of January 5, 2005 as amended and restated as of August 5, 2013, as further amended as of September 24, 2013, as further amended as of February 13, 2015, as further amended as of June 29, 2015, as further amended as of September 30, 2016, as further amended as of August 1, 2017, as further amended as of June 21, 2018, as further amended as of June 21, 2018, as further amended as of August 15, 2019, and as further amended as of June 11, 2020, among the Issuer, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, as may be amended, supplemented, otherwise modified, refinanced or replaced from time to time, copies of which the Issuer will make available to Holders of Notes upon request.

“Credit Agreement Guarantee” means any guarantee executed by any Material Domestic Subsidiary of the Issuer pursuant to the Credit Agreement.

“Definitive Note” means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.12, that shall not bear the Global Note Legend and shall not have the “Schedule of Exchanges of Interests in the Global Note” attached thereto.

“Depository” means, with respect to the Notes issued in the form of one or more Global Notes, The Depository Trust Company (“DTC”), its respective nominees and successors or another Person designated in writing to the Trustee by the Issuer as Depository.

“Designated Company Officer” means the chairman of the Board of Directors, the President, the Chief Financial Officer or the Treasurer of the Issuer.

“Domestic Subsidiary” means any wholly-owned Subsidiary that is organized under the laws of the United States, any state thereof or the District of Columbia.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended from time to time, and any statute successor thereto.

“GAAP” means generally accepted accounting principles in the United States as in effect from time to time and consistent with those used in the preparation of the audited financial statements contained in the Issuer’s annual report for the fiscal year ended December 31, 2019. In the event that any “Accounting Change” (as

defined below) shall occur, then all financial covenants, standards and terms in this Indenture shall continue to be calculated or construed as if such Accounting Changes had not occurred. “Accounting Change” refers to any changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the Commission.

“Global Note Legend” means the legend set forth in Section 2.12(g)(2), which is required to be placed on all Global Notes issued under this Indenture.

“Global Notes” means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes deposited with or on behalf of, and registered in the name of, the Depository or its nominee, that bears the Global Note Legend and that has the “Schedule of Exchanges of Interests in the Global Note” attached thereto.

“Guarantee Agreement” means an agreement substantially in the form attached hereto as Exhibit C pursuant to which each Material Domestic Subsidiary party thereto unconditionally guarantees, on a joint and several basis, the full and prompt payment of all Obligations.

“Guarantor” means each Person that has delivered a Guarantee Agreement to the Trustee.

“Indirect Participant” means a Person who holds a beneficial interest in a Global Note through a Participant.

“Material Domestic Subsidiary” means any Domestic Subsidiary (a) whose total assets at the last day of the most recent Test Period were equal to or greater than 3% of the Total Assets at such date or (b) whose gross revenues for such Test Period were equal to or greater than 3% of the consolidated gross revenues of the Issuer and its Subsidiaries for such period, in each case determined in accordance with GAAP; provided that “Material Domestic Subsidiary” shall also include any of the Issuer’s Subsidiaries selected by the Issuer that is required to ensure that all Material Domestic Subsidiaries have in the aggregate (i) total assets at the last day of the most recent Test Period that were equal to or greater than 90% of the Total Assets of the Issuer’s Domestic Subsidiaries at such date and (ii) gross revenues for such Test Period that were equal to or greater than 90% of the consolidated gross revenues of the Issuer’s Domestic Subsidiaries for such period, in each case determined in accordance with GAAP.

“Net Cash Proceeds” means, with respect to any issuance or sale of Capital Stock, the cash proceeds of such issuance or sale, net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such

issuance or sale and net of taxes paid or payable as a result thereof (after taking into account any available tax credit or deduction related to such issuance).

“Non-U.S. Person” means any Person that is not a U.S. Person.

“Notes” means the Issuer’s 4.750% Senior Notes due 2026.

“Obligations” means the unpaid principal of, premium, if any, and interest on (including interest accruing after the maturity of the Notes and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, of the Issuer, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), the Notes at the place or places, at the respective times and in the manner provided in the Notes, and all other obligations and liabilities of the Issuer to the Trustee or to any Holder of the Notes, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Indenture with respect to the Notes, any Guarantee Agreement or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Trustee or paying agent or other agent to any Holder of the Notes that are required to be paid by the Issuer pursuant hereto) or otherwise.

“Participant” means, with respect to the Depository, a Person who has an account with such Depository (which, with respect to DTC, shall include Euroclear and Clearstream).

“Person” means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

“Principal Property” means, as of any date of determination, any real property, fixtures and equipment relating to any facility owned by the Issuer or any Subsidiary, other than any such facility (i) which the Board of Directors or a Designated Company Officer determines is not of material importance to the Issuer and its Subsidiaries taken as a whole, (ii) which is not used in the ordinary course of business or (iii) in which the interest of the Issuer and all of its Subsidiaries does not exceed 50%.

“Private Placement Legend” means the legend set forth in Section 2.12(g)(1) to be placed on all Notes except as otherwise provided by the Indenture.

“Public Equity Offering” means a public offering for cash by the Issuer of its common stock, or of options, warrants or rights with respect to its common stock made pursuant to a registration statement that has been declared effective by the Commission, other than (a) public offerings with respect to the Issuer’s common stock, or of options, warrants or rights, registered on Form S-4 or S-8, (b) an issuance to any Subsidiary and (3) any offering of the Issuer’s common stock, or of

options, warrants or rights, issued in connection with a transaction that constitutes a Change of Control.

“QIB” means any “qualified institutional buyer” as defined in Rule 144A.

“Registrar” means the Person maintaining the register of the Notes pursuant to Section 2.8.

“Regulation S” means Regulation S promulgated under the Securities Act.

“Regulation S Global Note” means a Global Note bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, initially issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 903 of Regulation S.

“Restricted Definitive Note” means a Definitive Note bearing the Private Placement Legend.

“Restricted Global Note” means a Global Note bearing the Private Placement Legend.

“Restricted Period” means the 40-day distribution compliance period set forth in Regulation S.

“Rule 144” means Rule 144 promulgated under the Securities Act (including any successor rule thereto), as the same may be amended from time to time.

“Rule 144A” means Rule 144A promulgated under the Securities Act (including any successor rule thereto), as the same may be amended from time to time.

“Securities Act” means the United States Securities Act of 1933, as amended from time to time, and any statute successor thereto.

“Subsidiary” means, solely with respect to the definitions set forth in this Fifteenth Supplemental Indenture, any corporation, partnership, limited liability company or other entity the majority of the shares of stock or other ownership interests having ordinary voting power of which at any time outstanding is owned directly or indirectly by the Issuer or by one or more of its other Subsidiaries or by the Issuer in conjunction with one or more of its other Subsidiaries.

“Test Period” means a period of four consecutive fiscal quarters ended on the last day of the fourth such fiscal quarter.

“Total Assets” means the total assets of the Issuer and its Subsidiaries on a consolidated basis, as shown on the most recent balance sheet of the Issuer set forth in, with respect to any Test Period ending in the first three fiscal quarters of the Issuer, its quarterly report filed with the Commission, or, with respect to any Test Period ending in the fourth fiscal quarter of the Issuer, its annual report filed with the Commission.

“Treasury Rate” means, as of any redemption date, the yield to maturity as of such redemption date of the most recently issued United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 that has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to March 15, 2023; provided, however, that if the period from the redemption date to March 15, 2023 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“U.S. Person” has the meaning set forth in Rule 902 of Regulation S.

“Unrestricted Definitive Note” means a Definitive Note that does not bear and is not required to bear the Private Placement Legend.

“Unrestricted Global Note” means a Global Note that does not bear and is not required to bear the Private Placement Legend.

“Voting Shares” means Capital Stock, or other ownership interests, of any class or classes having voting power under ordinary circumstances to elect at least a majority of the board of directors, managers, trustees, or equivalents thereof, of a Person (irrespective of whether at the time Capital Stock of any other class or classes shall have or might have voting power by reason of the failure to pay a dividend or other amount or by reason of the occurrence of any other contingency).

#### SECTION 4. AMOUNT UNLIMITED; ISSUANCE OF NOTES

(a) Solely with respect to the Notes, Section 2.3 of the Indenture is hereby amended by adding the following as a new second sentence at the end of the first paragraph thereof:

All Securities of any one series need not be issued at the same time, and, unless otherwise provided, a series may be reopened, without the consent of the Holders, for issuance of additional Securities of such series; provided that if any additional Securities are not fungible with the applicable series of Securities for U.S. federal income tax purposes, such additional Securities will be issued with a different CUSIP number (or other applicable identifying number).

(b) Solely with respect to the Notes, Section 2.3 of the Indenture is hereby amended by adding the following paragraph at the end thereof:

The Notes initially are being offered and sold by the Issuer pursuant to a Purchase Agreement dated September , 2020 among the Issuer, the Guarantors, J.P. Morgan Securities LLC and the other initial purchasers named therein. The Notes and any additional Securities shall be resold initially only to (A) persons reasonably believed to be QIBs in reliance on Rule 144A and (B) non-U.S. Persons in reliance



on Regulation S. Such Notes and any such additional Securities may be transferred thereafter to, among others, QIBs and purchasers in reliance on Regulation S, in each case, in accordance with the procedures described herein. Additional Securities offered after the date hereof may be offered and sold by the Issuer from time to time pursuant to one or more purchase or other agreements in accordance with applicable law.

The Notes and any additional Securities offered and sold to QIBs in the United States of America in reliance on Rule 144A shall be issued initially in the form of the 144A Global Note, substantially in the form of Exhibit A, which is hereby incorporated by reference and made part of this Fifteenth Supplemental Indenture, deposited with the Trustee as securities custodian for the Depository, duly executed by the Issuer and authenticated by the Trustee as herein provided. The 144A Global Note may be represented by more than one certificate, if so required by the Depository's rules regarding the maximum principal amount to be represented by a single certificate. The aggregate principal amount of the 144A Global Note may be increased or decreased from time to time by adjustments made on the records of the Trustee, as securities custodian for the Depository or its nominee, as herein provided.

The Notes and any additional Securities offered and sold outside the United States of America in reliance on Regulation S shall be issued in the form of the Regulation S Global Note, substantially in the form of Exhibit B, which is hereby incorporated by reference and made part of this Fifteenth Supplemental Indenture. The Regulation S Global Note shall be deposited upon issuance with the Trustee as securities custodian for the Depository, duly executed by the Issuer and authenticated by the Trustee as herein provided. The Regulation S Global Note may be represented by more than one certificate, if so required by the Depository's rules regarding the maximum principal amount to be represented by a single certificate. The aggregate principal amount of the Regulation S Global Note may from time to time be increased or decreased by adjustments made on the Regulation S Global Note and on the records of the Trustee, as securities custodian or its nominee, as hereinafter provided.

The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage, in addition to those set forth on Exhibits A and B, and under Section 2.12(g). The Issuer and the Trustee shall approve the forms of the Notes and any notation, endorsement or legend on them. Each Note shall be dated the date of its authentication. The terms of the Notes set forth in Exhibits A and B are part of the terms of this Indenture and, to the extent applicable, the Issuer and the Trustee by their execution and delivery of this Indenture, expressly agree to be bound by such terms.

By its acceptance of any Note, including any additional Securities or a beneficial interest in any such Note, bearing a legend or other reference to a transfer or similar

restriction, each Holder thereof and each owner of a beneficial interest therein acknowledges the restrictions on transfer of such Note (and any such beneficial interest) set forth therein, including any such legend or other reference, or in this Indenture and agrees that it will transfer such Note (and any such beneficial interest) only in accordance with such Note, including any such legend or other reference, and this Indenture.

#### SECTION 5. REGISTRATION, TRANSFER AND EXCHANGE

Solely with respect to the Notes, the following paragraph is added to the end of Section 2.8 of the Indenture:

If at any time the Depositary for a Global Note notifies the Issuer that it is unwilling or unable to continue as Depositary for such Global Note, the Issuer shall appoint a successor Depositary with respect to such Global Note. If a successor Depositary is not appointed by the Issuer within 90 days after the Issuer receives such notice or becomes aware of such condition, the Issuer shall execute, and the Trustee shall authenticate and deliver Securities in accordance with Section 2.4 in a definitive registered form in an aggregate principal amount of the Global Note in exchange for such Global Note.

#### SECTION 6. TRANSFER AND EXCHANGE OF THE NOTES

(a) Solely with respect to the Notes, the following paragraphs are added as new Section 2.12 of the Indenture:

##### SECTION 2.12 Transfer and Exchange of the Notes.

(a) *Transfer and Exchange of Global Notes.* Notwithstanding any other provision of this Indenture, a Global Note may not be transferred except as a whole by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Issuer for Definitive Notes if, and no Global Notes may be exchanged by the Issuer for Definitive Notes unless:

- (1) the Issuer delivers to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Issuer within 90 days after the date of such notice from the Depositary;
- (2) the Issuer in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee; or

(3) there has occurred and is continuing an Event of Default with respect to the Notes.

Upon the occurrence of any of the preceding events in (1), (2) or (3) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Such Definitive Notes will be issued in registered form only, without coupons. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.9 and 2.11. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to Section 2.9, 2.11 or this Section 2.12, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.12; however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.12(b), (c) or (d) hereof.

(b) *Transfer and Exchange of Beneficial Interests in the Global Notes.* The transfer and exchange of beneficial interests in the Global Notes will be effected through the Depositary, in accordance with the provisions of the Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes will be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also will require compliance with either subparagraph (1) or (2) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(1) *Transfer of Beneficial Interests in the Same Global Note.* Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; provided, however, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person. Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.12(b)(1).

(2) *All Other Transfers and Exchanges of Beneficial Interests in Global Notes.* In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.12(b)(1) above, the transferor of such beneficial interest must deliver to the Registrar either:

(A) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary

to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase; or

(B) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above.

(3) *Transfer of Beneficial Interests to Another Restricted Global Note.* A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.12(b)(2) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit E hereto, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit E hereto, including the certifications in item (2) thereof.

(c) *Transfer or Exchange of Beneficial Interests for Definitive Notes.*

(1) *Transfer or Exchange of Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes.* If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder in the form of Exhibit F hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit E hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit E hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit E hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit E hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such beneficial interest is being transferred to the Issuer or any of its Subsidiaries, a certificate to the effect set forth in Exhibit E hereto, including the certifications in item (3)(b) thereof; or

(G) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit E hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.12(h) hereof, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.12(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.12(c) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(2) *Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes.* If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.12(b)(2) hereof,

the Trustee will cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.12(h) hereof, and the Issuer will execute and the Trustee will authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.12(c)(2) will be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest requests through instructions to the Registrar from or through the Depositary and the Participant or Indirect Participant. The Trustee will deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.12(c)(2) will not bear the Private Placement Legend.

(d) *Transfer and Exchange of Definitive Notes for Beneficial Interests*

(1) *Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes.* If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit F hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit E hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit E hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit E hereto, including the certifications in item (3)(a) thereof;

(E) if such Restricted Definitive Note is being transferred in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit E hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such Restricted Definitive Note is being transferred to the Issuer or any of its Subsidiaries, a certificate to the effect set forth in Exhibit E hereto, including the certifications in item (3)(b) thereof; or

(G) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit E hereto, including the certifications in item (3)(c) thereof,

the Trustee will cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted Global Note, in the case of clause (B) above, the 144A Global Note, and in the case of clause (C) above, the Regulation S Global Note.

(2) *Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee will cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

(e) *Transfer and Exchange of Definitive Notes for Definitive Notes.* Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.12(e), the Registrar will register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.12(e).

(1) *Restricted Definitive Notes to Restricted Definitive Notes.* Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A, then the transferor must deliver a certificate in the form of Exhibit E hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit E hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit E hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(2) *Unrestricted Definitive Notes to Unrestricted Definitive Notes.* A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) *Legends.* The following legends will appear on the face of all Global Notes and Definitive Notes issued under the Indenture unless specifically stated otherwise in the applicable provisions of the Indenture.

(1) *Private Placement Legend.*

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (1)(a) INSIDE THE UNITED STATES TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (b) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (c) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF APPLICABLE) OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN



OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (A) ABOVE. NO REPRESENTATION IS OR CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALE OF THE SECURITY EVIDENCED HEREBY.

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraph (f) of this Section 2.12 (and all Notes issued in exchange therefore or substitution thereof) will not bear the Private Placement Legend.

(2) *Global Note Legend.* Each Global Note will bear a legend in substantially the following form:

THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.12 OF THE INDENTURE, AS SUPPLEMENTED AND AMENDED, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.12(a) OF THE INDENTURE, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.10 OF THE INDENTURE AND (4) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC

(AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

(h) *Cancellation and/or Adjustment of Global Notes.* At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note will be returned to or retained and canceled by the Trustee in accordance with Section 2.10 of the Indenture. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note will be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note will be increased accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) *General Provisions Relating to Transfers and Exchanges.*

(1) To permit registrations of transfers and exchanges, the Issuer will execute and the Trustee will authenticate Global Notes and Definitive Notes in accordance with Section 2.4 hereof or at the Registrar's request.

(2) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes will be the valid Obligations of the Issuer, evidencing the same Debt, and entitled to the same benefits under the Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(3) Neither the Registrar nor the Issuer will be required to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(4) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Issuer may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any agent or the Issuer shall be affected by notice to the contrary.

(5) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.12 to effect a registration of transfer or exchange may be submitted by facsimile.

#### SECTION 7. LIMITATION ON LIENS

Solely with respect to the Notes, Section 3.5 is hereby deleted and replaced as follows:

The Issuer will not permit any Subsidiary to issue, assume or guarantee any debt for money borrowed (hereinafter referred to as "Debt") secured by mortgage, pledge, lien, security interest or other encumbrance (mortgages, pledges, liens, security interests and other encumbrances being hereinafter called "mortgage" or "mortgages") upon any asset of any Subsidiary or on any shares of stock or indebtedness of any Subsidiary (whether such asset, shares of stock or indebtedness are now owned or hereafter acquired) without in any such case effectively providing, concurrently with the issuance, assumption or guaranty of any such Debt, that the Notes then Outstanding (together with, if the Issuer shall so determine, any other indebtedness of or guaranteed by the Issuer ranking equally with the Notes then Outstanding and then existing or thereafter created) shall be secured equally and ratably with such Debt. The foregoing restrictions shall not apply to:

- (i) mortgages on any property existing at the time of the acquisition thereof;
- (ii) mortgages on property to secure the payment of all or any part of the price of acquisition, construction or improvement of such property by the Issuer or a Subsidiary or to secure any Debt incurred by the Issuer, or a Subsidiary, prior to, at the time of, or within 12 months after the later of the acquisition or completion of such improvements or construction or the placing in operation of such property, which Debt is incurred for the purpose of financing all or any part of the purchase price thereof or construction or improvements thereon; provided, however, that in the case of any such acquisition, construction or improvement the mortgage shall not apply to any property theretofore owned by the Issuer, or a Subsidiary, other than, in the case of any such construction or improvement, any theretofore substantially unimproved real property on which the property or improvement so constructed is located;
- (iii) mortgages securing indebtedness of the Issuer or a Subsidiary owing to the Issuer or another Subsidiary;
- (iv) mortgages on any property existing at the date hereof;
- (v) mortgages on property of a corporation existing at the time such corporation is merged into or consolidated with the Issuer or a Subsidiary or at the time of a sale, lease or other disposition of the properties of a

corporation or firm as an entirety or substantially as an entirety to the Issuer or a Subsidiary;

(vi) mortgages on property of the Issuer or a Subsidiary in favor of the United States of America or any State thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any State thereof, or in favor of any other country or any political subdivision thereof, or any department, agency or instrumentality of such country or political subdivision, to secure partial progress, advance or other payments pursuant to any contract or statute or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of construction of the property subject to such mortgages (including without limitation mortgages incurred in connection with pollution control, industrial revenue or similar financings); or

(vii) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any mortgage referred to in the foregoing clauses (i) through (vi), inclusive, provided, however, that the principal amount of Debt secured thereby shall not exceed the principal amount of Debt so secured at the time of such extension, renewal or replacement, and that such extension, renewal or replacement shall be limited to all or a part of the property which secured the mortgage so extended, renewed or replaced (plus improvements and construction on such property).

Notwithstanding the foregoing provisions of this Section, the Issuer or any one or more Subsidiaries may, without securing the Notes then Outstanding, issue, assume or guarantee Debt secured by mortgages which, together with all Attributable Debt in respect of sale and leaseback transactions not otherwise permitted by the Indenture, does not at the time exceed 5% of the consolidated shareholders' equity of the Issuer, as shown on the audited financial statements of the Issuer as of the end of the fiscal year preceding the date of determination.

#### SECTION 8. LIMITATION ON SALE AND LEASEBACK TRANSACTIONS

Solely with respect to the Notes, Section 3.6 is hereby deleted and replaced as follows:

The Issuer will not, nor will it permit any Subsidiary to, enter into any arrangement with any Person providing for the leasing by the Issuer or any Subsidiary of any Principal Property of the Issuer or such Subsidiary, whether such asset is now owned or hereafter acquired (except for leases for a term, including renewals, of not more than three years, and except for leases between the Issuer and a Subsidiary or between Subsidiaries) which property has been or is to be sold or transferred by the Issuer or such Subsidiary to such Person with the intention of taking back a lease of such property (a "sale and leaseback transaction") unless:

- (i) the net proceeds from such transaction equal or exceed the fair value, as determined by the Board of Directors or a Designated Company Officer, of the Principal Property leased at the time of entering into the transaction;
- (ii) the Issuer or the Subsidiary involved use the net proceeds from such transaction to acquire additional real property;
- (iii) the Issuer or such Subsidiary would be entitled, pursuant to the provisions of Section 3.5, to issue, assume or guarantee Debt secured by a mortgage upon such Principal Property at least equal in amount to the Attributable Debt in respect to such arrangement without equally and ratably securing the Notes; or
- (iv) an amount in cash equal to the fair value, as determined by the Board of Directors or a Designated Company Officer, of such Principal Property at the time of entering into such arrangement or the Attributable Debt in respect of such arrangement shall be applied to the retirement of Debt of the Issuer or any Subsidiary (other than (i) Debt owned by any Subsidiary and (ii) Debt of the Issuer which is subordinated to the Notes).

#### SECTION 9. CERTAIN DEFINITIONS

Solely with respect to the Notes, the following paragraphs are deleted from Section 3.7:

The term "Subsidiary" shall mean any corporation of which at least a majority of the outstanding stock having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether or not at the time stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by the Issuer, or by one or more Subsidiaries, or by the Issuer and one or more Subsidiaries.

The term "Attributable Debt" shall mean, at the time of determination, the present value (discounted at the interest rate, compounded semiannually, equal to the weighted average Yield to Maturity of the Securities then Outstanding hereunder, such average being weighted by the principal amount of the Securities of each series or, in the case of Original Issue Discount Securities, such amount to be determined as provided in the definition of "Outstanding") of the obligation of a lessee for net rental payments during the remaining term of any lease (including any period for which such lease has been extended) entered into in connection with a sale and leaseback transaction.

#### SECTION 10. GUARANTEE

Solely with respect to the Notes, the following paragraphs are added as new Section 3.9 entitled "Guarantee Agreements":

SECTION 3.9 Guarantee Agreements. (a) Prior to or concurrent with the delivery of the Notes to the Trustee for authentication in accordance with Section 2.4, the Issuer shall cause each Material Domestic Subsidiary to execute and deliver to the Trustee, for the benefit of the Holders of the Notes, a Guarantee Agreement. The Obligations of each Guarantor will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Guarantor (including, without limitation, any Credit Agreement Guarantees) and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under the Indenture, result in the obligations of such Guarantor under its Guarantee Agreement not constituting a fraudulent conveyance or fraudulent transfer under federal or state law.

(b) With respect to any new Material Domestic Subsidiary created or acquired at any time while any Credit Agreement Guarantee is outstanding (which shall include any existing Domestic Subsidiary of the Issuer that becomes a Material Domestic Subsidiary), the Issuer shall cause such Material Domestic Subsidiary to execute and deliver to the Trustee, within 30 days after such creation or acquisition, or, with respect to any existing Domestic Subsidiary that becomes a Material Domestic Subsidiary, within 30 days after the date that financial statements for the Test Period with respect to which such determination is made have been or required to be delivered pursuant to the Credit Agreement, a Guarantee Agreement for such Material Domestic Subsidiary created or acquired; provided, however, that no such Guarantee Agreement will be required of any Material Domestic Subsidiary that is not required to issue a guarantee under the Credit Agreement.

(c) Notwithstanding the other provisions of this Section 3.9, in the event that any Guarantor is released and discharged in full from all of its obligations under all Credit Agreement Guarantees to which such Guarantor is a party, whether because such Guarantor ceases to be a Material Domestic Subsidiary or the Issuer fully discharges all obligations under the Credit Agreement or otherwise, then the guarantee of such Guarantor under this Indenture and the Guarantee Agreement of such Guarantor shall be automatically and unconditionally released and discharged.

(d) With respect to Sections 5.2 through 5.12 and Articles Six and Seven of the Indenture, the definition of "Security" shall include, without limitation, any Guarantee Agreement which has been, or will be, executed and delivered to the Trustee pursuant to this Section 3.9, and the Holders of the Notes shall be entitled to the benefits of the Indenture with respect to any such Guarantee Agreement.

#### SECTION 11. EVENT OF DEFAULT

Solely with respect to the Notes, the following paragraph is added as a new paragraph (h) of Section 5.1 of the Indenture:

(h) failure to comply with any covenant or warranty of the Issuer in respect of the Notes in Sections 13.2 through 13.7 and continuance of such failure for a period of 30 days after there has been given, by registered or certified mail, to the Issuer by the Trustee or to the Issuer and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Notes, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder.

#### SECTION 12. ACCELERATION ON EVENT OF DEFAULT

Solely with respect to the Notes, the first paragraph immediately following paragraph (g) of Section 5.1 of the Indenture is hereby amended to read as follows:

If (i) an Event of Default described in clause (a), (b), (c) or (h) with respect to such series of Securities, or (ii) an Event of Default described in clause (d) above with respect to such series of Securities alone or with respect to such series and one or more (but less than all) other series of Securities at the time Outstanding, occurs and is continuing, then, and in each and every such case, unless the principal of all of the Securities of such series shall have already become due and payable, either the Trustee or the holders of not less than 25% in aggregate principal amount of the Securities of such series affected, by notice in writing to the Issuer (and to the Trustee if given by Securityholders), may declare the entire principal (or, if the Securities of such series are Original Issue Discount Securities, such portion of the principal as may be specified in the terms of such series) and the interest accrued thereon, if any to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable. If an Event of Default described in clause (d) (if the Event of Default under clause (d) is with respect to all series of Securities at the time Outstanding) or (g) above occurs and is continuing, then and in each and every such case, unless the principal of all the Securities shall have already become due and payable, either the Trustee or the Holders of not less than 25% in aggregate principal amount of all the Securities then Outstanding hereunder (treated as one class), by notice in writing to the Issuer (and to the Trustee if given by Securityholders), may declare the entire principal (or, if any Securities are Original Issue Discount Securities, such portion of the principal as may be specified in the terms thereof) of all the Securities then Outstanding and interest accrued thereon, if any, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable. If an Event of Default described in clause (e) or (f) above occurs and is continuing, then the entire principal of the Notes then Outstanding and interest accrued thereon, if any, shall become and be due and payable immediately, without any declaration or other act on the part of the Trustee or any Holders of any Notes. The Trustee shall be deemed not to have notice of an Event of Default with respect to an indenture, other than this Indenture, or other instrument referred to in clause (g) above unless it shall have received notice of such Event of Default from holders of at least 25% in aggregate principal amount of the Securities of the series affected.

SECTION 13. MODIFICATION

Solely with respect to the Notes, the first paragraph of Section 8.2 of the Indenture is hereby amended to read as follows:

With the consent (evidenced as provided in Article Seven) of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding of the series affected by such supplemental indenture (voting as one class), the Issuer, when authorized by a resolution of its Board of Directors, or of a duly authorized committee thereof having been delegated power by the Board of Directors, and the Trustee may, from time to time and at any time, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of the Securities of each such series; provided, that no such supplemental indenture shall (a) extend the final maturity of any Security, or reduce the principal amount thereof or any premium thereon, or reduce the rate or extend the time of payment of interest thereon, or reduce any amount payable on redemption thereof or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon an acceleration of the maturity thereof pursuant to Section 5.1 or the amount thereof provable in bankruptcy pursuant to Section 5.2, or amend the contractual right of any Securityholder to bring suit for the payment thereof or, if the Securities provide therefor, any right of repayment at the option of the Securityholder; provided, however, that Sections 13.2 through 13.7 and other provisions herein with respect to a Change of Control may be waived or modified with the written consent of the Holders of a majority in principal amount of Securities of the Notes so affected, or (b) modify the Guarantee Agreement in a manner adverse to such Holders without the consent of the Holder of each Security so affected, or (c) reduce the aforesaid percentage of Securities of any series, the consent of the Holders of which is required for any such supplemental indenture, without the consent of the Holders of each Security so affected.

SECTION 14. ADDRESS OF THE ISSUER

Solely with respect to the Notes, the first sentence of Section 11.4 of the Indenture is hereby amended to read as follows:

Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Holders of Securities to or on the Issuer may be given or served by being deposited postage prepaid, first class mail (except as otherwise specifically provided herein) addressed (until another address is filed by the Issuer with the Trustee) to TEGNA Inc. at 8350 Broad Street, Suite 2000, Tysons, VA 22102, Attention: General Counsel.

SECTION 15. REDEMPTION



Solely with respect to the Notes, the last sentence of Section 12.3 is hereby amended to read as follows:

On presentation and surrender of such Securities at a place of payment specified in said notice, said Securities or the specified portions thereof shall be paid and redeemed by the Issuer at the applicable redemption price, together with interest accrued thereon to the date fixed for redemption; provided that if the date fixed for redemption is on or after an interest record date and on or before the relevant interest payment date, the accrued and unpaid interest due on that date shall be paid to the Holders of such Securities registered as such on the relevant record date subject to the terms and provisions of Section 2.3 hereof.

SECTION 16. OPTIONAL REDEMPTION

Solely with respect to the Notes, the following paragraphs are added as new Section 12.6 under Article 12 of the Indenture entitled "Optional Redemption":

(a) The Notes are redeemable, at the Issuer's option, in whole or in part, at any time or from time to time, on or after March 15, 2023 and prior to maturity at the following prices (the "Redemption Price") (expressed in percentages of principal amount), plus accrued and unpaid interest, if any, to, but excluding, the date (the "Redemption Date") fixed by the Issuer for redemption (subject to the right of Holders of record on the relevant record date that is on or prior to the Redemption Date to receive interest due on an interest payment date), if redeemed during the 12 month period commencing on March 15 of the following years:

<u>Year</u>	<u>Percentage</u>
2023.....	102.375%
2024.....	101.188%
2025 and thereafter.....	100.000%

(b) Prior to March 15, 2023, the Issuer may, on any one or more occasions redeem up to 40% of the original principal amount of the Notes (calculated after giving effect to any issuance of additional Notes) with the Net Cash Proceeds of one or more Public Equity Offerings at a redemption price of 104.750% of the principal amount of the Notes so redeemed, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided that:

(i) at least 60% of the original principal amount of the Notes (calculated after giving effect to any issuance of additional Notes) remains outstanding after each such redemption; and

(ii) the redemption occurs within 90 days after the closing of such Public Equity Offering.

(c) Prior to March 15, 2023, the Issuer may on any one or more occasions redeem all or a part of the Notes at a redemption price equal to 100% of the principal amount of the Notes so redeemed plus the Applicable Premium, as of, and accrued and unpaid interest, if any, to, but excluding, the Redemption Date (subject to, without duplication, the right of Holders on the relevant record date to receive interest due on the relevant interest payment date).

(d) All calculations to be made with respect to any redemption pursuant to this Article 12 shall be made by the Issuer and the Trustee may rely conclusively on such calculations.

(e) Any redemption may be made upon notice mailed by first-class mail (or delivered by electronic transmission in accordance with the applicable procedures of DTC) to each Holder's registered address, not less than 15 nor more than 60 days prior to the Redemption Date. The Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

(f) Any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, including the consummation of any related Public Equity Offering or other corporate transaction or event. In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer's discretion, the Redemption Date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the Redemption Date, or by the Redemption Date so delayed. If any such condition precedent has not been satisfied, the Issuer shall provide notice to the Trustee and each of Holder prior to the close of business on the Business Day prior to the Redemption Date. Upon receipt of such notice, the notice of redemption shall be rescinded and the redemption of the Notes shall not occur. If requested by the Issuer, upon receipt of the rescission notice, the Trustee shall provide such notice to each Holder if such notice were delivered by the Trustee.

## SECTION 17. REPURCHASES

(a) Solely with respect to the Notes, the following paragraph is added as new Section 13.2 under Article 13 of the Indenture:

Repurchase at Option of the Holder Upon a Change of Control. (a) If at any time that the Notes remain Outstanding there shall have occurred a Change of Control, the Notes shall be repurchased by the Issuer, at the option of the Holder thereof, at a price in cash (the "Change of Control Repurchase Price") equal to 101% of the principal amount of the Notes to be repurchased plus accrued but unpaid interest thereon, to, but excluding, the date (the "Change of Control Repurchase Date") fixed by the Issuer that is not less than 15 days nor more than 60 days after the date

the Change of Control Repurchase Notice (as defined below) is given and on which the Notes are to be repurchased pursuant to this Section 13.2, subject to satisfaction by or on behalf of the Holder of the requirements set forth in Section 13.2(e); provided that if the relevant Change of Control Repurchase Date is after the close of business on a record date and on or prior to the interest payment date for the Notes, the full amount of accrued and unpaid interest shall be paid to the Holder of record on the relevant record date, and the “Change of Control Repurchase Price” shall be equal to 101% of the principal amount of the Notes to be repurchased.

(b) In connection with any repurchase of Notes pursuant to this Section 13.2 the Issuer shall give written notice of the occurrence of a Change of Control, the repurchase right arising as a result thereof and the Change of Control Repurchase Date to the Holders and the Trustee (the “Change of Control Repurchase Notice”). The Change of Control Repurchase Notice shall be sent to the Trustee and to each Holder not more than 20 Business Days after the occurrence of a Change of Control (or, in the case of a Change of Control described in clause (iii) of the definition thereof, if later, the date that the Issuer has notice of such Change of Control). Each Change of Control Repurchase Notice shall include a form of Change of Control Election to be completed by a Holder and shall state:

- (i) the Change of Control Repurchase Date;
- (ii) the Change of Control Repurchase Price;
- (iii) the name and address of the paying agent;
- (iv) that the Issuer must receive the Change of Control Election before the close of business on the Change of Control Repurchase Date;
- (v) that the Notes must be surrendered to the paying agent to collect payment of the Change of Control Repurchase Price;
- (vi) that the Change of Control Repurchase Price for any Notes as to which a Change of Control Election has been given and not withdrawn shall be paid promptly following the later of the Business Day immediately following the Change of Control Repurchase Date and the time of surrender of the Notes as described in clause (v) above;
- (vii) the procedures the Holder must follow under this Section 13.2;
- (viii) that, unless the Issuer defaults in making payment of such Change of Control Repurchase Price, interest on the Notes covered by any Change of Control Election will cease to accrue on and after the Change of Control Repurchase Date;
- (ix) the CUSIP number of the Notes; and

(x) the procedures for withdrawing a Change of Control Election (as specified in Section 13.3).

(c) At the Issuer's request, which shall be made at least five Business Days (unless a shorter period shall be satisfactory to the Trustee) prior to the date by which the Change of Control Repurchase Notice is to be given to the Holders in accordance with this Section 13.2 and at the Issuer's expense, the Trustee shall give the Change of Control Repurchase Notice in the Issuer's name; provided that, in all cases, the text of the Change of Control Repurchase Notice shall be prepared by the Issuer.

(d) If any of the Notes is in the form of a Global Note, then the Issuer shall modify such notice to the extent necessary to accord with the Applicable Procedures that apply to the repurchase of Global Notes.

(e) For a Note to be so repurchased at the option of the Holder upon a Change of Control, the Trustee or the paying agent must receive such Note with the form entitled "Option to Elect Repurchase Upon a Change of Control" (a "Change of Control Election") on the reverse thereof duly completed, together with such Note duly endorsed for transfer, before the close of business on the Change of Control Repurchase Date stating:

(A) if the Note which the Holder will deliver to be repurchased is a Note in definitive form, the certificate number of such Note, or if such Note is a Global Note, information in accordance with the Applicable Procedures;

(B) the portion of the principal amount of the Note which the Holder will deliver to be repurchased, which portion must be in a principal amount of \$2,000 or integral multiples of \$1,000 in excess thereof; and

(C) that such Note shall be repurchased as of the Change of Control Repurchase Date pursuant to the terms and conditions specified in this Indenture.

All questions as to the validity, eligibility (including time of receipt) and acceptance of any Notes for repurchase pursuant to this Section 13.2 shall be determined by the Issuer, whose determination shall be final and binding.

(f) The Issuer shall repurchase from the Holder thereof, pursuant to this Section 13.2, a portion of a Note if the principal amount of such portion is \$2,000 or integral multiples of \$1,000 in excess thereof. Provisions of this Indenture that apply to the repurchase of all of a Note also apply to the repurchase of a portion of a Note.

(g) Any repurchase by the Issuer contemplated pursuant to the provisions of this Section 13.2 shall be consummated by the delivery to the Trustee or the paying agent of the Change of Control Repurchase Price to be received by the Holder promptly following the later of the Business Day immediately following the Change of Control Repurchase Date and the time of the delivery or book-entry transfer of

the Note (together with all necessary endorsements) to the Trustee or the paying agent in accordance with this Section 13.2.

(h) Notwithstanding anything herein to the contrary, any Holder delivering to the Trustee or the paying agent the Change of Control Election contemplated by this Section 13.2 shall have the right to withdraw such Change of Control Election at any time prior to the close of business on the Change of Control Repurchase Date by delivery of a written notice of withdrawal to the Trustee or the paying agent, as applicable, at the principal office of the Trustee or the paying agent, as applicable, in accordance with Section 13.3. If the Trustee or the paying agent holds money sufficient to pay the Change of Control Repurchase Price of a Note on the Change of Control Repurchase Date in accordance with the terms of this Indenture, then, on the Change of Control Repurchase Date, the Note will cease to be Outstanding, whether or not the Note is delivered to the Trustee or the paying agent. Thereafter, all other rights of the Holder of a Note shall terminate, other than the right to receive the Change of Control Repurchase Price upon delivery of the Notes.

(i) The Trustee or the paying agent shall promptly notify the Issuer of the receipt by it of any Change of Control Election or written withdrawal thereof.

(j) Notwithstanding anything herein to the contrary, the Issuer's obligations pursuant to this Section 13.2 shall be satisfied if a third party makes an offer to repurchase Outstanding Notes after a Change of Control in the manner and at the times and otherwise in compliance in all material respects with the requirements of this Section 13.2, and such third party purchases all Notes properly tendered and not withdrawn pursuant to the requirements of this Section 13.2.

(k) No Notes may be repurchased by the Issuer on a Change of Control Repurchase Date pursuant to this Section 13.2 if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to the Change of Control Repurchase Date. The Trustee or the paying agent shall promptly return to the respective Holders thereof any Notes (x) with respect to which a Change of Control Election has been withdrawn in compliance with this Indenture, or (y) held by it during the continuance of an acceleration of the principal amount of the Notes (other than an acceleration resulting from a default in the payment of the Change of Control Repurchase Price) in which case, upon such return, the Change of Control Election with respect thereto shall be deemed to have been withdrawn.

(l) If Holders of not less than 90% in aggregate principal amount of the then Outstanding Notes validly tender and do not withdraw such Notes in an offer to purchase the Notes upon a Change of Control and the Issuer, or any third party making an offer to purchase the Notes upon a Change of Control in lieu of the Issuer purchases all of the Notes validly tendered and not withdrawn by such Holders, the Issuer shall have the right, upon not less than 15 nor more than 60 days' prior written notice, given not more than 15 days following the Change of

Control Repurchase Date, to redeem the Notes that remain outstanding following such purchase at a redemption price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the Change of Control Repurchase Date.

(m) Prior to mailing (or electronically delivering) a Change of Control Notice, and as a condition to such mailing (i) the requisite holders of each issue of indebtedness issued under an indenture or other agreement that may be violated by the payment of the Change of Control Repurchase Price shall have consented to such Change of Control Notice being made and waived the event of default, if any, caused by the Change of Control or (ii) the Issuer will repay all outstanding indebtedness issued under an indenture or other agreement that may be violated by the payment of the Change of Control Repurchase Price to the Holders of Notes under a Change of Control Notice or the Issuer must offer to repay all such indebtedness, and make payment to the holders of such indebtedness that accept such offer, and obtain waivers of any event of default from the remaining holders of such indebtedness. The Issuer covenants to effect such repayment or obtain such consent within 20 Business Days following any Change of Control, it being a default of the Change of Control provisions of this Indenture if the Issuer fails to comply with such covenant.

(b) Solely with respect to the Notes, the following paragraph is added as new Section 13.3 under Article 13 of the Indenture:

Effect of Change of Control Election. (a) Upon receipt by the Trustee or the paying agent of a Change of Control Election, the Holder of the Security in respect of which such Change of Control Election was given shall (unless such Change of Control Election is withdrawn as specified in the following paragraph) thereafter be entitled to receive solely the Change of Control Repurchase Price with respect to such Security. Such Change of Control Repurchase Price shall be paid to such Holder, subject to receipt of funds by the Trustee or the paying agent, promptly following the later of (x) the Business Day immediately following the Change of Control Repurchase Date with respect to such Security (provided that the conditions in Section 13.2 have been satisfied) and (y) the time of delivery or book-entry transfer of such Security to the Trustee or the paying agent by the Holder thereof in the manner required by Section 13.2.

(b) A Change of Control Election may be withdrawn by means of a written notice of withdrawal delivered to the office of the Trustee or the paying agent, as applicable, in accordance with the Change of Control Election at any time prior to the close of business on the Change of Control Repurchase Date specifying:

(i) if the Security with respect to which such notice of withdrawal is being submitted is a Security in definitive form, the certificate number of such Security, or if such Security is a Global Note, information in accordance with the Applicable Procedures;

(ii) the principal amount of the Security with respect to which such notice of withdrawal is being submitted; and

(iii) the principal amount, if any, of such Security which remains subject to the original Change of Control Election and that has been or will be delivered for repurchase by the Issuer.

(c) Solely with respect to the Notes, the following paragraph is added as new Section 13.4 under Article 13 of the Indenture:

Deposit of Change of Control Repurchase Price. Prior to 10:00 a.m. (New York City time) on or prior to the Change of Control Repurchase Date the Issuer shall deposit with the Trustee or the paying agent an amount of money (in immediately available funds if deposited on such Business Day) sufficient to pay the aggregate Change of Control Repurchase Price of all the Securities or portions thereof which are to be repurchased pursuant to Section 13.2.

(d) Solely with respect to the Notes, the following paragraph is added as new Section 13.5 under Article 13 of the Indenture:

Securities Repurchased in Part. Any Security that is to be repurchased only in part shall be surrendered at the office of the Trustee (with, if the Issuer or the Trustee so requests, due endorsement by, or a written instrument of transfer in form satisfactory to the Trustee and the Issuer, duly executed by the Holder thereof or such Holder's attorney duly authorized in writing), and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, one or more new Securities, of any authorized denomination as requested by such Holder in aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Security so surrendered which is not repurchased.

(e) Solely with respect to the Notes, the following paragraph is added as new Section 13.6 under Article 13 of the Indenture:

Covenant to Comply with Securities Laws Upon Repurchase of Securities. When complying with the provisions of Section 13.2 of this Indenture (if and so long as such offer or repurchase constitutes an "issuer tender offer" for purposes of Rule 13e-4 (which term, as used herein, includes any successor provision thereto) under the Exchange Act, as amended, at the time of such offer or repurchase), the Issuer shall (i) comply in all material respects with Rule 14e-1 under the Exchange Act, (ii) to the extent required, file the related Schedule TO (or any successor schedule, form or report) under the Exchange Act and (iii) otherwise comply in all material respects with all Federal and state securities laws so as to permit the rights and obligations under Section 13.2 to be exercised in the time and in the manner specified in Section 13.2.

(f) Solely with respect to the Notes, the following paragraph is added as new Section 13.7 under Article 13 of the Indenture:

Repayment to the Issuer. To the extent that the aggregate amount of cash deposited by the Issuer pursuant to Section 13.4 exceeds the aggregate Change of Control Repurchase Price of the Securities or portions thereof which the Issuer is obligated to repurchase as of the Change of Control Repurchase Date then, unless otherwise agreed in writing with the Issuer, promptly after the Business Day following the date on which the Change of Control Repurchase Price is made, the Trustee or the paying agent, as applicable, shall return any such excess to the Issuer together with interest, if any, thereon.

SECTION 18. DENOMINATIONS OF NOTES

Solely with respect to the Notes, the Notes shall be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

SECTION 19. NO UNDERTAKINGS OR REPRESENTATIONS

U.S. Bank makes no undertakings or representations in respect of, and shall not be responsible in any manner whatsoever for and in respect of the validity or sufficiency of this Fifteenth Supplemental Indenture as an obligation of the Issuer or the proper authorization or the due execution hereof by the Issuer or for or in respect of the recitals and statements contained herein, all of which recitals and statements are made solely by the Issuer.

SECTION 20. CONFIRMATION OF INDENTURE

Except as expressly supplemented hereby, the Indenture shall continue in full force and effect in accordance with the provisions thereof, and the Indenture is in all respects hereby ratified and confirmed. This Fifteenth Supplemental Indenture and all its provisions shall be deemed a part of the Indenture in the manner and to the extent herein and therein provided.

SECTION 21. GOVERNING LAW

This Fifteenth Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 22. COUNTERPARTS

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Fifteenth Supplemental Indenture or any document to be signed in connection with this Fifteenth Supplemental Indenture shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

SECTION 23. HEADINGS



The headings contained herein are inserted for convenience only and shall not be used to construe or otherwise interpret the provisions hereof.

*[Remainder of the page intentionally left blank]*

IN WITNESS WHEREOF, the parties hereto have caused this Fifteenth Supplemental Indenture to be duly executed, and the Issuer has caused its corporate seal to be hereunto affixed and attested, all as of the date first above written.

TEGNA INC.

By: /s/ Cherbury Chesser  
Name: Cherbury Chesser  
Title: Vice President and Treasurer

[CORPORATE SEAL]

Attest:

By: /s/ Akin S. Harrison  
Name: Akin S. Harrison  
Title: Senior Vice President,  
General Counsel and Secretary

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: /s/ William Sicking  
Name: William Sicking  
Title: Vice President

[SIGNATURE PAGE TO FIFTEENTH SUPPLEMENTAL INDENTURE]

Exhibits A

**FORM OF 144A GLOBAL NOTES**

A

4847-0244-4745.5

Exhibits B

**FORM OF REGULATION S GLOBAL NOTES**

B

4847-0244-4745.5

Exhibit C

**FORM OF GUARANTEE AGREEMENT**

Exhibit D

**FORM OF CERTIFICATE OF TRANSFER**

TEGNA Inc.  
8350 Broad Street  
Suite 2000  
Tysons, VA 22102  
Attention: Secretary

*[By Hand or Overnight*

U.S. Bank Corporate Trust Services Group  
P.O. Box 64111  
St. Paul, MN 55107  
Attn: Transfers]

*[By Certified or Registered Mail*

U. S. Bank Corporate Trust Services Group  
60 Livingston Avenue  
St Paul, MN 55164-0111  
Attn: Transfers]

Re: 4.750% Senior Notes Due 2026 (the "Notes")

Reference is hereby made to the Indenture, dated as of March 1, 1983 (the "Base Indenture"), as amended and supplemented by a First Supplemental Indenture, dated as of November 5, 1986 (the "First Supplemental Indenture"), among the Issuer, Citibank and Sovran Bank, N.A. (now known as Bank of America, N.A.) and a Second Supplemental Indenture dated as of June 1, 1995 (the "Second Supplemental Indenture"), among the Issuer, NationsBank, N.A. (now known as Bank of America, N.A.) and Crestar Bank (now known as Truist Securities) and a Fifteenth Supplemental Indenture, dated as of September , 2020 (the "Fifteenth Supplemental Indenture"), between the Issuer and the U.S. Bank National Association (the "Trustee") (the term "Indenture" as used hereinafter refers to the Base Indenture as amended and supplemented by the First Supplemental Indenture, the Second Supplemental Indenture and the Fifteenth Supplemental Indenture). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

\_\_\_\_\_ (the "Transferor") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of \$\_\_\_\_\_ in such Note[s] or interests (the "Transfer"), to \_\_\_\_\_ (the "Transferee"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

**[CHECK ALL THAT APPLY]**

1.  **Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Restricted Definitive Note pursuant to Rule 144A.** The Transfer is being effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being

transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A, and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

2.  **Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Note or a Restricted Definitive Note pursuant to Regulation S.** The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

3.  **Check and complete if Transferee will take delivery of a beneficial interest in a Restricted Definitive Note pursuant to any provision of the Securities Act other than Rule 144A or Regulation S.** The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a)  such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

**OR**

(b)  such Transfer is being effected to the Company or a subsidiary thereof;

**OR**

(c)  such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act;

**OR**

(d)  such Transfer is being effected pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144, Rule 903 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within

the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Note or Restricted Definitive Notes and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit G to the Indenture and (2) if such Transfer is in respect of a principal amount of Notes at the time of transfer of less than \$250,000, an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Notes and in the Indenture and the Securities Act.

4.  **Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note.**

(a)  **Check if Transfer is pursuant to Rule 144.** (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b)  **Check if Transfer is Pursuant to Regulation S.** (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c)  **Check if Transfer is Pursuant to Other Exemption.** (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.



\_\_\_\_\_  
[Insert name of Transferor]

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a)  a beneficial interest in the:

(i)  144A Global Note (CUSIP \_\_\_\_\_), or

(ii)  Regulation S Global Note (CUSIP \_\_\_\_\_), or

(b)  a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a)  a beneficial interest in the:

(i)  144A Global Note (CUSIP \_\_\_\_\_), or

(ii)  Regulation S Global Note (CUSIP \_\_\_\_\_), or

(iii)  Unrestricted Global Note (CUSIP \_\_\_\_\_), or

(b)  a Restricted Definitive Note, or

(c)  an Unrestricted Definitive Note

in accordance with the terms of the Indenture.

Exhibit E

**FORM OF CERTIFICATE OF EXCHANGE**

TEGNA Inc.  
8350 Broad Street  
Suite 2000  
Tysons, VA 22102  
Attention: Secretary

*[By Hand or Overnight*

U.S. Bank Corporate Trust Services Group  
P.O. Box 64111  
St. Paul, MN 55107  
Attn: Transfers]

*[By Certified or Registered Mail*

U.S. Bank Corporate Trust Services Group  
60 Livingston Avenue  
St Paul, MN 55164-0111  
Attn: Specialized Finance]

Re: 4.750% Senior Notes Due 2026 (the “Notes”)

(CUSIP \_\_\_\_\_)

Reference is hereby made to the Indenture, dated as of March 1, 1983 (the “Base Indenture”), as amended and supplemented by a First Supplemental Indenture, dated as of November 5, 1986 (the “First Supplemental Indenture”), among the Issuer, Citibank and Sovran Bank, N.A. (now known as Bank of America) and a Second Supplemental Indenture dated as of June 1, 1995 (the “Second Supplemental Indenture”), among the Issuer, NationsBank, N.A. (now known as Bank of America) and Crestar Bank (now known as Truist Securities) and a Fifteenth Supplemental Indenture, dated as of September , 2020 (the “Fifteenth Supplemental Indenture”), between the Issuer and the U.S. Bank National Association (the “Trustee”) (the term “Indenture” as used hereinafter refers to the Base Indenture as amended and supplemented by the First Supplemental Indenture, the Second Supplemental Indenture and the Fifteenth Supplemental Indenture). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

\_\_\_\_\_ (the “Owner”) owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of \$\_\_\_\_\_ in such Note[s] or interests (the “Exchange”). In connection with the Exchange, the Owner hereby certifies that:

**1. Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note**

(a)  **Check if Exchange is from beneficial interest in a Restricted Global Note to beneficial interest in an Unrestricted Global Note.** In connection with the Exchange of the Owner’s beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner’s own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the Securities Act of

1933, as amended (the “Securities Act”), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b)  **Check if Exchange is from beneficial interest in a Restricted Global Note to Unrestricted Definitive Note.** In connection with the Exchange of the Owner’s beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner’s own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c)  **Check if Exchange is from Restricted Definitive Note to beneficial interest in an Unrestricted Global Note.** In connection with the Owner’s Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner’s own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d)  **Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note.** In connection with the Owner’s Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner’s own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

## **2. Exchange of Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes**

(a)  **Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note.** In connection with the Exchange of the Owner’s beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner’s own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b)  **Check if Exchange is from Restricted Definitive Note to beneficial interest in a Restricted Global Note.** In connection with the Exchange of the Owner’s Restricted Definitive Note for a beneficial interest in the [CHECK ONE]  144A Global Note,  Regulation S Global Note, with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner’s own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the

beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

\_\_\_\_\_  
[Insert name of Transferor]

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Exhibit F

**FORM OF CERTIFICATE FROM  
TRANSFeree**

TEGNA Inc.  
8350 Broad Street  
Suite 2000  
Tysons, VA 22102  
Attention: Secretary

*[By Hand or Overnight*

U.S. Bank Corporate Trust Services Group  
P.O. Box 64111  
St. Paul, MN 55107  
Attn: Transfers]

*[By Certified or Registered Mail*

U. S. Bank Corporate Trust Services Group  
60 Livingston Avenue  
St Paul, MN 55164-0111  
Attn: Transfers]

Re: 4.750% Senior Notes Due 2026 (the “Notes”)

Reference is hereby made to the Indenture, dated as of March 1, 1983 (the “Base Indenture”), as amended and supplemented by a First Supplemental Indenture, dated as of November 5, 1986 (the “First Supplemental Indenture”), among the Issuer, Citibank and Sovran Bank, N.A. (now known as Bank of America) and a Second Supplemental Indenture dated as of June 1, 1995 (the “Second Supplemental Indenture”), among the Issuer, NationsBank, N.A. (now known as Bank of America) and Crestar Bank (now known as Truist Securities) and a Fifteenth Supplemental Indenture, dated as of September , 2020 (the “Fifteenth Supplemental Indenture”), between the Issuer and the U.S. Bank National Association (the “Trustee”) (the term “Indenture” as used hereinafter refers to the Base Indenture as amended and supplemented by the First Supplemental Indenture, the Second Supplemental Indenture and the Fifteenth Supplemental Indenture). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed purchase of \$\_\_\_\_\_ aggregate principal amount of:

- (a)  a beneficial interest in a Global Note, or
- (b)  a Definitive Note,

we confirm that:

1. We understand that any subsequent transfer of the Notes or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes or any interest therein except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the “Securities Act”).

2. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Notes or any interest therein, we will do so only (A) to the Company; (B) under a registration statement that has been declared effective under the Securities Act; (C) to a Person that we reasonably believe is a "Qualified Institutional Buyer" (as defined in Rule 144A under the Securities Act) that is purchasing for its own account or for the account of another Qualified Institutional Buyer and to whom notice is given that the transfer is being made in reliance on Rule 144A, all in compliance with Rule 144A (if available); (D) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act; or (E) under any other available exemption from the registration requirements of the Securities Act.

3. We understand that, prior to any transfer of the Notes pursuant to clause (E) of paragraph 2, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require and may rely upon to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

4. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes or beneficial interest therein purchased by us for our own account or for one or more accounts as to each of which we exercise sole investment discretion.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

\_\_\_\_\_  
[Insert name of Transferor]

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## CERTIFICATIONS

I, David T. Lougee, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TEGNA Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David T. Lougee

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David T. Lougee

President and Chief Executive Officer

(principal executive officer)

Date: November 9, 2020



## CERTIFICATIONS

I, Victoria D. Harker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TEGNA Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Victoria D. Harker

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Victoria D. Harker

Chief Financial Officer (principal financial officer)

Date: November 9, 2020

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of TEGNA Inc. (“TEGNA”) on Form 10-Q for the quarter ended September 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, David T. Lougee, president and chief executive officer of TEGNA, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of TEGNA.

/s/ David T. Lougee

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David T. Lougee

President and Chief Executive Officer

(principal executive officer)

November 9, 2020

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of TEGNA Inc. (“TEGNA”) on Form 10-Q for the quarter ended September 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Victoria D. Harker, chief financial officer of TEGNA, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of TEGNA.

/s/ Victoria D. Harker

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Victoria D. Harker

Chief Financial Officer (principal financial officer)

November 9, 2020