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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 11, 2015

GRAHAM HOLDINGS COMPANY

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1-6714
(Commission File Number)

53-0182885
(I.R.S. Employer Identification No.)

1300 North 17th Street, Arlington, Virginia
(Address of principal executive offices)

22209
(Zip Code)

Registrant's telephone number, including area code: (703) 345-6300

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On June 16, 2015, in connection with the previously announced spin-off (the “Spin-off”) of Cable One, Inc. (“Cable One”) from Graham Holdings Company (“Graham”), Graham entered into the agreements described below with Cable One to (1) effect the legal and structural separation of Graham and Cable One, (2) govern the relationship between Graham and Cable One up to and after the completion of the Spin-off and (3) allocate between Graham and Cable One various assets, liabilities and obligations, including, among other things, employee benefits and tax-related assets and liabilities.

Separation and Distribution Agreement

Graham entered into a Separation and Distribution Agreement (the “Separation Agreement”) with Cable One pursuant to which Graham and Cable One will legally and structurally separate.

Under the terms of, and subject to the conditions set forth in, the Separation Agreement (1) Graham and Cable One agreed to effect all transfers of assets and assumptions of liabilities such that Graham and Cable One retain the assets of, and the liabilities associated with, their respective businesses and to use reasonable best efforts to effect any transfer or re-transfer of any asset or liability that was improperly transferred or retained promptly following the discovery of such improper transfer or retention, (2) all agreements, arrangements, commitments and understandings, including intercompany accounts payable or accounts receivable, between Graham and Cable One will terminate at the time of the Spin-off, (3) Cable One will pay a cash dividend to Graham in an amount equal to \$450,000,000 prior to the effectiveness of the Spin-off and (4) Graham will distribute all the issued and outstanding shares of common stock, par value \$0.01 per share, of Cable One to all holders of Graham Class A and Graham Class B common stock as a pro rata dividend in the Spin-off.

Under the Separation Agreement Graham has the right not to complete the Spin-off if, at any time, Graham’s board of directors determines, in its sole and absolute discretion, that the Spin-off is not in the best interests of Graham or its stockholders, or is otherwise not advisable.

Tax Matters Agreement

Graham entered a Tax Matters Agreement (the “Tax Matters Agreement”) with Cable One that will govern Graham and Cable One’s rights, responsibilities and obligations after the Spin-off with respect to tax liabilities and benefits, tax attributes, tax contests and other tax matters regarding income taxes, other taxes and related tax returns.

The Tax Matters Agreement generally provides that Cable One will indemnify Graham for any taxes resulting from the failure of any step of the Spin-off to qualify for its intended tax treatment under U.S. Federal income tax laws, if such taxes result from (1) untrue representations or breaches of covenants that Cable One makes and agrees to in connection with the Spin-off, (2) the application of Section 355(e) of the Code to the Spin-off by virtue of certain acquisitions of Cable One’s stock or (3) any other action that Cable One knows or reasonably should expect would give rise to such taxes.

With respect to taxes other than those incurred in connection with the Spin-off, the Tax Matters Agreement provides that Cable One will indemnify Graham for (1) any taxes of Cable One or Cable One’s subsidiaries for all periods after the Spin-off, (2) any state or local taxes for all periods that are reported on tax returns that do not include Graham or any of its subsidiaries (other than Cable One) and (3) any U.S. Federal taxes of the Graham group for periods prior to the Spin-off to the extent attributable to Cable One or Cable One’s subsidiaries.

The Tax Matters Agreement imposes certain restrictions on Cable One (including restrictions on share issuances and repurchases, business combinations, an election to be treated as a real estate investment trust, sales of assets and similar transactions) to preserve the tax-free nature of the Spin-off. These restrictions apply for the two-year period after the Spin-off. Cable One will be able to engage in an otherwise restricted action if Cable One obtains an opinion from counsel satisfactory to Graham, a ruling from the Internal Revenue Service or consent from Graham.

Employee Matters Agreement

Graham entered into an Employee Matters Agreement (the “Employee Matters Agreement”) with Cable One that governs employment, compensation and benefits matters in connection with the Spin-off. The Employee Matters Agreement addresses the allocation and treatment of assets and liabilities relating to employees and compensation and benefit plans and programs in which Cable One’s employees participated.

The Employee Matters Agreement provides that, in connection with the Spin-off, (1) a pro-rated portion of the unvested restricted Graham Class B shares held by each Cable One employee will become vested, with proration based on the number of full months that have elapsed from the effective grant date of such restricted shares through the Spin-off, (2) a pro-rated portion of the unvested Graham stock options held by each Cable One employee will become vested, with proration based on the remaining portion of the vesting period that would have elapsed as of the Spin-off and (3) the number of shares of Graham Class B common stock subject to, and the exercise price of, the vested Graham stock options held by the Cable One employees as of the Spin-off will be adjusted to take into account the Spin-off. Other than as provided in the prior sentence, Graham restricted shares and stock options held by Cable One employees will generally be treated as provided in the equity compensation plan under which such awards were granted and the award agreements governing such awards, which will generally result in the forfeiture of all such unvested awards upon the Spin-off.

The Employee Matters Agreement further provides that (1) upon the Spin-off, the accrued benefit of current Cable One employees under Graham's tax-qualified defined benefit plan, the Retirement Plan for Graham Holdings Company (the "Retirement Plan"), will become vested, and Graham will continue to administer the plan, including making payments under the plan, with respect to current and former Cable One employees with vested rights thereunder, and (2) effective as of the Spin-off, Cable One will have established a plan with terms substantially similar to the defined benefit portion of the Graham Holdings Company Supplemental Executive Retirement Plan (the "DB SERP"), under which plan Cable One will remain responsible for any obligations to current and former Cable One employees who participated in the DB SERP. Accordingly, the Spin-off will trigger a right to receive payments for Cable One employees under the Retirement Plan, but not under the DB SERP.

The Employee Matters Agreement further provides that, effective as of the Spin-off, (1) Cable One will have established a defined contribution plan intended to be tax-qualified (the "Cable 401(k) Plan"), and as soon as practicable following the Spin-off, all account balances held by the Savings Plan for GHC Divisions, which is one of Graham's qualified defined contribution 401(k) plans, with respect to current and former participating Cable One employees will be transferred to the Cable 401(k) Plan, and (2) Cable One will have established plans with terms substantially similar to each of the Graham Deferred Compensation Plan (the "Graham DC Plan") and the defined contribution portion of the Graham Holdings Supplemental Executive Retirement Plan (the "DC SERP"), under which plans Cable One will remain responsible for any obligations to current and former Cable One employees who participated in the Graham DC Plan or DC SERP, as applicable. The Spin-off will not trigger the right to receive distributions under the Graham DC Plan or DC SERP for current and former Cable One employees.

The Employee Matters Agreement also provides for continued participation by Cable One employees in certain of Graham's welfare plans for a limited period following the Spin-off, and sets forth certain obligations for reimbursements and indemnities between Graham and Cable One.

The descriptions of the Separation and Distribution Agreement, Tax Matters Agreement and Employee Matters Agreement are qualified in their entirety by reference to the full text of the Separation and Distribution Agreement, Tax Matters Agreement and Employee Matters Agreement, which are attached as Exhibits 2.1, 10.2 and 10.3, respectively, to this Current Report on Form 8-K and incorporated herein by reference.

Item 5.04. Temporary Suspension of Trading Under Registrant's Employee Benefit Plans.

On June 11, 2015, Graham sent a notice (the "Blackout Notice") to its directors and executive officers informing them that they will be subject to certain trading restrictions with respect to shares of Graham Common Stock as a result of a blackout imposed in connection with the Spin-off on participants in Graham's 401(k) plans (the "Plans") holding units of the Graham Holdings Company Stock Fund. The Blackout Notice was sent pursuant to Section 306(a) of the Sarbanes-Oxley Act and Regulation BTR, which generally impose certain restrictions on trading in issuer equity securities by directors and executive officers in the event that 50% or more of an issuer's plan participants are so restricted with respect to the shares in their plan accounts. The administrator of the Plans has decided to impose restrictions on the units of the Graham Holdings Company Stock Fund held in the Plans in order to facilitate the addition of the Cable One Company Stock Fund units to accounts in the Plans. The blackout period is scheduled to begin on June 26, 2015, and end during the week of July 5, 2015. During the blackout period, directors and executive officers will be generally restricted from directly or indirectly purchasing, selling, acquiring, exercising or otherwise transferring equity securities in Graham if those securities were acquired in connection with service or employment as a director or officer of Graham.

A copy of the Blackout Notice is attached to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

<u>Exhibit</u>	<u>Description</u>
2.1	Separation and Distribution Agreement, dated as of June 16, 2015, by and between Graham Holdings Company and Cable One, Inc.*
10.2	Tax Matters Agreement, dated as of June 16, 2015, by and between Graham Holdings Company and Cable One, Inc.
10.3	Employee Matters Agreement, dated as of June 16, 2015, by and between Graham Holdings Company and Cable One, Inc.*
99.1	Blackout Notice, dated June 11, 2015, provided to directors and executive officers of Graham.

* Graham hereby undertakes to furnish supplementally a copy of any omitted schedule or exhibit to such agreement to the U.S. Securities and Exchange Commission upon request.

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 hereunto duly authorized.

Graham Holdings Company

By: /s/ Hal S. Jones

Name: Hal S. Jones

Title: Senior Vice President-Finance (Principal
Financial Officer)

Date: June 17, 2015

EXHIBIT INDEX

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* Graham hereby undertakes to furnish supplementally a copy of any omitted schedule or exhibit to such agreement to the U.S. Securities and Exchange Commission upon request.

SEPARATION AND DISTRIBUTION AGREEMENT

By and Between

GRAHAM HOLDINGS COMPANY

and

CABLE ONE, INC.

Dated as of June 16, 2015

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SEPARATION AND DISTRIBUTION AGREEMENT, dated as of June 16, 2015, by and between GRAHAM HOLDINGS COMPANY, a Delaware corporation (“Graham”), and CABLE ONE, INC., a Delaware corporation (“Cable”). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I hereof.

R E C I T A L S

WHEREAS the board of directors of Graham has determined that it is in the best interests of Graham and its shareholders to distribute its entire interest in its wholly owned Subsidiary, Cable, by way of a dividend of stock to be made to holders of Graham Common Stock;

WHEREAS in furtherance of the foregoing, it is appropriate and desirable to effect the Spin-Off, as more fully described in this Agreement;

WHEREAS Graham and Cable have prepared, and Cable has filed with the Commission, the Form 10, which includes the Information Statement and sets forth appropriate disclosure concerning Cable and the Distribution;

WHEREAS Graham and Cable intend that each of the Special Dividend, Share Issuance and Distribution qualify for its Intended Tax Treatment; and

WHEREAS it is appropriate and desirable to set forth the principal corporate transactions required to effect the Spin-Off and certain other agreements that will govern certain matters relating to the Spin-Off and the relationship of Graham, Cable and their respective Subsidiaries following the Distribution.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Definitions. For the purposes of this Agreement, the following terms shall have the following meanings:

“Action” means any claim, demand, action, suit, countersuit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority or any Federal, state, local, foreign or international arbitration or mediation tribunal.

“Affiliate” of any Person means a Person that controls, is controlled by or is under common control with such Person. As used herein, “control” of any entity means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise; provided, however, that (i) Cable and the other members of the Cable Group shall not be considered Affiliates of Graham or any of the other members of the Graham Group and (ii) Graham and the other members of the Graham Group shall not be considered Affiliates of Cable or any of the other members of the Cable Group.

“Agent” means the distribution agent appointed by Graham to distribute to the Record Holders, pursuant to the Distribution, the shares of Cable Common Stock held by Graham.

“Agreement” means this Separation and Distribution Agreement, including the Schedules hereto.

“Ancillary Agreements” means the TSA, TMA, EMA and any other instruments, assignments, documents and agreements executed in connection with the implementation of the transactions contemplated by this Agreement.

“Assets” means all assets, properties and rights (including goodwill), wherever located (including in the possession of vendors or other third parties or elsewhere), whether real, personal or mixed, tangible or intangible, or accrued or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person, including the following:

(a) all accounting and other books, records and files, whether in paper, microfilm, microfiche, computer tape or disc, magnetic tape, electronic recording or any other form;

(b) all apparatus, computers and other electronic data processing equipment, fixtures, machinery, furniture, office and other equipment, including hardware systems, circuits and other computer and telecommunication assets and equipment, automobiles, trucks, aircraft, rolling stock, vessels, motor vehicles and other transportation equipment, special and general tools, test devices, prototypes and models and other tangible personal property;

(c) all inventories of materials, parts, raw materials, supplies, work-in-process and finished goods and products;

(d) all interests in real property of whatever nature, including easements, whether as owner, mortgagee or holder of a Security Interest in real property, lessor, sublessor, lessee, sublessee or otherwise;

(e) all interests in any capital stock or other equity interests of any Subsidiary or any other Person; all bonds, notes, debentures or other securities issued by any Subsidiary or any other Person; all loans, advances or other extensions of credit or capital contributions to any Subsidiary or any other Person; all other investments in securities of any Person; and all rights as a partner, joint venturer or participant;

(f) all license agreements, leases of personal property, open purchase orders for raw materials, supplies, parts or services, unfilled orders for the manufacture and sale of products and other contracts, agreements or commitments and all rights arising thereunder;

(g) all deposits, letters of credit, performance bonds and other surety bonds;

(h) all written technical information, data, specifications, research and development information, engineering drawings, operating and maintenance manuals and materials and analyses prepared by consultants and other third parties;

(i) all United States, state, multinational and foreign intellectual property, including patents, copyrights, trade names, trademarks, service marks, slogans, logos, trade dresses and other source indicators and the goodwill of the business symbolized thereby; all registrations, applications, recordings, disclosures, renewals, continuations, continuations-in-part, divisions, reissues, reexaminations, foreign counterparts and other legal protections and rights related to any of the foregoing; mask works, trade secrets, inventions and other proprietary information, including know-how, processes, formulae, techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals, discoveries, inventions, licenses from third parties granting the right to use any of the foregoing and all tangible embodiments of the foregoing in whatever form or medium;

(j) all computer applications, programs, software and other code (in object and source code form), including operating software, network software, firmware, middleware, design software, design tools, systems documentation, instructions, ASP, HTML, DHTML, SHTML and XML files, cgi and other scripts, APIs, web widgets, algorithms, models, methodologies, files, documentation related to any of the foregoing and all tangible embodiments of the foregoing in whatever form or medium now known or yet to be created;

(k) all Internet URLs, domain names, social media handles and Internet user names;

(l) all websites, databases, content, text, graphics, images, audio, video, data and other copyrightable works or other works of authorship including all translations, adaptations, derivations and combinations thereof;

(m) all cost information, sales and pricing data, customer prospect lists, supplier records, customer and supplier lists, subscriber, customer and vendor data, correspondence and lists, product literature and other advertising and promotional materials, artwork, design, development and manufacturing files, vendor and customer drawings, formulations and specifications, server and traffic logs, quality records and reports and other books, records, studies, surveys, reports, plans, business records and documents;

(n) all prepaid expenses, trade accounts and other accounts and notes receivable (whether current or non-current);

(o) all claims or rights against any Person arising from the ownership of any other Asset, all rights in connection with any bids or offers, all claims, causes in action, lawsuits, judgments or similar rights, all rights under express or implied warranties, all rights of recovery and all rights of setoff of any kind and demands of any nature, in each case whether accrued or contingent, whether in tort, contract or otherwise and whether arising by way of counterclaim or otherwise;

(p) all rights under insurance policies and all rights in the nature of insurance, indemnification or contribution;

(q) all licenses (including radio and similar licenses), permits, approvals and authorizations that have been issued by any Governmental Authority and all pending applications therefor;

(r) Cash, bank accounts, lock boxes and other deposit arrangements;

(s) interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements; and

(t) all goodwill as a going concern and other intangible properties.

“Bank Debt Incurrence” has the meaning set forth in Schedule I.

“Bond Issuance” has the meaning set forth in Schedule I.

“Cable” has the meaning set forth in the preamble.

“Cable Assets” means, without duplication, the following Assets:

(a) all Assets held by the Cable Group;

(b) all interests in the capital stock of, or other equity interests in, the members of the Cable Group (other than Cable) and all other equity, partnership, membership, joint venture and similar interests set forth on Schedule II under the caption “Joint Ventures and Minority Investments”;

(c) all Assets reflected on the Cable Business Balance Sheet, and all Assets acquired after the date of the Cable Business Balance Sheet that, had they been acquired on or before such date and owned as of such date, would have been reflected on the Cable Business Balance Sheet if prepared in accordance with GAAP applied on a consistent basis, subject to any dispositions of such Assets subsequent to the date of the Cable Business Balance Sheet;

(d) the Assets listed or described on Schedule III;

(e) the rights related to the Cable Portion of any Shared Contract;

(f) all other Assets that are expressly provided by this Agreement or any Ancillary Agreement as Assets to be assigned to or retained by, or allocated to, any member of the Cable Group; and

(g) all Assets held by a member of the Graham Group that are determined by Graham, in good faith, to be primarily related to or used or held for use primarily in connection with the business or operations of the Cable Business.

Notwithstanding the foregoing, the Cable Assets shall not include (i) any Graham Retained Assets, (ii) any Assets governed by the TMA, (iii) the rights related to the Graham Portion of Shared Contracts, (iv) any Assets determined by Graham, in good faith, to arise primarily from the business or operations of the Graham Business (unless otherwise expressly provided in this Agreement) and (v) Assets required by Graham to perform its obligations under the TSA.

“Cable Business” means the businesses and operations of Cable, including as described in the Information Statement.

“Cable Business Balance Sheet” means the balance sheet of the Cable Business, including the notes thereto, as of March 31, 2015, included in the Information Statement.

“Cable Common Stock” means the common stock, \$0.01 par value per share, of Cable.

“Cable Entities” means the entities, the equity, partnership, membership, joint venture or similar interests of which are set forth on Schedule IV under the caption “Joint Ventures and Minority Investments”.

“Cable Group” means (a) Cable, (b) each Person that will be a Subsidiary of Cable immediately prior to the Distribution, including the entities set forth on Schedule II under the caption “Subsidiaries”, and (c) each Person that becomes a Subsidiary of Cable after the Distribution, including in each case any Person that is merged or consolidated with and into Cable or any Subsidiary of Cable.

“Cable Indemnitees” has the meaning set forth in Section 6.03.

“Cable Liabilities” means, without duplication, the following Liabilities:

- (a) all Liabilities of the Cable Group and the Cable Entities;
- (b) all Liabilities to the extent relating to, arising out of or resulting from:

- (i) the operation or conduct of the Cable Business as conducted at any time prior to the Distribution (including any Liability to the extent relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person’s authority), which act or failure to act relates to the Cable Business);

- (ii) the operation or conduct of the Cable Business or any other business conducted by Cable or any other member of the Cable Group at any time after the Distribution (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person’s authority));

- (iii) any terminated, divested or discontinued businesses or operations of the Cable Business; or

- (iv) the Cable Assets;

(c) all Liabilities reflected as liabilities or obligations on the Cable Business Balance Sheet, and all Liabilities arising or assumed after the date of the Cable Business Balance Sheet that, had they arisen or been assumed on or before such date and been existing obligations as of such date, would have been reflected on the Cable Business Balance Sheet if prepared in accordance with GAAP applied on a consistent basis, subject to any discharge of such Liabilities subsequent to the date of the Cable Business Balance Sheet;

(d) the Liabilities listed or described on Schedule IV;

(e) the obligations related to the Cable Portion of any Shared Contract;

(f) all other Liabilities that are expressly provided by this Agreement or any Ancillary Agreement as Liabilities to be assumed or retained by, or allocated to, any member of the Cable Group; and

(g) all Liabilities to the extent relating to, arising out of or resulting from any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in, or incorporated by reference into, the Form 10 and any other documents filed with the Commission in connection with the Spin-Off or as contemplated by this Agreement, other than with respect to the Graham Disclosure Sections.

Notwithstanding the foregoing, the Cable Liabilities shall not include (i) any Graham Retained Liabilities, (ii) any Liabilities governed by the TMA, (iii) any obligations related to the Graham Portion of any Shared Contract or (iv) any Liabilities determined by Graham, in good faith, to be primarily related to the business or operations of the Graham Business (unless otherwise expressly provided in this Agreement).

“Cable Marks” means the trademarks, trade names and service marks owned by a member of the Cable Group and all goodwill relating thereto.

“Cable Portion” has the meaning set forth in Section 2.04.

“Cash” means cash, cash equivalents, bank deposits and marketable securities, whether denominated in United States dollars or otherwise.

“Cash Management Arrangements” shall mean all cash management arrangements pursuant to which Graham or its Subsidiaries automatically or manually sweep cash from, or automatically or manually transfer cash to, accounts of Cable or any of its Subsidiaries.

“Commission” means the Securities and Exchange Commission.

“Consents” means any consents, waivers or approvals from, or notification requirements to, any Person other than a member of either Group.

“Credit Support Instruments” has the meaning set forth in Section 3.01(a).

“D&O Policies” has the meaning set forth in Section 8.01(e).

“Distribution” means the distribution by Graham to the Record Holders, on a pro rata basis, of all of the outstanding shares of Cable Common Stock owned by Graham on the Distribution Date.

“Distribution Date” means the date, determined by Graham in accordance with Section 5.02, on which the Distribution occurs.

“Domain Names” means the domain names owned by a member of the Graham Group or the Cable Group.

“EMA” means the Employee Matters Agreement dated as of the date of this Agreement by and between Graham and Cable.

“Exchange” means the New York Stock Exchange.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

“Final Determination” has the meaning set forth in the TMA.

“First Post-Distribution Report” has the meaning set forth in Section 12.07.

“Form 10” means the registration statement on Form 10 filed by Cable with the Commission to effect the registration of Cable Common Stock pursuant to the Exchange Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time.

“Graham” has the meaning set forth in the preamble.

“Graham Assets” means (i) all Assets of the Graham Group, (ii) the Graham Retained Assets, (iii) any Assets held by a member of the Cable Group determined by Graham, in good faith, to be primarily related to or used primarily in connection with the business or operations of the Graham Business, (iv) all interests in the capital stock, or other equity interests in, the members of the Graham Group (other than Graham) and (v) the rights related to the Graham Portion of any Shared Contract. Notwithstanding the foregoing, the Graham Assets shall not include (a) any Assets governed by the TMA, (b) the Cable Assets and (c) any Assets required by Cable to perform its obligations under the TSA.

“Graham Business” means the business and operations conducted by Graham and its Subsidiaries other than the Cable Business.

“Graham Common Stock” means, collectively, the Class A Common Stock, \$1.00 par value per share, of Graham and the Class B Common Stock, \$1.00 par value per share, of Graham.

“Graham Credit Support Instruments” has the meaning set forth in Section 3.01(a).

“Graham Disclosure Sections” means all information set forth in or omitted from the Form 10 or Information Statement to the extent relating to (a) the Graham Group, (b) the Graham Liabilities, (c) the Graham Assets or (d) the substantive disclosure set forth in the Form 10 relating to Graham’s board of directors’ consideration of the Spin-Off, including the section entitled “Reasons for the Spin-Off”.

“Graham Group” means Graham and each of its Subsidiaries, but excluding any member of the Cable Group.

“Graham Indemnitees” has the meaning set forth in Section 6.02.

“Graham Liabilities” means, without duplication, the following Liabilities:

(a) all Liabilities of the Graham Group;

(b) all Liabilities to the extent relating to, arising out of or resulting from:

(i) the operation or conduct of the Graham Business as conducted at any time prior to the Distribution (including any Liability to the extent relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person’s authority), which act or failure to act relates to the Graham Business);

(ii) the operation or conduct of the Graham Business or any other business conducted by Graham or any other member of the Graham Group at any time after the Distribution (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person’s authority));

(iii) any terminated, divested or discontinued businesses or operations of the Graham Business (other than the Cable Business, the Cable Group and any terminated, divested or discontinued businesses or operations of the Cable Business); or

(iv) the Graham Assets;

(c) the Graham Retained Liabilities;

(d) any obligations related to the Graham Portion of any Shared Contract; and

(e) any Liabilities determined by Graham, in good faith, to be primarily related to the business or operations of the Graham Business (unless otherwise expressly provided in this Agreement). Notwithstanding the foregoing, the Graham Liabilities shall not include (x) any Liabilities governed by the TMA or (y) the Cable Liabilities.

thereto. “Graham Marks” means the trademarks, trade names and service marks owned by a member of the Graham Group and all goodwill relating

thereto. “Graham Portion” has the meaning set forth in Section 2.04.

“Graham Retained Assets” means the Assets to be retained by the Graham Group set forth on Schedule V.

“Graham Retained Liabilities” means the Liabilities to be retained by the Graham Group set forth on Schedule VI.

“Governmental Approvals” means any notices, reports or other filings to be given to or made with, or any Consents, registrations or permits to be obtained from, any Governmental Authority.

“Governmental Authority” means any Federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official or other legislative, judicial, regulatory, administrative or governmental authority.

“Group” means either the Graham Group or the Cable Group, as the context requires.

“Indemnifying Party” has the meaning set forth in Section 6.04(a).

“Indemnitee” has the meaning set forth in Section 6.04(a).

“Indemnity Payment” has the meaning set forth in Section 6.04(a).

“Information” means information, whether or not patentable, copyrightable or protectable as a trade secret, in written, oral, electronic or other tangible or intangible forms, stored in any medium now known or yet to be created, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product) and other technical, financial, employee or business information or data, documents, correspondence, materials and files.

“Information Statement” means the Information Statement sent to the holders of Graham Common Stock in connection with the Distribution, as such Information Statement may be amended from time to time.

“Insurance Proceeds” means those monies:

- (a) received by an insured (or its successor-in-interest) from an insurance carrier;

(b) paid by an insurance carrier on behalf of the insured (or its successor-in-interest); or

(c) received (including by way of setoff) from any third party in the nature of insurance, contribution or indemnification in respect of any

Liability;

in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments), net of any costs or expenses incurred in the collection thereof and net of any Taxes resulting from the receipt thereof.

“Intended Tax Treatment” has the meaning set forth in the TMA.

“Intercompany Accounts” has the meaning set forth in Section 2.03(a).

“Intercompany Agreements” has the meaning set forth in Section 2.03(a).

“Internal Transactions” means the Bond Issuance, the Bank Debt Incurrence, the Special Dividend, the Recapitalization and the Share Issuance, each as described on Schedule I.

“Law” means any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, government approval, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereinafter in effect and, in each case, as amended.

“Liabilities” means any and all claims, debts, demands, actions, causes of action, suits, damages, obligations, accruals, accounts payable, reckonings, bonds, indemnities and similar obligations, agreements, promises, guarantees, make-whole agreements and similar obligations, and other liabilities and requirements, including all contractual obligations, whether absolute or contingent, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, and including those arising under any Law, Action, threatened or contemplated Action or any award of any arbitrator or mediator of any kind, and those arising under any contract, commitment or undertaking, including those arising under this Agreement, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person. For the avoidance of doubt, Liabilities shall include attorneys’ fees, the costs and expenses of all assessments, judgments, settlements and compromises, and any and all other costs and expenses whatsoever reasonably incurred in connection with anything contemplated by the preceding sentence (including costs and expenses incurred in investigating, preparing or defending against any such Actions or threatened or contemplated Actions).

“Litigation Condition” has the meaning set forth in Section 6.04(a).

“Party” means either party hereto, and “Parties” means both parties hereto.

“Person” means an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability company, any other entity and any Governmental Authority.

“Pre-Separation Claims-Based Insurance Claim” means any claim made against the Cable Group or Graham Group and reported to the applicable insurer(s) prior to the Distribution Date in respect of an act or omission occurring prior to the Distribution Date that results in a Liability under a “claims-made-based” insurance policy of the Graham Group in effect prior to the Distribution Date or any extended reporting period thereof.

“Pre-Separation Insurance Claim” means a (a) Pre-Separation Claims-Based Insurance Claim or (b) Action (whether made prior to, on or following the Distribution Date) in respect of a Liability occurring prior to the Distribution Date under an “occurrence-based” insurance policy of any member of the Graham Group in effect prior to the Distribution Date.

“Recapitalization” has the meaning set forth on Schedule I.

“Record Date” means the close of business on the date determined by the Graham board of directors as the record date for determining the shares of Graham Common Stock in respect of which shares of Cable Common Stock will be distributed pursuant to the Distribution.

“Record Holders” has the meaning set forth in Section 5.01(b).

“Retained Information” has the meaning set forth in Section 7.04.

“Security Interest” means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer or other encumbrance of any nature whatsoever.

“Separation” means (a) the Internal Transactions, (b) any actions to be taken pursuant to Article II and (c) any other transfers of Assets and assumptions of Liabilities, in each case, between a member of one Group and a member of the other Group, provided for in this Agreement or in any Ancillary Agreement.

“Share Issuance” has the meaning set forth in Schedule I.

“Shared Contract” means any contract or agreement of any member of either Group that relates in any material respect to both the Cable Business and the Graham Business, including the contracts and agreements set forth on Schedule VII; provided that the Parties may, by mutual consent, elect to include in, or exclude from, this definition any contract or agreement.

“Special Dividend” has the meaning set forth in Schedule I.

“Spin-Off” means the Separation and the Distribution.

“Subsidiary” of any Person means any corporation or other organization whether incorporated or unincorporated of which at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect at least a majority of the board of directors or others performing similar functions with respect to such corporation or other organization, is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries.

“Tax Representation Letters” has the meaning set forth in the TMA.

“Taxes” has the meaning set forth in the TMA.

“Third-Party Claim” means any assertion by a Person (including any Governmental Authority) who is not a member of the Graham Group or the Cable Group of any claim, or the commencement by any such Person of any Action, against any member of the Graham Group or the Cable Group.

“Third-Party Proceeds” has the meaning set forth in Section 6.04(a).

“TMA” means the Tax Matters Agreement dated as of the date of this Agreement by and between Graham and Cable.

“TSA” means the Transition Services Agreement dated as of the date of this Agreement between Graham and Cable.

ARTICLE II

The Separation

SECTION 2.01. Transfer of Assets and Assumption of Liabilities. (a) Prior to the Distribution, and subject to Section 2.01(d), the Parties shall cause the Internal Transactions to be completed.

(b) Subject to Section 2.01(d), prior to the Distribution, the Parties shall, and shall cause their respective Group members to, execute such instruments of assignment and transfer and take such other corporate actions as are necessary to (i) transfer and convey to one or more members of the Cable Group all of the right, title and interest of the Graham Group in, to and under all Cable Assets not already owned by the Cable Group, (ii) transfer and convey to one or more members of the Graham Group all of the right, title and interest of the Cable Group in, to and under all Graham Assets not already owned by the Graham Group, (iii) cause one or more members of the Cable Group to assume all of the Cable Liabilities to the extent such Liabilities would otherwise remain obligations of any member of the Graham Group and (iv) cause one or more members of the Graham Group to assume all of the Graham Liabilities to the extent such Liabilities would otherwise remain obligations of any member of the Cable Group. Notwithstanding anything to the contrary, neither Party shall be required to transfer any Information except as required by Article VII.

(c) In the event that it is discovered after the Distribution that there was an omission of (i) the transfer or conveyance by Cable (or a member of the Cable Group) or the acceptance or assumption by Graham (or a member of the Graham Group) of any Graham Asset or Graham Liability, as the case may be, (ii) the transfer or conveyance by Graham (or a member of the Graham Group) or the acceptance or assumption by Cable (or a member of the Cable Group) of any Cable Asset or Cable Liability, as the case may be, or (iii) the transfer or conveyance by one Party (or any other member of its Group) to, or the acceptance or assumption by, the other Party (or any other member of its Group) of any Asset or Liability, as the case may be, that, had the Parties given specific consideration to such Asset or Liability prior to the Distribution, would have otherwise been so transferred, conveyed, accepted or assumed, as the case may be, pursuant to this Agreement or the Ancillary Agreements, the Parties shall use reasonable best efforts to promptly effect such transfer, conveyance, acceptance or assumption of such Asset or Liability. Any transfer, conveyance, acceptance or assumption made pursuant to this Section 2.01(c) shall be treated by the Parties for all purposes as if it had occurred immediately prior to the Distribution, except as otherwise required by applicable Law or a Final Determination.

(d) In the event that it is discovered after the Distribution that there was a transfer or conveyance (i) by Cable (or a member of the Cable Group) to, or the acceptance or assumption by, Graham (or a member of the Graham Group) of any Cable Asset or Cable Liability, as the case may be, or (ii) by Graham (or a member of the Graham Group) to, or the acceptance or assumption by, Cable (or a member of the Cable Group) of any Graham Asset or Graham Liability, as the case may be, the Parties shall use reasonable best efforts to promptly transfer or convey such Asset or Liability back to the transferring or conveying Party or to rescind any acceptance or assumption of such Asset or Liability, as the case may be. Any transfer or conveyance made or acceptance or assumption rescinded pursuant to this Section 2.01(c) shall be treated by the Parties for all purposes as if such Asset or Liability had never been originally transferred, conveyed, accepted or assumed, as the case may be, except as otherwise required by applicable Law or a Final Determination.

(e) To the extent that any transfer or conveyance of any Asset or acceptance or assumption of any Liability required by this Agreement to be so transferred, conveyed, accepted or assumed shall not have been completed prior to the Distribution, the Parties shall use reasonable best efforts to effect such transfer, conveyance, acceptance or assumption as promptly following the Distribution as shall be practicable. Nothing in this Agreement shall be deemed to require the transfer or conveyance of any Assets or the acceptance or assumption of any Liabilities which by their terms or operation of Law cannot be so transferred, conveyed, accepted or assumed; provided, however, that the Parties shall use reasonable best efforts to obtain any necessary Consents for the transfer, conveyance, acceptance or assumption (as applicable) of all Assets and Liabilities required by this Agreement to be so transferred, conveyed, accepted or assumed. In the event that any such transfer, conveyance, acceptance or assumption (as applicable) has not been completed effective as of and after the Distribution, the Party retaining such Asset or Liability shall thereafter hold such Asset for the use and benefit of the Party entitled thereto (at the expense of the Party entitled thereto) and retain such Liability for the account, and at the expense, of the Party by whom such Liability should have been assumed or accepted pursuant to this Agreement, and take such other actions as may be reasonably requested by the Party to which such Asset should have been transferred or conveyed, or by whom such Liability should have been assumed or accepted, as the case may be, in order to place such Party, insofar as reasonably possible, in the same position as would have existed had such Asset or Liability been transferred, conveyed, accepted or assumed (as applicable) as contemplated by this Agreement, including possession, use, risk of loss, potential for gain and control over such Asset or Liability. As and when any such Asset or Liability becomes transferable, the Parties shall use reasonable best efforts to promptly effect such transfer, conveyance, acceptance or assumption (as applicable). Any transfer, conveyance, acceptance or assumption made pursuant to this Section 2.01(d) shall be treated by the Parties for all purposes as if it had occurred immediately prior to the Distribution, except as otherwise required by applicable Law or a Final Determination.

(f) The Party retaining any Asset or Liability due to the deferral of the transfer and conveyance of such Asset or the deferral of the acceptance and assumption of such Liability pursuant to this Section 2.01 or otherwise shall not be obligated by this Agreement, in connection with this Section 2.01, to expend any money or take any action that would require the expenditure of money unless and to the extent the Party entitled to such Asset or the Party intended to assume such Liability advances or agrees to reimburse it for the applicable expenditures.

SECTION 2.02. Certain Matters Governed Exclusively by Ancillary Agreements. Each of Graham and Cable agrees on behalf of itself and the members of its Group that, except as explicitly provided in this Agreement or any Ancillary Agreement, (a) the TMA shall exclusively govern all matters relating to Taxes between such parties (except to the extent that tax matters relating to employee and employee benefits-related matters are addressed in the EMA), (b) the EMA shall exclusively govern the allocation of Assets and Liabilities related to employee and employee benefits-related matters, including the existing equity plans with respect to employees and former employees of members of both the Graham Group and the Cable Group (it being understood that any such Assets and Liabilities, as allocated pursuant to the EMA, shall constitute Cable Assets, Cable Liabilities, Graham Assets or Graham Liabilities, as applicable, hereunder and shall be subject to Article VI hereof) and (c) the TSA shall exclusively govern all matters relating to the provision of certain services identified therein to be provided by each Party to the other on a transitional basis following the Distribution.

SECTION 2.03. Termination of Agreements. (a) Except as set forth in Section 2.03(c) or as otherwise provided by the steps constituting the Internal Transactions, in furtherance of the releases and other provisions of Section 6.01, effective as of the Distribution, Cable and each other member of the Cable Group, on the one hand, and Graham and each other member of the Graham Group, on the other hand, hereby terminate any and all agreements, arrangements, commitments and understandings, oral or written ("Intercompany Agreements"), including all intercompany accounts payable or accounts receivable ("Intercompany Accounts"), between such parties and in effect or accrued as of the Distribution. No such terminated Intercompany Agreement or Intercompany Account (including any provision thereof that purports to survive termination) shall be of any further force or effect after the Distribution Date. Each Party shall, at the reasonable request of the other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing. The Parties, on behalf of the members of their respective Groups, hereby waive any advance notice provision or other termination requirements with respect to any Intercompany Agreement.

(b) In connection with the termination of Intercompany Accounts described in Section 2.03(a), each of Graham and Cable shall cause each Intercompany Account between a member of the Cable Group, on the one hand, and a member of the Graham Group, on the other hand, outstanding as of the close of business on the business day immediately prior to the Distribution Date to be settled on a net basis (whether via a dividend, a capital contribution, a combination of the foregoing or as otherwise agreed), in each case prior to the close of business on the Distribution Date; provided that all intercompany balances that are primarily accounting entries (and not reflective of amounts intended to be repaid), including in respect of any Cash balances or any Cash held in any centralized cash management system that are reflected in the accounting records of Graham and Cable at such time, shall be eliminated; provided further that any such intercompany balances resulting from Tax Intercompany Accounts may instead be settled as soon as reasonably possible following the Distribution Date. If after giving effect to such settlements and the Internal Transactions, the net amount of Cash held by the Cable Group as of the time of the Distribution would not equal \$100,000,000, the foregoing settlement shall be adjusted, or Graham and Cable shall otherwise agree on a method of Cash transfer on the Distribution Date, such that the amount of Cash held by the Cable Group immediately following the Distribution shall equal \$100,000,000.

(c) The provisions of Section 2.03(a) shall not apply to any of the following Intercompany Agreements or Intercompany Accounts (or to any of the provisions thereof): (i) this Agreement and the Ancillary Agreements (and each other Intercompany Agreement or Intercompany Account expressly contemplated by this Agreement or any Ancillary Agreement to be entered into by either Party or any other member of its Group); (ii) any existing written Intercompany Agreement between a member of the Cable Group, on the one hand, and a member of the Graham Group, on the other hand, that has been entered into in the ordinary course of business on an arm's-length basis for the provision of services or other commercial arrangement, including outstanding operational intercompany trade receivables or payables incurred on such basis and (iii) any other Intercompany Agreements or Intercompany Accounts that this Agreement or any Ancillary Agreement expressly contemplates will survive the Distribution Date.

(d) Each of Graham and Cable shall, and shall cause their respective Subsidiaries to, take all necessary actions to remove each of Cable and Cable's Subsidiaries from all Cash Management Arrangements to which it is a party, in each case prior to the close of business on the business day immediately prior to the Distribution Date.

SECTION 2.04. Shared Contracts. The Parties shall, and shall cause the members of their respective Groups to, use their respective reasonable best efforts to work together (and, if necessary and desirable, to work with the third party to such Shared Contract) in an effort to divide, partially assign, modify and/or replicate (in whole or in part) the respective rights and obligations under and in respect of any Shared Contract, such that (a) a member of the Cable Group is the beneficiary of the rights and is responsible for the obligations related to that portion of such Shared Contract relating to the Cable Business (the "Cable Portion"), which rights shall be a Cable Asset and which obligations shall be a Cable Liability and (b) a member of the Graham Group is the beneficiary of the rights and is responsible for the obligations related to such Shared Contract not relating to the Cable Business (the "Graham Portion"), which rights shall be a Graham Asset and which obligations shall be a Graham Liability. If the Parties, or their respective Group members, as applicable, are not able to enter into an arrangement to formally divide, partially assign, modify and/or replicate such Shared Contract prior to the Distribution as contemplated by the previous sentence, then the Parties shall, and shall cause their respective Group members to, cooperate in any lawful arrangement to provide that, following the Distribution and until the earlier of five years after the Distribution Date and such time as the formal division, partial assignment, modification and/or replication of such Shared Contract as contemplated by the previous sentence is effected, a member of the Cable Group shall receive the interest in the benefits and obligations of the Cable Portion under such Shared Contract and a member of the Graham Group shall receive the interest in the benefits and obligations of the Graham Portion under such Shared Contract.

SECTION 2.05. Disclaimer of Representations and Warranties. Each of Graham (on behalf of itself and each other member of the Graham Group) and Cable (on behalf of itself and each other member of the Cable Group) understands and agrees that, except as expressly set forth in this Agreement, any Ancillary Agreement or the Tax Representation Letters, no party to this Agreement, any Ancillary Agreement or any other agreement or document contemplated by this Agreement or any Ancillary Agreement is representing or warranting in any way as to any Assets or Liabilities transferred or assumed as contemplated hereby or thereby, as to the sufficiency of the Assets or Liabilities transferred or assumed hereby or thereby for the conduct and operations of the Cable Business or the Graham Business, as applicable, as to any Governmental Approvals or other Consents required in connection therewith or in connection with any past transfers of the Assets or assumptions of the Liabilities, as to the value or freedom from any Security Interests of, or any other matter concerning, any Assets or Liabilities of such party, or as to the absence of any defenses or rights of setoff or freedom from counterclaim with respect to any claim or other Asset, including any accounts receivable, of any such Party, or as to the legal sufficiency of any assignment, document or instrument delivered hereunder to convey title to any Asset or thing of value upon the execution, delivery and filing hereof or thereof. Except as may expressly be set forth herein, any such Assets are being transferred on an “as is,” “where is” basis and the respective transferees shall bear the economic and legal risks that (a) any conveyance shall prove to be insufficient to vest in the transferee good and marketable title, free and clear of any Security Interest, and (b) any necessary Governmental Approvals or other Consents are not obtained or that any requirements of Laws or judgments are not complied with.

ARTICLE III

Credit Support

SECTION 3.01. Replacement of Credit Support. (a) Cable shall use reasonable best efforts to arrange, at its sole cost and expense and effective on or prior to the Distribution Date, the replacement of all guarantees, covenants, indemnities, surety bonds, letters of credit or similar assurances or credit support (“Credit Support Instruments”) provided by or through Graham or any other member of the Graham Group for the benefit of Cable or any other member of the Cable Group (“Graham Credit Support Instruments”) with alternate arrangements that do not require any credit support from Graham or any other member of the Graham Group, and shall use reasonable best efforts to obtain from the beneficiaries of such Credit Support Instruments written releases (which in the case of a letter of credit or bank guarantee would be effective upon surrender of the original Graham Credit Support Instrument to the originating bank and such bank’s confirmation to Graham of cancelation thereof) indicating that Graham or such other member of the Graham Group will, effective upon the consummation of the Distribution, have no liability with respect to such Credit Support Instruments, in each case reasonably satisfactory to Graham.

(b) Graham shall use reasonable best efforts to arrange, at its sole cost and expense and effective on or prior to the Distribution Date, the replacement of all Credit Support Instruments provided by or through Cable or any other member of the Cable Group for the benefit of Graham or any other member of the Graham Group with alternate arrangements that do not require any credit support from Cable or any other member of the Cable Group, and shall use reasonable best efforts to obtain from the beneficiaries of such Credit Support Instruments written releases (which in the case of a letter of credit or bank guarantee would be effective upon surrender of the original Cable Credit Support Instrument to the originating bank and such bank's confirmation to Cable of cancellation thereof) indicating that Cable or such other member of the Cable Group will, effective upon the consummation of the Distribution, have no liability with respect to such Credit Support Instruments, in each case reasonably satisfactory to Cable.

(c) Graham and Cable shall provide each other with written notice of the existence of all Credit Support Instruments a reasonable period prior to the Distribution.

ARTICLE IV

Actions Pending the Distribution

SECTION 4.01. Actions Prior to the Distribution. (a) Subject to the conditions specified in Section 4.02 and subject to Section 5.02, Graham and Cable shall use reasonable best efforts to consummate the Distribution. Such efforts shall include taking the actions specified in this Section 4.01.

(b) Prior to the Distribution, Graham shall mail the Information Statement to the Record Holders.

(c) Cable shall prepare, file with the Commission and use its reasonable best efforts to cause to become effective any registration statements or amendments thereto required to effect the establishment of, or amendments to, any employee benefit and other plans necessary or appropriate in connection with the transactions contemplated by this Agreement or any of the Ancillary Agreements.

(d) Graham and Cable shall take all such action as may be necessary or appropriate under the securities or blue sky laws of the states or other political subdivisions of the United States or of other foreign jurisdictions in connection with the Distribution.

(e) Cable shall prepare and file, and shall use reasonable best efforts to have approved prior to the Distribution, an application for the listing of the Cable Common Stock to be distributed in the Distribution on the Exchange, subject to official notice of distribution.

(f) Prior to the Distribution, Graham shall have duly elected the individuals listed as members of the Cable board of directors in the Information Statement, and such individuals shall be the members of the Cable board of directors effective as of immediately after the Distribution; provided, however, that to the extent required by any Law or requirement of the Exchange or any other national securities exchange, as applicable, one independent director shall be appointed by the existing board of directors of Cable prior to the date on which "when-issued" trading of the Cable Common Stock begins on the Exchange and begin his or her term prior to the Distribution and shall serve on Cable's Audit Committee, Compensation Committee and Nominating and Governance Committee.

(g) Prior to the Distribution, Graham shall deliver or cause to be delivered to Cable resignations, effective as of immediately after the Distribution, of each individual who will be an employee of any member of the Graham Group after the Distribution and who is an officer or director of any member of the Cable Group immediately prior to the Distribution.

(h) Immediately prior to the Distribution, the Amended and Restated Certificate of Incorporation and the Amended and Restated By-laws of Cable, each in substantially the form filed as an exhibit to the Form 10, shall be in effect.

(i) Prior to the Distribution, Cable shall make capital and other expenditures and operate its cash management, accounts payable and receivables collection systems in the ordinary course of business consistent with prior practice except as required in connection with the transactions contemplated by this Agreement and Ancillary Agreements.

(j) Graham and Cable shall, subject to Section 5.02, take all reasonable steps necessary and appropriate to cause the conditions set forth in Section 4.02 to be satisfied and to effect the Distribution on the Distribution Date.

SECTION 4.02. Conditions Precedent to Consummation of the Distribution. Subject to Section 5.02, as soon as practicable after the date of this Agreement, the Parties shall use reasonable best efforts to satisfy the following conditions prior to the consummation of the Distribution. The obligations of the Parties to consummate the Distribution shall be conditioned on the satisfaction, or waiver by Graham, of the following conditions:

(a) The board of directors of Graham shall have authorized and approved the Internal Transactions and Distribution and not withdrawn such authorization and approval, and shall have declared the dividend of Cable Common Stock to Graham shareholders.

(b) Each Ancillary Agreement shall have been executed by each party to such agreement.

(c) The Commission shall have declared effective the Form 10, no stop order suspending the effectiveness of the Form 10 shall be in effect and no proceedings for that purpose shall be pending before or threatened by the Commission.

(d) The Cable Common Stock shall have been accepted for listing on the Exchange or another national securities exchange approved by Graham, subject to official notice of issuance.

(e) Graham shall have received the written opinion of Cravath, Swaine & Moore LLP, which shall remain in full force and effect, that, subject to the accuracy of and compliance with the relevant Tax Representation Letters, the Distribution should qualify for its Intended Tax Treatment.

(f) The Internal Transactions shall have been completed.

(g) No order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Distribution shall be in effect, and no other event outside the control of Graham shall have occurred or failed to occur that prevents the consummation of the Distribution.

(h) No other events or developments shall have occurred prior to the Distribution that, in the judgment of the board of directors of Graham, would result in the Distribution having a material adverse effect on Graham or the shareholders of Graham.

(i) The actions set forth in Sections 4.01(b), (f), (g) and (h) shall have been completed.

(j) Cable shall have delivered to Graham a certificate signed by the Chief Executive Officer of Cable, dated as of the Distribution Date, certifying that Cable has complied with Section 4.01(i).

The foregoing conditions are for the sole benefit of Graham and shall not give rise to or create any duty on the part of Graham or the Graham board of directors to waive or not waive such conditions or in any way limit the right of Graham to terminate this Agreement as set forth in Article XI or alter the consequences of any such termination from those specified in such Article. Any determination made by the Graham board of directors prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 4.02 shall be conclusive.

ARTICLE V

The Distribution

SECTION 5.01. The Distribution. (a) Cable shall cooperate with Graham to accomplish the Distribution and shall, at the direction of Graham, use its reasonable best efforts to promptly take any and all actions necessary or desirable to effect the Distribution. Graham shall select any investment bank or manager in connection with the Distribution, as well as any financial printer, distribution agent and financial, legal, accounting and other advisors for Graham. Graham or Cable, as the case may be, will provide, or cause the applicable member of its Group to provide, to the Agent all share certificates and any information required in order to complete the Distribution.

(b) Subject to the terms and conditions set forth in this Agreement, (i) after completion of the Internal Transactions and on or prior to the Distribution Date, for the benefit of and distribution to the holders of Graham Common Stock as of the Record Date (“Record Holders”), Graham will deliver to the Agent all of the issued and outstanding shares of Cable Common Stock then owned by Graham or any other member of the Graham Group and book-entry authorizations for such shares and (ii) on the Distribution Date, Graham shall instruct the Agent to distribute, by means of a pro rata dividend based on the aggregate number of shares of Graham Common Stock held by each applicable Record Holder, to each Record Holder (or such Record Holder’s bank or brokerage firm on such Record Holder’s behalf) electronically, by direct registration in book-entry form, the number of shares of Cable Common Stock to which such Record Holder is entitled based on a distribution ratio determined by Graham in its sole discretion. The Distribution shall be effective at 12:01 a.m. New York City time on the Distribution Date. On or as soon as practicable after the Distribution Date, the Agent will mail to each Record Holder an account statement indicating the number of shares of Cable Common Stock that have been registered in book-entry form in the name of such Record Holder.

SECTION 5.02. Sole Discretion of Graham. Graham shall, in its sole and absolute discretion, determine the Record Date, the Distribution Date and all terms of the Distribution, including the form, structure and terms of any transactions and/or offerings to effect the Distribution and the timing of and conditions to the consummation thereof. In addition and notwithstanding anything to the contrary set forth below, Graham may at any time and from time to time until the Distribution decide to abandon the Distribution or modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution.

ARTICLE VI

Mutual Releases; Indemnification

SECTION 6.01. Release of Pre-Distribution Claims. (a) Except as provided in Section 6.01(c) or elsewhere in this Agreement or the Ancillary Agreements, effective as of the Distribution, Cable does hereby, for itself and each other member of the Cable Group, their respective Affiliates, and to the extent it may legally do so, successors and assigns and all Persons who at any time on or prior to the Distribution have been shareholders, directors, officers, agents or employees of any member of the Cable Group (in each case, in their respective capacities as such), remise, release and forever discharge Graham and the other members of the Graham Group, their respective Affiliates, successors and assigns, and all Persons who at any time on or prior to the Distribution have been shareholders, directors, officers, agents or employees of any member of the Graham Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Cable Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Distribution, including in connection with the Spin-Off and all other activities to implement the Spin-Off. This Section 6.01(a) shall not affect Graham's indemnification obligations with respect to Liabilities arising on or before the Distribution Date under Article Ninth(B) of its Certificate of Incorporation, as in effect on the date on which the event or circumstances giving rise to such indemnification obligation occur.

(b) Except as provided in Section 6.01(c) or elsewhere in this Agreement or the Ancillary Agreements, effective as of the Distribution, Graham does hereby, for itself and each other member of the Graham Group, their respective Affiliates, and to the extent it may legally do so, successors and assigns and all Persons who at any time on or prior to the Distribution have been shareholders, directors, officers, agents or employees of any member of the Graham Group (in each case, in their respective capacities as such), remise, release and forever discharge Cable, the other members of the Cable Group, their respective Affiliates, successors and assigns, and all Persons who at any time on or prior to the Distribution have been shareholders, directors, officers, agents or employees of any member of the Cable Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Graham Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Distribution, including in connection with the Spin-Off and all other activities to implement the Spin-Off.

(c) Nothing contained in Section 6.01(a) or (b) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement or any Intercompany Agreement or Intercompany Account that is specified in Section 2.03(c) not to terminate as of the Distribution, in each case in accordance with its terms. Nothing contained in Section 6.01(a) or (b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any members of the Graham Group or the Cable Group that is specified in Section 2.03(c) as not to terminate as of the Distribution, or any other Liability specified in such Section 2.03(c) as not to terminate as of the Distribution;

(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any Ancillary Agreement;

(iii) any Liability provided in or resulting from any other agreement or understanding that is entered into after the Distribution between one Party (and/or a member of such Party's Group), on the one hand, and the other Party (and/or a member of such Party's Group), on the other hand;

(iv) any Liability that the Parties may have with respect to indemnification or contribution pursuant to this Agreement or any Ancillary Agreement for claims brought against the Parties, the members of their respective Groups or any of their respective directors, officers, employees or agents, by third Persons, which Liability shall be governed by the provisions of this Article VI or, if applicable, the appropriate provisions of the relevant Ancillary Agreement; or

(v) any Liability the release of which would result in the release of any Person not otherwise intended to be released pursuant to this Section 6.01.

(d) Cable shall not make, and shall not permit any other member of the Cable Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Graham or any other member of the Graham Group, or any other Person released pursuant to Section 6.01(a), with respect to any Liabilities released pursuant to Section 6.01(a). Graham shall not make, and shall not permit any other member of the Graham Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against Cable or any other member of the Cable Group, or any other Person released pursuant to Section 6.01(b), with respect to any Liabilities released pursuant to Section 6.01(b).

(e) It is the intent of each of Graham and Cable, by virtue of the provisions of this Section 6.01, to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Distribution Date, between or among Cable or any other member of the Cable Group, on the one hand, and Graham or any other member of the Graham Group, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such members on or before the Distribution Date), except as set forth in Section 6.01(c) or elsewhere in this Agreement or in any Ancillary Agreement. At any time, at the request of the other Party, each Party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions hereof.

SECTION 6.02. Indemnification by Cable. Subject to Section 6.04, Cable shall indemnify, defend and hold harmless Graham, each other member of the Graham Group and each of their respective former and current directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the “Graham Indemnitees”), from and against any and all Liabilities of the Graham Indemnitees relating to, arising out of or resulting from any of the following items (without duplication):

(a) the Cable Liabilities, including the failure of Cable or any other member of the Cable Group or any other Person to pay, perform or otherwise promptly discharge any Cable Liability in accordance with its terms;

(b) any breach by Cable or any other member of the Cable Group of this Agreement or any Ancillary Agreement unless such Ancillary Agreement expressly provides for separate indemnification therein (which shall be controlling); and

(c) any breach by Cable of any of the representations and warranties made by Cable on behalf of itself and the members of the Cable Group in Section 12.01(c).

SECTION 6.03. Indemnification by Graham. Subject to Section 6.04, Graham shall indemnify, defend and hold harmless Cable, each other member of the Cable Group and each of their respective former and current directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Cable Indemnitees"), from and against any and all Liabilities of the Cable Indemnitees relating to, arising out of or resulting from any of the following items (without duplication):

(a) the Graham Liabilities, including the failure of Graham or any other member of the Graham Group or any other Person to pay, perform or otherwise promptly discharge any Graham Liability in accordance with its terms;

(b) any breach by Graham or any other member of the Graham Group of this Agreement or any Ancillary Agreement unless such Ancillary Agreement expressly provides for separate indemnification therein (which shall be controlling); and

(c) any breach by Graham of any of the representations and warranties made by Graham on behalf of itself and the members of the Graham Group in Section 12.01(c).

SECTION 6.04. Indemnification Obligations Net of Insurance Proceeds and Third-Party Proceeds. (a) The Parties intend that any Liability subject to indemnification or reimbursement pursuant to this Agreement will be net of (i) Insurance Proceeds that actually reduce the amount of, or are paid to the applicable Indemnatee in respect of, such Liability or (ii) other amounts recovered from any third party that actually reduce the amount of, or are paid to the applicable Indemnatee in respect of, such Liability ("Third-Party Proceeds"). Accordingly, the amount that either Party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification or reimbursement pursuant to this Agreement (an "Indemnatee") will be reduced by any Insurance Proceeds or Third-Party Proceeds theretofore actually recovered by or on behalf of the Indemnatee from a third party in respect of the related Liability. If an Indemnatee receives a payment required by this Agreement from an Indemnifying Party in respect of any Liability (an "Indemnity Payment") and subsequently receives Insurance Proceeds or Third-Party Proceeds in respect of such Liability, then the Indemnatee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if such Insurance Proceeds or Third-Party Proceeds had been received, realized or recovered before the Indemnity Payment was made.

(b) An insurer that would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or have any subrogation rights with respect thereto by virtue of the indemnification provisions hereof, it being expressly understood and agreed that no insurer or any other third party shall be entitled to a "wind-fall" (i.e., a benefit they would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification provisions hereof. Each member of the Graham Group and Cable Group shall use reasonable best efforts to seek to collect or recover any Insurance Proceeds and any Third-Party Proceeds to which such Person is entitled in connection with any Liability for which such Person seeks indemnification pursuant to this Article VI; provided, however, that such Person's inability to collect or recover any such Insurance Proceeds or Third-Party Proceeds shall not limit the Indemnifying Party's obligations hereunder.

(c) The calculation of any Indemnity Payments required by this Agreement shall be subject to Section 4.03 of the TMA.

SECTION 6.05. Procedures for Indemnification of Third-Party Claims. (a) If an Indemnitee shall receive notice or otherwise learn of a Third-Party Claim with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to this Agreement, such Indemnitee shall give such Indemnifying Party written notice thereof as soon as reasonably practicable, but no later than 30 days after becoming aware of such Third-Party Claim. Any such notice shall describe the Third-Party Claim in reasonable detail. Notwithstanding the foregoing, the failure of any Indemnitee or other Person to give notice as provided in this Section 6.05(a) shall not relieve the related Indemnifying Party of its obligations under this Article VI, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice.

(b) The Indemnifying Party shall have the right, exercisable by written notice to the Indemnitee within 30 calendar days after receipt of notice from an Indemnitee in accordance with Section 6.05(a) (or sooner, if the nature of such Third-Party Claim so requires), to assume and conduct the defense of such Third-Party Claim in accordance with the limits set forth in this Agreement with counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnitee; provided, however, that the Third-Party Claim solely seeks (and continues to seek) monetary damages (the condition set forth in this proviso, the "Litigation Condition").

(c) If the Indemnifying Party elects not to assume the defense of a Third-Party Claim (or is not permitted to assume the defense of a Third-Party Claim as a result of the Litigation Condition not being met with respect thereto) in accordance with this Agreement, or fails to notify an Indemnitee of its election as provided in Section 6.05(b), such Indemnitee may defend such Third-Party Claim at the cost and expense of the Indemnifying Party.

(d) If the Indemnifying Party elects (and is permitted) to assume the defense of a Third-Party Claim in accordance with the terms of this Agreement, the Indemnitees shall, subject to the terms of this Agreement, cooperate with the Indemnifying Party with respect to the defense of such Third-Party Claim.

(e) If the Indemnifying Party elects (and is permitted) to assume the defense of a Third-Party Claim in accordance with the terms of this Agreement, the Indemnifying Party will not be liable for any additional legal expenses subsequently incurred by the Indemnitee in connection with the defense of the Third-Party Claim; provided, however, that if (i) the Litigation Condition ceases to be met or (ii) the Indemnifying Party fails to take reasonable steps necessary to defend diligently such Third-Party Claim, the Indemnitee may assume its own defense, and the Indemnifying Party will be liable for all reasonable costs or expenses paid or incurred in connection with such defense. The Indemnifying Party or the Indemnitee, as the case may be, shall have the right to participate in (but, subject to the prior sentence, not control), at its own expense, the defense of any Third-Party Claim that the other is defending as provided in this Agreement. In the event, however, that such Indemnitee reasonably determines that representation by counsel to the Indemnifying Party of both such Indemnifying Party and the Indemnitee could reasonably be expected to present such counsel with a conflict of interest, then the Indemnitee may employ separate counsel to represent or defend it in any such action or proceeding and the Indemnifying Party will pay the reasonable fees and expenses of such counsel.

(f) No Indemnifying Party shall consent to entry of any judgment or enter into any settlement of any Third-Party Claim without the consent of the applicable Indemnitee or Indemnitees; provided, however, that such Indemnitee(s) shall be required to consent to such entry of judgment or to such settlement that the Indemnifying Party may recommend if the judgment or settlement (i) contains no finding or admission of any violation of Law or any violation of the rights of any Person, (ii) involves only monetary relief which the Indemnifying Party has agreed to pay and (iii) includes a full and unconditional release of the Indemnitee. Notwithstanding the foregoing, in no event shall an Indemnitee be required to consent to any entry of judgment or settlement if the effect thereof is to permit any injunction, declaratory judgment, other order or other nonmonetary relief to be entered, directly or indirectly, against any Indemnitee.

(g) Whether or not the Indemnifying Party assumes the defense of a Third-Party Claim, no Indemnitee shall admit any liability with respect to, or settle, compromise or discharge, such Third-Party Claim without the Indemnifying Party's prior written consent (such consent not to be unreasonably withheld or delayed).

SECTION 6.06. Additional Matters. (a) Any claim on account of a Liability that does not result from a Third-Party Claim shall be asserted by written notice given by the Indemnitee to the related Indemnifying Party. Such Indemnifying Party shall have a period of 30 days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such 30-day period, such Indemnifying Party shall be deemed to have refused to accept responsibility to make payment. If such Indemnifying Party does not respond within such 30-day period or rejects such claim in whole or in part, such Indemnitee shall be free to pursue such remedies as may be available to such Party as contemplated by this Agreement.

(b) In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third-Party Claim or against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(c) In the event of an Action relating to a Liability that has been allocated to an Indemnifying Party pursuant to the terms of this Agreement or any Ancillary Agreement in which the Indemnifying Party is not a named defendant, if the Indemnifying Party shall so request, the Parties shall endeavor to substitute the Indemnifying Party for the named defendant or add the Indemnifying Party as an additional named defendant, if at all practicable. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action and the Indemnifying Party shall fully indemnify the named defendant against all reasonable costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts, fees and all other external expenses), the costs of any judgment or settlement and the cost of any interest or penalties relating to any judgment or settlement.

SECTION 6.07. Remedies Cumulative. The remedies provided in this Article VI shall be cumulative and, subject to the provisions of Article X, shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

SECTION 6.08. Survival of Indemnities. The rights and obligations of each of Graham and Cable and their respective Indemnitees under this Article VI shall survive the sale or other transfer by any Party or its Affiliates of any Assets or businesses or the assignment by it of any Liabilities.

SECTION 6.09. Limitation on Liability. Except as may expressly be set forth in this Agreement, none of Graham, Cable or any other member of either Group shall in any event have any Liability to the other or to any other member of the other's Group, or to any other Graham Indemnitee or Cable Indemnitee, as applicable, under this Agreement (i) with respect to any matter to the extent that such Party seeking indemnification has engaged in any knowing violation of Law or fraud in connection therewith or (ii) for any indirect, special, punitive or consequential damages, whether or not caused by or resulting from negligence or breach of obligations hereunder and whether or not informed of the possibility of the existence of such damages; provided, however, that the provisions of this Section 6.09(ii) shall not limit an Indemnifying Party's indemnification obligations hereunder with respect to any Liability any Indemnitee may have to any third party not affiliated with any member of the Graham Group or the Cable Group for any indirect, special, punitive or consequential damages.

ARTICLE VII

Access to Information; Confidentiality.

SECTION 7.01. Agreement for Exchange of Information; Archives. (a) Except in the case of an adversarial Action or threatened adversarial Action by either Graham or Cable or a Person or Persons in its Group against the other Party or a Person or Persons in its Group, and subject to Section 7.01(b), each of Graham and Cable, on behalf of its respective Group, shall provide, or cause to be provided, to the other Party, at any time after the Distribution, as soon as reasonably practicable after written request therefor, any Information relating to time periods on or prior to the Distribution Date in the possession or under the control of such respective Group, which Graham or Cable, or any member of its respective Group, as applicable, reasonably needs (i) to comply with reporting, disclosure, filing or other requirements imposed on Graham or Cable, or any member of its respective Group, as applicable (including under applicable securities laws), by any national securities exchange or any Governmental Authority having jurisdiction over Graham or Cable, or any member of its respective Group, as applicable, (ii) for use in any other judicial, regulatory, administrative or other proceeding or in order to satisfy audit, accounting, regulatory, litigation or other similar requirements or (iii) to comply with its obligations under this Agreement or any Ancillary Agreement. The receiving Party shall use any Information received pursuant to this Section 7.01(a) solely to the extent reasonably necessary to satisfy the applicable obligations or requirements described in clause (i), (ii) or (iii) of the immediately preceding sentence.

(b) In the event that either Graham or Cable determines that the exchange of any Information pursuant to Section 7.01(a) could be commercially detrimental, violate any Law or agreement or waive or jeopardize any attorney-client privilege or attorney work product protection, such Party shall not be required to provide access to or furnish such Information to the other Party; provided, however, that both Graham and Cable shall take all commercially reasonable measures to permit compliance with Section 7.01(a) in a manner that avoids any such harm or consequence. Both Graham and Cable intend that any provision of access to or the furnishing of Information pursuant to this Section 7.01 that would otherwise be within the ambit of any legal privilege shall not operate as waiver of such privilege.

(c) Each of Cable and Graham agrees, on behalf of itself and each member of the Group of which it is a member, not to disclose or otherwise waive any privilege or protection attaching to any privileged Information relating to a member of the other Group or relating to or arising in connection with the relationship between the Groups prior to the Distribution, without providing prompt written notice to and obtaining the prior written consent of the other (not to be unreasonably withheld or delayed).

(d) Graham and Cable each agrees that it will only process personal data provided to it by the other Group in accordance with all applicable privacy and data protection law obligations (including any applicable privacy policies of the Cable Group or the Graham Group, as the case may be) and will implement and maintain at all times appropriate technical and organizational measures to protect such personal data against unauthorized or unlawful processing and accidental loss, destruction, damage, alteration and disclosure. In addition, each Party agrees to provide reasonable assistance to the other Party in respect of any obligations under privacy and data protection legislation affecting the disclosure of such personal data to the other Party and will not knowingly process such personal data in such a way to cause the other Party to violate any of its obligations under any applicable privacy and data protection legislation.

SECTION 7.02. Ownership of Information. Any Information owned by one Group that is provided to the requesting Party hereunder shall be deemed to remain the property of the providing Party. Except as specifically set forth herein, nothing herein shall be construed as granting or conferring rights of license or otherwise in any such Information.

SECTION 7.03. Compensation for Providing Information. Graham and Cable shall reimburse each other for the reasonable costs, if any, in complying with a request for Information pursuant to this Article VII. Except as may be otherwise specifically provided elsewhere in this Agreement, such costs shall be computed in accordance with Cable's or Graham's, as applicable, standard methodology and procedures.

SECTION 7.04. Record Retention. To facilitate the possible exchange of Information pursuant to this Article VII and other provisions of this Agreement, each Party shall use its reasonable best efforts to retain all Information in such Party's possession relating to the other Party or its businesses, Assets or Liabilities, this Agreement or the Ancillary Agreements (the "Retained Information") in accordance with its respective record retention policy as in effect on the date hereof or such longer or shorter period as required by Law, this Agreement or the Ancillary Agreements.

SECTION 7.05. Accounting Information. Without limiting the generality of Section 7.01 but subject to Section 7.01(b):

(a) Until the end of the first full fiscal year occurring after the Distribution Date (and for a reasonable period of time afterwards as required by Law for Graham to prepare consolidated financial statements or complete a financial statement audit for any period during which the financial results of the Cable Group were consolidated with those of Graham), Cable shall use its reasonable best efforts to enable Graham to meet its timetable for dissemination of its financial statements and to enable Graham's auditors to timely complete their annual audit and quarterly reviews of financial statements. As part of such efforts, to the extent reasonably necessary for the preparation of financial statements or completing an audit or review of financial statements or an audit of internal control over financial reporting, (i) Cable shall authorize and direct its auditors to make available to Graham's auditors, within a reasonable time prior to the date of Graham's auditors' opinion or review report, both (x) the personnel who performed or will perform the annual audits and quarterly reviews of Cable and (y) work papers related to such annual audits and quarterly reviews, to enable Graham's auditors to perform any procedures they consider reasonably necessary to take responsibility for the work of Cable's auditors as it relates to Graham's auditors' opinion or report and (ii) until all governmental audits are complete, Cable shall provide reasonable access during normal business hours for Graham's internal auditors, counsel and other designated representatives to (x) the premises of Cable and its Subsidiaries and all Information (and duplicating rights) within the knowledge, possession or control of Cable and its Subsidiaries and (y) the officers and employees of Cable and its Subsidiaries, so that Graham may conduct reasonable audits relating to the financial statements provided by Cable and its Subsidiaries; provided, however, that such access shall not be unreasonably disruptive to the business and affairs of the Cable Group.

(b) Until the end of the first full fiscal year occurring after the Distribution Date (and for a reasonable period of time afterwards or as required by Law), Graham shall use its reasonable best efforts to enable Cable to meet its timetable for dissemination of its financial statements and to enable Cable's auditors to timely complete their annual audit and quarterly reviews of financial statements. As part of such efforts, to the extent reasonably necessary for the preparation of financial statements or completing an audit or review of financial statements or an audit of internal control over financial reporting, (i) Graham shall authorize and direct its auditors to make available to Cable's auditors, within a reasonable time prior to the date of Cable's auditors' opinion or review report, both (x) the personnel who performed or will perform the annual audits and quarterly reviews of Graham and (y) work papers related to such annual audits and quarterly reviews, to enable Cable's auditors to perform any procedures they consider reasonably necessary to take responsibility for the work of Graham's auditors as it relates to Cable's auditors' opinion or report and (ii) until all governmental audits are complete, Graham shall provide reasonable access during normal business hours for Cable's internal auditors, counsel and other designated representatives to (x) the premises of Graham and its Subsidiaries and all Information (and duplicating rights) within the knowledge, possession or control of Graham and its Subsidiaries and (y) the officers and employees of Graham and its Subsidiaries, so that Cable may conduct reasonable audits relating to the financial statements provided by Graham and its Subsidiaries; provided, however, that such access shall not be unreasonably disruptive to the business and affairs of the Graham Group.

(c) In order to enable the principal executive officer(s) and principal financial officer(s) (as such terms are defined in the rules and regulations of the Commission) of Graham to make any certifications required of them under Section 302 or 906 of the Sarbanes-Oxley Act of 2002, Cable shall, within a reasonable period of time following a request from Graham in anticipation of filing such reports, cause its principal executive officer(s) and principal financial officer(s) to provide Graham with certifications of such officers in support of the certifications of Graham's principal executive officer(s) and principal financial officer(s) required under Section 302 or 906 of the Sarbanes-Oxley Act of 2002 with respect to Graham's Quarterly Report on Form 10-Q filed with respect to the fiscal quarter during which the Distribution Date occurs (unless such quarter is the fourth fiscal quarter), each subsequent fiscal quarter through the third fiscal quarter of the year in which the Distribution Date occurs and Graham's Annual Report on Form 10-K filed with respect to the fiscal year during which the Distribution Date occurs. Such certifications shall be provided in substantially the same form and manner as such Cable officers provided prior to the Distribution (reflecting any changes in certifications necessitated by the Spin-Off or any other transactions related thereto) or as otherwise agreed upon between Graham and Cable.

SECTION 7.06. Limitations of Liability. Neither Graham nor Cable shall have any Liability to the other Party in the event that any Information exchanged or provided pursuant to this Agreement that is an estimate or forecast, or that is based on an estimate or forecast, is found to be inaccurate in the absence of wilful misconduct by the providing Person. Neither Graham nor Cable shall have any Liability to the other Party if any Information is destroyed after reasonable best efforts by Cable or Graham, as applicable, to comply with the provisions of Section 7.04.

SECTION 7.07. Production of Witnesses; Records; Cooperation. (a) After the Distribution Date and until the third anniversary thereof, except in the case of an adversarial Action or threatened adversarial Action by either Graham or Cable or a Person or Persons in its Group against the other Party or a Person or Persons in its Group, each of Graham and Cable shall take all reasonable steps to make available, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the Persons in its respective Group (whether as witnesses or otherwise) and any books, records or other documents within its control or that it otherwise has the ability to make available, to the extent that such Person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action or threatened or contemplated Action (including preparation for such Action) in which Graham or Cable, as applicable, may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all reasonable out-of-pocket costs and expenses in connection therewith.

(b) Without limiting the foregoing, Graham and Cable shall use their reasonable best efforts to cooperate and consult to the extent reasonably necessary with respect to any Actions or threatened or contemplated Actions, other than an adversarial Action against the other Group.

(c) The obligation of Graham and Cable to make available former, current and future directors, officers, employees and other personnel and agents or provide witnesses and experts pursuant to this Section 7.07 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to make available employees and other officers without regard to whether such individual or the employer of such individual could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 7.07(a)). Without limiting the foregoing, each of Graham and Cable agrees that neither it nor any Person or Persons in its respective Group will take any adverse action against any employee of its Group based on such employee's provision of assistance or information to each other pursuant to this Section 7.07.

(d) Upon the reasonable request of Graham or Cable, in connection with any Action contemplated by this Article VII, Graham and Cable will enter into a mutually acceptable common interest agreement so as to maintain to the extent practicable any applicable attorney-client privilege or work product immunity of any member of either Group.

SECTION 7.08. Confidential Information. (a) Each of Graham and Cable, on behalf of itself and each Person in its respective Group, shall hold, and cause its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives to hold, in strict confidence and not release or disclose, with at least the same degree of care, but no less than a reasonable degree of care, that it applies to its own confidential and proprietary information pursuant to policies in effect as of the Distribution Date, all Information concerning the other Group or its business that is either in its possession (including Information in its possession prior to the Distribution) or furnished by the other Group or its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives at any time pursuant to this Agreement, and shall not use any such Information other than for such purposes as shall be expressly permitted hereunder, except, in each case, to the extent that such Information is (i) in the public domain through no fault of any member of the Graham Group or the Cable Group, as applicable, or any of its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives, (ii) later lawfully acquired from other sources by any of Graham, Cable or its respective Group, employees, directors or agents, accountants, counsel and other advisors and representatives, as applicable, which sources are not themselves bound by a confidentiality obligation to the knowledge of any of Graham, Cable or Persons in its respective Group, as applicable, (iii) independently generated without reference to any proprietary or confidential Information of the Graham Group or the Cable Group, as applicable, or (iv) required to be disclosed by Law; provided, however, that the Person required to disclose such Information gives the applicable Person prompt, and to the extent reasonably practicable, prior notice of such disclosure and an opportunity to contest such disclosure and shall use reasonable best efforts to cooperate, at the expense of the requesting Person, in seeking any reasonable protective arrangements requested by such Person. In the event that such appropriate protective order or other remedy is not obtained, the Person that is required to disclose such Information shall furnish, or cause to be furnished, only that portion of such Information that is legally required to be disclosed and shall use reasonable best efforts to ensure that confidential treatment is accorded such Information. Notwithstanding the foregoing, each of Graham and Cable may release or disclose, or permit to be released or disclosed, any such Information concerning the other Group (x) to their respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives who need to know such Information (who shall be advised of the obligations hereunder with respect to such Information), and (y) to any nationally recognized statistical rating organization as it reasonably deems necessary, solely for the purpose of obtaining a rating of securities or other debt instruments upon normal terms and conditions; provided, however, that the Party whose Information is being disclosed or released to such rating organization is promptly notified thereof.

(b) Without limiting the foregoing, when any Information concerning the other Group or its business is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, each of Graham and Cable will, promptly after request of the other Party, either return all Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other Party, as applicable, that it has destroyed such Information, other than, in each case, any such Information electronically preserved or recorded within any computerized data storage device or component (including any hard-drive or database) pursuant to automatic or routine backup procedures generally accessible only by legal, IT or compliance personnel.

ARTICLE VIII

Insurance

SECTION 8.01. Insurance. (a) Until the Distribution Date, Graham shall (i) cause the members of the Cable Group and their respective employees, officers and directors to continue to be covered as insured parties under Graham's policies of insurance in a manner which is no less favorable than the coverage provided for the Graham Group and (ii) permit the members of the Cable Group and their respective employees, officers and directors to submit claims arising from or relating to facts, circumstances, events or matters that occurred prior to the Distribution Date to the extent permitted under such policies. With respect to policies currently procured by Cable for the sole benefit of the Cable Group, Cable shall continue to maintain such insurance coverage through the Distribution Date in a manner no less favorable than currently provided. Without limiting any of the rights or obligations of the parties pursuant to Section 8.01(b), Graham and Cable acknowledge that, as of immediately prior to the Distribution Date, Graham intends to take such action as it may deem necessary or desirable to remove the members of the Cable Group and their respective employees, officers and directors as insured parties under any policy of insurance issued to any member of the Graham Group by any insurance carrier effective immediately prior to the Distribution Date. The Cable Group will not be entitled on or following the Distribution Date, absent mutual agreement otherwise, to make any claims for insurance thereunder to the extent such claims are based upon facts, circumstances, events or matters occurring on or after the Distribution Date or to the extent any claims are made pursuant to any Graham claims-made policies on or after the Distribution Date. No member of the Graham Group shall be deemed to have made any representation or warranty as to the availability of any coverage under any such insurance policy. Notwithstanding the foregoing, Graham shall, and shall cause the other members of the Graham Group to, use reasonable best efforts to take such actions as are necessary to cause all insurance policies of the Graham Group that immediately prior to the Distribution provide coverage to or with respect to the members of the Cable Group and their respective employees, officers and directors to continue to provide such coverage with respect to acts, omissions or events occurring prior to the Distribution in accordance with their terms as if the Distribution had not occurred; provided, however, that in no event shall Graham be required to extend or maintain coverage under claims-made policies with respect to any claims first made against a member of the Cable Group or first reported to the insurer on or after the Distribution Date.

(b) On and after the Distribution Date, the members of each of the Graham Group and the Cable Group shall have the right to assert Pre-Separation Insurance Claims and the members of the Cable Group shall have the right to participate with Graham to resolve Pre-Separation Insurance Claims under the applicable Graham insurance policies up to the full extent of the applicable and available limits of liability of such policy. Graham or Cable, as the case may be, shall have primary control over those Pre-Separation Insurance Claims for which the Graham Group or the Cable Group, respectively, bears the underlying loss, subject to the terms and conditions of the relevant policy of insurance governing such control. If a member of the Cable Group is unable to assert a Pre-Separation Insurance Claim because it is no longer an “insured” under a Graham insurance policy, then Graham shall assert such claim in its own name and deliver the Insurance Proceeds to Cable. Any Insurance Proceeds received by the Graham Group for members of the Cable Group shall be for the benefit of the Cable Group. Any Insurance Proceeds received for the benefit of both the Graham Group and the Cable Group shall be distributed pro rata based on the respective share of the underlying loss.

(c) With respect to Pre-Separation Insurance Claims, whether or not known or reported on or prior to the Distribution Date, Cable shall, or shall cause the applicable member of the Cable Group to, report such claims arising from the Cable Business as soon as practicable to each of Graham and the applicable insurer(s), and Cable shall, or shall cause the applicable member of Cable Group to, individually, and not jointly, assume and be responsible (including, upon the request of Graham, by reimbursement to Graham for amounts paid or payable by it) for the reimbursement liability (including any deductible, coinsurance or retention payment) related to its portion of the liability, unless otherwise agreed in writing by Graham. Each of Graham and Cable shall, and shall cause each member of the Graham Group and Cable Group, respectively, to, cooperate and assist the applicable member of the Cable Group and the Graham Group, as applicable, with respect to such claims. The applicable member of the Cable Group shall provide to Graham any collateral (or a letter of credit in an amount equal to the value of such collateral) in respect of the reimbursement obligations as may reasonably be requested by the insurers and, upon the request of Graham, any other collateral required by the insurers in respect of insurance policies under which Pre-Separation Insurance Claims may be recoverable based upon Graham’s reasonable estimate of the proportion of the requested collateral attributable to claims that may be made by the Cable Group. Graham agrees that Pre-Separation Insurance Claims of members of the Cable Group shall receive the same priority as Pre-Separation Insurance Claims of members of the Graham Group and be treated equitably in all respects, including in connection with deductibles, retentions and coinsurance.

(d) Graham shall not be liable to Cable for claims, or portions of claims, not reimbursed by insurers under any policy for any reason, including coinsurance provisions, deductibles, quota share deductibles, self-insured retentions, bankruptcy or insolvency of any insurance carrier(s), policy limitations or restrictions (including exhaustion of limits), any coverage disputes, any failure to timely file a claim by any member of the Graham Group or any member of the Cable Group or any defect in such claim or its processing. In the event that insurable claims of both Graham and Cable (or the members of their respective Groups) exist relating to the same occurrence, the Parties shall jointly defend and waive any conflict of interest necessary to the conduct of the joint defense and shall not settle or compromise any such claim without the consent of the other (which consent shall not be unreasonably withheld or delayed subject to the terms and conditions of the applicable insurance policy). Nothing in this Section 8.01 shall be construed to limit or otherwise alter in any way the obligations of the Parties, including those created by this Agreement, by operation of Law or otherwise.

(e) On and after the Distribution Date, to the extent that any claims have been duly reported before the Distribution Date under the directors and officers liability insurance policies or fiduciary liability insurance policies (collectively, “D&O Policies”) maintained by members of the Graham Group, Graham shall not, and shall cause the members of the Graham Group not to, take any action that would limit the coverage of the individuals who acted as directors or officers of Cable (or members of the Cable Group) prior to the Distribution Date under any D&O Policies maintained by the members of the Graham Group. Graham shall, and shall cause the members of the Graham Group to, reasonably cooperate with the individuals who acted as directors and officers of Cable (or members of the Cable Group) prior to the Distribution Date in their pursuit of any coverage claims under such D&O Policies which could inure to the benefit of such individuals. Graham shall, and shall cause members of the Graham Group to, allow Cable and its agents and representatives, upon reasonable prior notice and during regular business hours, to examine and make copies of the relevant D&O Policies maintained by Graham and members of the Graham Group pursuant to this Section 8.01(e). Graham shall provide, and shall cause other members of the Graham Group to provide, such cooperation as is reasonably requested by Cable in order for Cable to have in effect on and after the Distribution Date such new D&O Policies as Cable deems appropriate with respect to claims reported on or after the Distribution Date. Except as provided in this Section 8.01(e), the Graham Group may, at any time, without liability or obligation to the Cable Group, amend, commute, terminate, buy-out, extinguish liability under or otherwise modify any “occurrence-based” insurance policy or “claims-made-based” insurance policy (and such claims will be subject to any such amendments, commutations, terminations, buy-outs, extinguishments and modifications); provided, however, that Graham will immediately notify Cable of any termination of any insurance policy.

(f) The parties shall use reasonable best efforts to cooperate with respect to the various insurance matters contemplated by this Section 8.01.

ARTICLE IX

Intellectual Property

SECTION 9.01. Consent To Use Trademarks And Duty To Cooperate. (a) Cable consents (on behalf of itself and each other member of the Cable Group) to the use and registration of the Graham Marks in the business and operations conducted by Graham and its Subsidiaries, Affiliates and their respective licensees.

(b) Graham consents (on behalf of itself and each other member of the Graham Group) to the use and registration of the Cable Marks in the Cable Business by Cable and its Affiliates and their respective licensees.

(c) Cable agrees that it will not, and agrees to cause its Subsidiaries not to, oppose or petition to cancel, or assist another party in opposing or petitioning to cancel, an application or registration by Graham or its Affiliates or their respective licensees for a Graham Mark that is consistent with the use to which Cable has consented under this Agreement. Graham agrees that it will not, and agrees to cause its Subsidiaries not to, oppose or petition to cancel, or assist another party in opposing or petitioning to cancel, an application or registration by Cable or its Affiliates or their respective licensees for a Cable Mark that is consistent with the use to which Graham has consented under this Agreement.

(d) Cable hereby acknowledges (on behalf of itself and each other member of the Cable Group) Graham's right, title and interest in and to the Graham Marks, and will not in any way, directly or indirectly, do or cause to be done any act or thing contesting or in any way impairing or tending to impair any part of such right, title and interest within the business and operations conducted by Graham and its Subsidiaries, Affiliates and their respective licensees, or with respect to goods or services provided in connection with the business and operations conducted by Graham and its Subsidiaries, Affiliates and their respective licensees. Cable agrees not to use, and agrees to cause its Subsidiaries not to use, the Graham Marks, or any names, trademarks or domain names that incorporate the Graham Marks for any purpose except where (i) the use is a use, otherwise than as a mark, of the party's individual name in its own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin; or, (ii) if used as a mark, such use does not conflict with, and is unlikely to cause consumer confusion with, any Graham Marks, and is in no way contrary to the terms of this Article IX.

In the event that Graham Marks prominently appear on any publicly available or promoted business or promotional materials used by Cable or its Affiliates within the Cable Business, Cable shall remove and cease using such prominently appearing marks as soon as reasonably practical following the Distribution Date but in any event within 90 days of the Distribution Date or, with respect to products for sale produced prior to the Distribution Date on which any Graham Mark prominently appears, within six months of the Distribution Date; provided that Cable shall promptly arrange for the destruction of any such products for sale produced prior to the Distribution Date that remain unsold following such six-month period and on which any Graham Mark prominently appears.

(e) Graham hereby acknowledges (on behalf of itself and each other member of the Graham Group) Cable's right, title and interest in and to the Cable Marks, and will not in any way, directly or indirectly, do or cause to be done any act or thing contesting or in any way impairing or tending to impair any part of such right, title and interest within the Cable Business or with respect to goods or services provided in connection with the Cable Business. Graham agrees not to use, and agrees to cause its Subsidiaries not to use, the Cable Marks for any purpose, except where (i) the use is a use, otherwise than as a mark, of the party's individual name in its own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin; or, (ii) if used as a mark, such use does not conflict with, and is unlikely to cause consumer confusion with, any Cable Marks, and is in no way contrary to the terms of this Article IX.

In the event that Cable Marks prominently appear on any publicly available or promoted business or promotional materials used by Graham or its Affiliates within the business and operations conducted by Graham and its Subsidiaries, Graham shall remove and cease using such prominently appearing marks as soon as reasonably practical following the Distribution Date but in any event within 90 days of the Distribution Date or, with respect to products for sale produced or published prior to the Distribution Date on which any Cable Mark prominently appears, within six months of the Distribution Date; provided that Graham shall promptly arrange for the destruction of any such products for sale produced or published prior to the Distribution Date that remain unsold following such six-month period and on which any Cable Mark prominently appears.

(f) Each of Graham and Cable believes its respective marks are sufficiently distinctive and different to ensure consumers will not be confused as to source or sponsorship, and each agrees to employ its reasonable best efforts to use its respective marks in a manner that does not cause actual confusion or a likelihood of confusion as to source or sponsorship of its respective goods or services in its respective channels of trade. If, despite Graham's and Cable's reasonable best efforts, such actual confusion shall be brought to the attention of either such party, such parties agree to consult regarding steps to be taken to mitigate or correct such actual confusion.

(g) Each of Graham and Cable shall be responsible for policing, protecting and enforcing its own trademarks, trade names and service marks. Notwithstanding the forgoing, each of Graham and Cable will promptly give notice to the other of any known, actual or threatened, use or infringement that may cause consumers to be confused as to source or sponsorship between such parties.

SECTION 9.02. Scope. The geographic scope of this Article IX shall be worldwide.

SECTION 9.03. Licenses; Assignments. Any license, assignments or other transfer of rights in the Graham Marks, the Cable Marks or the Domain Names to a third party shall be accompanied by the restrictions provided in this Article IX.

ARTICLE X

Further Assurances and Additional Covenants

SECTION 10.01. Further Assurances. (a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties shall, subject to Section 5.02, use reasonable best efforts, prior to, on and after the Distribution Date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws and agreements to consummate and make effective the transactions contemplated by this Agreement.

(b) Without limiting the foregoing, prior to, on and after the Distribution Date, each Party shall cooperate with the other Party, without any further consideration, but at the expense of the requesting Party, (i) to execute and deliver, or use reasonable best efforts to execute and deliver, or cause to be executed and delivered, all instruments, including any instruments of conveyance, assignment and transfer as such Party may reasonably be requested to execute and deliver by the other Party, (ii) to make, or cause to be made, all filings with, and to obtain, or cause to be obtained, all Consents of any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument, (iii) to obtain, or cause to be obtained, any Governmental Approvals or other Consents required to effect the Spin-Off and (iv) to take, or cause to be taken, all such other actions as such Party may reasonably be requested to take by the other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and any transfers of Assets or assignments and assumptions of Liabilities hereunder and the other transactions contemplated hereby.

(c) On or prior to the Distribution Date, Graham and Cable, in their respective capacities as direct and indirect shareholders of their respective Subsidiaries, shall each ratify any actions that are reasonably necessary or desirable to be taken by Cable or any other Subsidiary of Graham, as the case may be, to effectuate the transactions contemplated by this Agreement.

(d) Prior to the Distribution, if either Party identifies any commercial or other service that is needed to ensure a smooth and orderly transition of its business in connection with the consummation of the transactions contemplated hereby, and that is not otherwise governed by the provisions of this Agreement or any Ancillary Agreement, the Parties will cooperate in determining whether there is a mutually acceptable arm's-length basis on which the other Party will provide such service.

ARTICLE XI

Termination

SECTION 11.01. Termination. This Agreement may be terminated by Graham at any time, in its sole discretion, prior to the Distribution.

SECTION 11.02. Effect of Termination. In the event of any termination of this Agreement prior to the Distribution, neither Party (nor any of its directors or officers) shall have any Liability or further obligation to the other Party under this Agreement or the Ancillary Agreements.

ARTICLE XII

Miscellaneous

SECTION 12.01. Counterparts; Entire Agreement; Corporate Power. (a) This Agreement may be executed in one or more counterparts, all of which counterparts shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party. This Agreement may be executed by facsimile or PDF signature and a facsimile or PDF signature shall constitute an original for all purposes.

(b) This Agreement, the Ancillary Agreements and the Appendices, Exhibits and Schedules hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties with respect to the subject matter hereof other than those set forth or referred to herein or therein.

(c) Graham represents on behalf of itself and each other member of the Graham Group, and Cable represents on behalf of itself and each other member of the Cable Group, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform each of this Agreement and each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been (or, in the case of any Ancillary Agreement, will be on or prior to the Distribution Date) duly executed and delivered by it and constitutes, or will constitute, a valid and binding agreement of it enforceable in accordance with the terms thereof.

SECTION 12.02. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of New York, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof. Each Party irrevocably consents to the exclusive jurisdiction, forum and venue of the Commercial Division of the Supreme Court of the State of New York, New York County and the United States District Court for the Southern District of New York over any and all claims, disputes, controversies or disagreements between the Parties or any of their respective Subsidiaries, Affiliates, successors and assigns under or related to this Agreement or any document executed pursuant to this Agreement or any of the transactions contemplated hereby or thereby.

SECTION 12.03. Assignability. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of Law or otherwise by either Party without the prior written consent of the other Party. Any purported assignment without such consent shall be void. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns. Notwithstanding the foregoing, either Party may assign this Agreement without consent in connection with (a) a merger transaction in which such Party is not the surviving entity and the surviving entity acquires or assumes all or substantially all of such Party's Assets, or (b) the sale of all or substantially all of such Party's Assets; provided, however, that the assignee expressly assumes in writing all of the obligations of the assigning Party under this Agreement, and the assigning Party provides written notice and evidence of such assignment and assumption to the non-assigning Party. No assignment permitted by this Section 12.03 shall release the assigning Party from liability for the full performance of its obligations under this Agreement.

SECTION 12.04. Third-Party Beneficiaries. Except for the indemnification rights under this Agreement of any Graham Indemnatee or Cable Indemnatee in their respective capacities as such, (a) the provisions of this Agreement are solely for the benefit of the Parties hereto and are not intended to confer upon any Person except the Parties hereto any rights or remedies hereunder and (b) there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any third person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

SECTION 12.05. Notices. All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given when (a) delivered in person, (b) on the date received, if sent by a nationally recognized delivery or courier service or (c) upon the earlier of confirmed receipt or the fifth business day following the date of mailing if sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Graham, to:

Graham Holdings Company
1300 North 17th Street
Arlington, VA 22209
Attn: General Counsel
e-mail: Nicole.Maddrey@ghco.com

Facsimile: (703) 345-6299

with a copy to:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Attn: Eric Schiele
e-mail: eschiele@cravath.com
Facsimile: (212) 474-3700

If to Cable, to:

Cable One, Inc.
210 E. Earll Drive
Phoenix, AZ 85012
Attn: General Counsel
e-mail: alan.silverman@cableone.biz
Facsimile: (602) 364-6013

with a copy to:

Perkins Coie LLP
1201 Third Avenue, Suite 4900
Seattle, WA 98101
Attn: Stewart M. Landefeld
Eric A. DeJong
e-mail: slandefeld@perkinscoie.com
edejong@perkinscoie.com
Facsimile: (206) 359-4793

Either Party may, by notice to the other Party, change the address to which such notices are to be given.

SECTION 12.06. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

SECTION 12.07. Publicity. Each of Graham and Cable shall consult with the other, and shall, subject to the requirements of Section 7.08, provide the other Party the opportunity to review and comment upon, any press releases or other public statements in connection with the Spin-Off or any of the other transactions contemplated hereby and any filings with any Governmental Authority or national securities exchange with respect thereto, in each case prior to the issuance or filing thereof, as applicable (including the Information Statement, the Parties' respective Current Reports on Form 8-K to be filed on the Distribution Date, the Parties' respective Quarterly Reports on Form 10-Q filed with respect to the fiscal quarter during which the Distribution Date occurs, or if such quarter is the fourth fiscal quarter, the Parties' respective Annual Reports on Form 10-K filed with respect to the fiscal year during which the Distribution Date occurs (each such Quarterly Report on Form 10-Q or Annual Report on Form 10-K, a "First Post-Distribution Report"). Each Party's obligations pursuant to this Section 12.07 shall terminate on the date on which such Party's First Post-Distribution Report is filed with the Commission.

SECTION 12.08. Expenses. Except as expressly set forth in this Agreement or in any Ancillary Agreement, all third-party fees, costs and expenses paid or incurred in connection with the Spin-Off will be paid by the Party incurring such fees or expenses, whether or not the Distribution is consummated, or as otherwise agreed by the Parties. Notwithstanding the foregoing, Graham and Cable shall each bear the costs and expenses incurred or paid as of the Distribution Date in connection with the Spin-Off for the services and to the financial, legal, accounting and other advisors set forth below their respective names on Schedule VIII.

SECTION 12.09. Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 12.10. Survival of Covenants. Except as expressly set forth in this Agreement, the covenants in this Agreement and the liabilities for the breach of any obligations in this Agreement shall survive the Spin-Off and shall remain in full force and effect.

SECTION 12.11. Waivers of Default. No failure or delay of any Party (or the applicable member of its Group) in exercising any right or remedy under this Agreement or any Ancillary Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default.

SECTION 12.12. Specific Performance. Subject to Section 5.02 and notwithstanding the procedures set forth in Article X, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the affected Party shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The other Party shall not oppose the granting of such relief on the basis that money damages are an adequate remedy. The Parties agree that the remedies at Law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at Law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

SECTION 12.13. Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of each Party.

SECTION 12.14. Interpretation. Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires. The terms “hereof,” “herein” “and “herewith” and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement as a whole (including all of the schedules hereto) and not to any particular provision of this Agreement. Article, Section or Schedule references are to the articles, sections and schedules of or to this Agreement unless otherwise specified. Any capitalized terms used in any Schedule to this Agreement or to any Ancillary Agreement but

not otherwise defined therein shall have the meaning as defined in this Agreement or the Ancillary Agreement to which such Schedule is attached, as applicable. Any reference herein to this Agreement, unless otherwise stated, shall be construed to refer to this Agreement as amended, supplemented or otherwise modified from time to time, as permitted by Section 12.13. The word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless the context otherwise requires or unless otherwise specified. The word “or” shall not be exclusive.

IN WITNESS WHEREOF, the Parties have caused this Separation and Distribution Agreement to be executed by their duly authorized representatives.

GRAHAM HOLDINGS COMPANY

By: /s/ Hal S. Jones

Name: Hal S. Jones

Title: Chief Financial Officer

CABLE ONE, INC.

By: /s/ Thomas O. Might

Name: Thomas O. Might

Title: Chief Executive Officer

TAX MATTERS AGREEMENT

by and between

GRAHAM HOLDINGS COMPANY

and

CABLE ONE, INC.

As of June 16, 2015

This TAX MATTERS AGREEMENT (this "Agreement") is entered into as of June 16, 2015, by and between GRAHAM HOLDINGS COMPANY, a Delaware corporation ("Graham"), and CABLE ONE, INC., a Delaware corporation and a wholly owned subsidiary of Graham ("Cable").

W I T N E S S E T H:

WHEREAS, as of the date of this Agreement, Graham owns all of the outstanding shares of Cable stock;

WHEREAS Graham and Cable have entered into an agreement dated as of the date of this Agreement (the "Separation Agreement") pursuant to which Graham will distribute to the Record Holders, on a pro rata basis, all of the outstanding shares of Cable common stock (the "Distribution");

WHEREAS, immediately prior to the Distribution, Cable will declare and distribute to Graham a special cash dividend of \$450 million (the "Special Dividend") and will issue shares of Cable common stock to Graham so that the number of outstanding shares of Cable common stock equals the number of shares to be distributed in the Distribution, calculated as set forth in the Information Statement (the "Share Issuance", and together with the Special Dividend and the Distribution, the "Transactions");

WHEREAS, at the end of the day on the Distribution Date, the taxable year of Cable and its Subsidiaries shall close for U.S. Federal income Tax purposes;

WHEREAS the parties to this Agreement (the "Parties") intend (i) the Special Dividend to qualify as an intercompany distribution (within the meaning of Treasury Regulation §§ 1.1502-13(b)(1) and 1.1502-13(f)(2)(ii)), (ii) the Share Issuance to qualify as a distribution of stock under Section 305(a) of the Code and (iii) the Distribution to qualify for nonrecognition of gain and loss under Section 355(a) and (c) of the Code (the "Intended Tax Treatment"); and

WHEREAS the Parties desire to provide for and agree upon the allocation of liability for Taxes arising prior to, as a result of and subsequent to the Transactions, and to provide for and agree upon certain other matters relating to Taxes.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and intending to be legally bound, the Parties agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

SECTION 1.01. Certain Definitions. For purposes of this Agreement, the following terms have the following meanings. Capitalized terms not defined in this Agreement have the meanings assigned to them in the Separation Agreement.

“Adjustment Request” means any amended Tax Return (or other formal or informal claim or request filed with any Tax Authority or court) claiming adjustment to the Taxes reported on a Tax Return.

“Agreement” has the meaning assigned to such term in the preamble.

“Business” means the cable, internet and telephone service activities carried on by Cable, as those activities are described in the Tax Representation Letter of Cable.

“Cable” has the meaning assigned to such term in the preamble.

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Distribution” has the meaning assigned to such term in the recitals.

“Employing Party” has the meaning assigned to such term in Section 2.06.

“Final Determination” means (i) any final determination of liability in respect of a Tax that, under applicable Law, is not subject to further appeal, review or modification through proceedings or otherwise (including the expiration of a statute of limitations or period for the filing of claims for refunds, amended Tax Returns or appeals from adverse determinations), including a “determination” as defined in Section 1313(a) of the Code or execution of an IRS Form 870AD, or (ii) the payment of Tax by a Party (or its Subsidiary) that is responsible for payment of that Tax under applicable Law, with respect to any item disallowed or adjusted by a Tax Authority, as long as the responsible Party determines that no action should be taken to recoup that payment and the other Party agrees.

“Graham” has the meaning assigned to such term in the preamble.

“Graham Consolidated Group” means any consolidated, combined, unitary or similar group of which (i) any member of the Graham Group is or was a member and (ii) any member of the Cable Group is or was a member.

“Indemnified Party” means a Party that is entitled to receive an Indemnity Payment.

“Indemnifying Party” means a Party that has an obligation to make an Indemnity Payment.

“Indemnity Payment” means an indemnity payment contemplated by the Separation Agreement or any Ancillary Agreement.

“Intended Tax Treatment” has the meaning assigned to such term in the recitals.

“IRS” means the U.S. Internal Revenue Service.

“Ordinary Taxes” means Taxes other than (i) Transfer Taxes and (ii) Transaction Taxes.

“Parties” has the meaning assigned to such term in the recitals.

“Post-Distribution Period” means any taxable period (or portion thereof) beginning after the Distribution Date.

“Pre-Distribution Period” means any taxable period (or portion thereof) ending on or before the Distribution Date.

“Prime Rate” means the base rate on corporate loans charged by Citibank, N.A., New York, New York from time to time, compounded daily on the basis of a year of 365 or 366 (as applicable) days and actual days elapsed.

“Refund Recipient” has the meaning assigned to such term in Section 2.05(a).

“Requesting Party” has the meaning assigned to such term in Section 3.04.

“Responsible Party” means, with respect to any Tax Return, the Party having responsibility for preparing and filing such Tax Return under this Agreement.

“Separation Agreement” has the meaning assigned to such term in the recitals.

“Share Issuance” has the meaning assigned to such term in the recitals.

“Special Dividend” has the meaning assigned to such term in the recitals.

“Tax” means all forms of taxation or duties imposed by a Governmental Authority, or required by any Governmental Authority to be collected or withheld, together with any related interest, penalties or other additions to tax.

“Tax Authority” means, with respect to any Tax, the Governmental Authority that imposes such Tax and the agency (if any) charged with the collection of such Tax for such Governmental Authority.

“Tax Claim” has the meaning assigned to such term in Section 6.01.

“Tax Law” means any Law of any Governmental Authority relating to any Tax.

“Tax Records” means Tax Returns, Tax Return workpapers, documentation relating to any Tax Claims and any other books of account or records maintained to comply with applicable Tax Laws or under any record retention agreement with any Tax Authority.

“Tax Representation Letters” means the letters of representations relating to the Transactions to be provided by Graham, Cable and Donald E. Graham to Cravath, Swaine & Moore LLP.

“Tax Return” means any report of Taxes due, any information return with respect to Taxes or any other similar report, statement, declaration or document required or permitted to be filed under applicable Tax Law, including any attachments, exhibits or other materials submitted with any of the foregoing and any amendments or supplements to any of the foregoing.

“Transaction Tax” means any Tax (other than a Transfer Tax) resulting from the failure of any step of the Transactions to qualify for its Intended Tax Treatment.

“Transactions” has the meaning assigned to such term in the recitals.

“Transfer Taxes” means any sales, use, stamp duty or other transfer Taxes imposed on the transfers occurring as part of the Transactions.

“Treasury Regulations” means the Treasury regulations promulgated under the Code.

ARTICLE II

ALLOCATION OF TAX LIABILITIES AND BENEFITS

SECTION 2.01. Indemnity by Graham. From and after the Distribution, Graham will indemnify, save and hold harmless Cable from and against the following Taxes, whether incurred directly by Cable or indirectly through one of its Subsidiaries:

- (a) Ordinary Taxes of or attributable to Graham and its Subsidiaries (for the avoidance of doubt, including the members of the Cable Group immediately prior to the Distribution) for any taxable period;
- (b) any Transaction Taxes; and
- (c) any Transfer Taxes;

in each case, other than Taxes for which Cable is liable under Section 2.02.

SECTION 2.02. Indemnity by Cable. From and after the Distribution, Cable will indemnify, save and hold harmless Graham from and against the following Taxes, whether incurred directly by Graham or indirectly through one of its Subsidiaries:

- (a) Ordinary Taxes

(i) that are (A) U.S. Federal Taxes for any Pre-Distribution Period, (B) paid after the Distribution Date, (C) attributable to the Cable Group and (D) not previously treated as a liability of Cable and separately settled between Graham and Cable through intercompany accounts;

(ii) of the Cable Group for any Post-Distribution Period; or

(iii) that are state or local Taxes for any taxable period that are reported on a Tax Return that includes only members of the Cable Group;

(b) any Transaction Taxes to the extent attributable to one or more of the following:

(i) the failure to be true and correct of any representation provided by Cable in its Tax Representation Letter;

(ii) the breach of any covenant or agreement contained in the Separation Agreement or any Ancillary Agreement to be performed by Cable or its Subsidiaries;

(iii) any action by Cable or any of its Subsidiaries described in Section 7.04(a), without regard to Section 7.04(b);

(iv) the application of Section 355(e) of the Code to the Distribution by virtue of any direct or indirect acquisition of stock or assets of Cable or a Subsidiary of Cable after the Distribution, taking into account any indirect acquisitions of stock or assets of Cable or a Subsidiary of Cable prior to the Distribution; or

(v) any other action or omission by Cable or any Subsidiary of Cable that Cable knows or reasonably should expect, after consultation with Tax counsel, could give rise to Transaction Taxes, except to the extent such action or omission is expressly required or permitted by this Agreement (other than Section 7.04(b)), any other Ancillary Agreement or the Separation Agreement; and

(c) 50% of any Transfer Taxes.

SECTION 2.03. Allocation of Ordinary Taxes. (a) For purposes of Section 2.02(a)(i), in the case of any Graham Consolidated Group:

(i) If any Ordinary Taxes that are U.S. Federal income Taxes arise in whole or in part as a result of any adjustments made after the Distribution to the portion of the relevant Tax Return for a Pre-Distribution Period that relates to a member of the Cable Group or any Cable Asset, the amount of such Ordinary Taxes attributable to the Cable Group shall equal the excess, if any, of

(A) the amount of Ordinary Taxes actually payable by the Graham Consolidated Group as a result of the adjustments for the relevant period over

(B) the amount of Ordinary Taxes that would have been so payable had no adjustments been made to the portions of the relevant Tax Return relating to a member of the Cable Group or any Cable Asset; and

(ii) The amount of Ordinary Taxes that are U.S. Federal income Taxes shown as due on any Tax Return filed after the Distribution that are attributable to the Cable Group shall equal the excess, if any, of

(A) the amount of Ordinary Taxes actually shown as due on that Tax Return over

(B) the amount of Ordinary Taxes that would have been shown as due on that Tax Return had the relevant member of the Cable Group or Cable Asset not been included in the Graham Consolidated Group and had no estimated Taxes attributable to the relevant member of the Cable Group or Cable Asset been paid.

(b) For the avoidance of doubt, Cable shall be liable for U.S. Federal income Taxes of any Graham Consolidated Group under Section 2.02(a)(i) only to the extent any adjustment (as described in Section 2.03(a)(i)) or the inclusion of any relevant member of the Cable Group or Cable Asset in the relevant Graham Consolidated Group (as described in Section 2.03(a)(ii)) results in an actual increase in the aggregate Tax liability of the Graham Consolidated Group in any period. To the extent that any such adjustment or inclusion in one taxable period increases the amount of Ordinary Taxes actually payable by the Graham Consolidated Group in another taxable period, principles consistent with those in Section 2.03 shall apply to determine the amount of Ordinary Taxes attributable to the Cable Group or any Cable Asset. In addition, for the avoidance of doubt, except as provided in Section 4.03(ii), Graham rather than Cable shall be liable for any Tax liability of Graham arising from the triggering of any “excess loss account” of Graham in the stock of Cable as a result of the Transactions.

(c) For the avoidance of doubt, Graham shall be responsible for all state and local Taxes for any taxable period that are reported on a consolidated, combined or similar state or local Tax Return that includes, as members of the Tax Return group, both (i) any member of the Cable Group and (ii) any member of the Graham Group.

(d) For purposes of this Article II, neither Graham nor Cable shall have any liability to, or right to refund from, the other party as a result of an increase or decrease in U.S. Federal income Taxes payable by either party as a result of an increase or decrease in the deduction for state or local income Taxes attributable to either party.

SECTION 2.04. Straddle Periods. All Ordinary Taxes for any taxable period (or portion thereof) that includes the Distribution Date will be allocated between the Pre-Distribution Period and the Post-Distribution Period (i) in the case of any Taxes imposed on a periodic basis, such as real, personal and intangible property Taxes, on a daily pro rata basis and (ii) in the case of any other Taxes, as if the taxable period ended as of the close of business on the Distribution Date.

SECTION 2.05. Overpayments and Refunds. (a) Graham shall promptly reimburse Cable for any (i) payments of estimated Tax by Cable to Graham for a Tax Return due after the Distribution Date, if such Tax is not shown as due on such Tax Return and the overpayment by Cable is not previously treated as an asset of Cable and separately settled between Graham and Cable through intercompany accounts or (ii) Tax liabilities previously treated as a liability of Cable and separately settled between Graham and Cable through intercompany accounts, and later determined not to be payable to a Tax Authority.

(b) If after the Distribution Date, Graham, Cable or any of their respective Subsidiaries receives any refund of any Taxes for which the other Party is liable (or would be liable if such Taxes were determined to be payable) under this Article II (a “Refund Recipient”), then, subject to Section 2.05(c), such Refund Recipient shall pay to the other Party the entire amount of the refund (including interest, but net of any Taxes imposed with respect to such refund) within 15 business days of receipt or accrual; provided, however, that the other Party, upon the request of such Refund Recipient, shall repay the amount paid to the other Party (plus any penalties, interest or other charges imposed by the relevant Tax Authority) in the event such Refund Recipient is required to repay such refund. In the event a Party would be a Refund Recipient but for the fact it elected to apply a refund to which it would otherwise have been entitled against a Tax liability arising in a subsequent taxable period, then such Party shall be treated as a Refund Recipient and the economic benefit of so applying the refund shall be treated as a refund and shall be paid within 15 business days of the due date of the Tax Return to which such refund is applied to reduce the subsequent Tax liability.

(c) In the case of any Graham Consolidated Group, the principles of Section 2.03 shall apply in determining the amount of any refund to be paid pursuant to Section 2.05(a). Notwithstanding Section 2.05(b), Graham shall be entitled to any refund of U.S. Federal Taxes to the extent that such refund was previously treated as an asset of Cable and separately settled between Graham and Cable through intercompany accounts.

(d) Any payment described in Section 2.05(a) will be increased so as to include interest computed at the Prime Rate based on the number of days from the date of receipt of the refund to the date of payment of such amount under this Section 2.05.

SECTION 2.06. Compensation Deductions. Any compensation deduction arising after the Distribution Date by reason of the exercise of stock options or compensatory warrants or the vesting of restricted stock will be claimed solely by the Party (or one of its Subsidiaries) that employs the individual with respect to whom such compensation deduction arises at the time that it arises or, if such individual is not then employed by any Party or a Subsidiary of a Party, by the Party that most recently employed such individual. If a deduction claimed by a Party (the “Employing Party”) pursuant to the preceding sentence is disallowed by a Tax Authority for any reason, the other Party (or one of its Subsidiaries) will amend its applicable Tax Return to claim such deduction and pay to the Employing Party an amount equal to the Tax benefit actually realized by the other Party (or one of its Subsidiaries) as a result of such deduction; provided, however, that the Employing Party, upon the request of the other Party, will repay any amount paid to the Employing Party under this Section 2.06 (plus any penalties, interest or other charges imposed by the relevant Tax Authority) in the event the other Party (or one of its Subsidiaries) is required to surrender such Tax benefit. The rights and obligations of the Parties with respect to Tax withholding and reporting will be governed by Section 12.05 of the EMA.

ARTICLE III

PREPARATION AND FILING OF TAX RETURNS

SECTION 3.01. Graham Responsibility. Graham (or one of its Affiliates) will prepare and file, or cause to be prepared and filed, all Tax Returns for any Graham Consolidated Group for any taxable period that begins on or before the Distribution Date.

SECTION 3.02. Cable Responsibility. Cable (or one of its Affiliates) will prepare and file, or cause to be prepared and filed, all Tax Returns for any taxable period that begins on or before the Distribution Date and that are required to be filed by or with respect to Cable (or its Subsidiaries), other than Tax Returns described in Section 3.01.

SECTION 3.03. Tax Accounting Practices. To the extent that any Tax Return that includes Cable reflects Tax items that are expected to affect a Tax liability or Tax indemnity obligation of a Party other than the Responsible Party (and its Affiliates), the relevant portion of such Tax Return will be prepared in accordance with past practices used with respect to the Cable Group or Cable Assets in Tax Returns of Graham or its Subsidiaries (except (i) as otherwise provided in Section 7.06 (regarding the reporting of the Transactions), (ii) as required by applicable Tax Law or a Final Determination or to correct any clear error or (iii) as a result of changes or elections made on any Tax Return of a Graham Consolidated Group that do not relate primarily to the Cable Group or Cable Assets); provided that Cable will not claim any bonus depreciation deduction for any Pre-Distribution Period after the close of the 2014 Tax year and will not make, or request from the IRS, any change to any current Tax accounting method for any Pre-Distribution Period. To the extent any relevant Tax items are not covered by past practices (or such past practices are not permissible under applicable Tax Law or a Final Determination), such items shall be treated in accordance with reasonable Tax accounting practices selected by the Responsible Party, subject to the consent of the other Party (which consent will not be unreasonably withheld or delayed).

SECTION 3.04. Right to Review Tax Returns. The Responsible Party with respect to any Tax Return will make such Tax Return (or the relevant portions thereof) and related workpapers available for review by the other Party, if requested by the other Party (the "Requesting Party"), but only to the extent such Tax Return (or portions thereof) relates to Taxes or Tax benefits or refunds for which the Requesting Party or any of its Subsidiaries may be liable or have a claim, as applicable, under this Agreement. The Responsible Party will use its reasonable best efforts to make such Tax Returns (or portions thereof) available for review sufficiently in advance of the due date for filing such Tax Returns so as to provide the Requesting Party with a meaningful opportunity to analyze and comment on such Tax Returns (or portions thereof) and have such Tax Returns modified, if appropriate, before filing. The Parties will cooperate in good faith to resolve any issues arising out of the review of such Tax Returns (or portions thereof).

SECTION 3.05. Adjustment Requests. Unless the other Party consents to the contrary (which consent will not be unreasonably withheld or delayed), (i) no Adjustment Request with respect to any Tax of any Graham Consolidated Group will be filed if it could reasonably give rise to an Indemnity Payment by Cable pursuant to this Agreement and (ii) Cable and its Affiliates will make any available elections to waive the right to carry back any Tax attributes of Cable from any Post-Distribution Period of Cable to any Pre-Distribution Period of Cable and will not make any affirmative election to claim any such carryback. Any Adjustment Request that the Parties consent to make under this Section 3.05 will be prepared by the Responsible Party under Sections 3.01 and 3.02 for the Tax Return to be adjusted. The Party requesting the Adjustment Request will provide to the Responsible Party all information required for the preparation and filing of such Adjustment Request in such form and detail as reasonably requested by the Responsible Party.

ARTICLE IV

TIMING AND TREATMENT OF PAYMENTS

SECTION 4.01. Tax Payments. Each Party will timely pay to the relevant Tax Authority all Taxes that are legally imposed on it and that are Taxes for which such Party may seek indemnification under this Agreement.

SECTION 4.02. Indemnity Payments. (a) Each Indemnified Party will (i) timely compute any liabilities for which it may be entitled to indemnification under this Agreement and (ii) promptly (but in no event later than 15 business days after the date it knows that such liabilities have been incurred) provide the Indemnifying Party with a written notice of any amounts due from such Indemnifying Party, accompanied by a statement detailing the liabilities incurred (including any Taxes paid) and describing in reasonable detail the calculation of such liabilities; provided, however, that failure to give such notice will not affect the indemnification provided under this Agreement, except to the extent that the Indemnifying Party has been actually and materially prejudiced as a result of such failure.

(b) Any Indemnity Payment under this Agreement for liabilities incurred by an Indemnified Party will become due and payable upon the receipt by the Indemnifying Party of the written notice described in Section 4.02(a). Within 15 business days following the receipt by the Indemnifying Party of such notice, the Indemnifying Party will pay to the Indemnified Party an amount of cash equal to such liabilities, together with interest computed at the Prime Rate based on the number of days from the later of (i) the date the liabilities are incurred or (ii) the date the notice is received, to the date the Indemnifying Party makes such payment.

SECTION 4.03. Amount of Indemnity Payments. The amount of any Indemnity Payment shall be (i) reduced to take into account any Tax benefit actually realized by the Indemnified Party resulting from the incurrence of the liability in respect of which the Indemnity Payment is made and (ii) increased to take into account any Tax cost actually realized by the Indemnified Party resulting from the receipt of the Indemnity Payment (including any Taxes imposed on additional amounts payable pursuant to this clause (ii) and any Taxes related to the inclusion in income of an "excess loss account" (within the meaning of Treasury Regulation § 1.1502-19) with respect to Cable stock that results from an Indemnity Payment made pursuant to Section 2.02(b)).

SECTION 4.04. Treatment of Certain Payments. (a) All Indemnity Payments made by Graham to Cable (or, in each case, their respective Affiliates) are intended to be treated, and will be reported for Tax purposes, as capital contributions from Graham to Cable occurring immediately prior to the Distribution, except as required by a Final Determination. All Indemnity Payments made by Cable to Graham (or, in each case, their respective Affiliates) are intended to be treated, and will be reported for Tax purposes, as distributions by Cable to Graham occurring immediately prior to the Distribution, except as required by a Final Determination.

(b) Notwithstanding anything to the contrary herein, to the extent the Indemnifying Party makes a payment of interest to the Indemnified Party, the interest payment will be treated as interest expense to the Indemnifying Party (deductible to the extent provided by applicable Tax Law) and as interest income by the Indemnified Party (includible in income to the extent provided by applicable Tax Law).

ARTICLE V

COOPERATION; TAX RECORDS; CONFIDENTIALITY

SECTION 5.01. Cooperation. (a) The Parties will cooperate (and cause their respective Subsidiaries to cooperate) with each other and with each other's agents (including accounting firms and legal counsel) in connection with the matters covered by this Agreement, including (i) preparation and filing of Tax Returns, including Adjustment Requests, (ii) determining the liability for and amount of any Taxes due (including estimated Taxes) or the right to and amount of any Tax benefit or refund, (iii) examinations of Tax Returns and (iv) any administrative or judicial proceeding in respect of Taxes assessed or proposed to be assessed. In connection with the foregoing, the Parties and their respective Subsidiaries will make available to each other for inspection and copying during normal business hours upon reasonable notice all Tax Records in their possession to the extent reasonably required by the other; provided that the requesting Party will reimburse the other Party for its reasonable out-of-pocket expenses, including professional fees and excluding compensation of the Party's officers, directors and employees.

(b) The Parties will make available to each other, as reasonably requested and available, personnel (including officers, directors, employees and agents of the Parties or their respective Subsidiaries) responsible for preparing, maintaining and interpreting information and documents relevant to Taxes and personnel reasonably required as witnesses or for purposes of providing information or documents in connection with any administrative or judicial proceedings relating to Taxes; provided that the requesting Party will reimburse the other Party for its reasonable out-of-pocket expenses, including professional fees and excluding compensation of the Party's officers, directors and employees.

SECTION 5.02. Retention of Tax Records. Cable and Graham each will preserve and keep (or cause to be preserved and kept) all Tax Records exclusively relating to the assets and activities of Cable for Pre-Distribution Periods that are in its possession or control for so long as the contents thereof may become material in the administration of any matter under applicable Tax Law and, in any event, until the later of (i) the day that is 60 days after the expiration of any applicable statute of limitation and (ii) seven years after the Distribution Date.

SECTION 5.03. Confidentiality. Any Tax information or Tax-related documents provided under this Agreement will be kept confidential by the Party receiving such information or documents, except as may otherwise be necessary in connection with the filing of Tax Returns or in connection with any administrative or judicial proceedings relating to Taxes.

ARTICLE VI

TAX CLAIM PROCEDURES

SECTION 6.01. Tax Claim Notice. (a) Each Indemnified Party will promptly notify the Indemnifying Party of the commencement of any demand, audit, examination, action, investigation, suit, proceeding or other proposed change or adjustment by any Tax Authority concerning any Tax, or any other adjustment or claim, (i) that could reasonably give rise to an Indemnity Payment pursuant to this Agreement (each, a “Tax Claim”) or (ii) that could reasonably be expected to affect the Tax consequences of the Transactions to either Party.

(b) Each Tax Claim notice will contain factual information (to the extent known) describing any asserted Tax liability in reasonable detail and will be accompanied by copies of any notice and other documents received from any Tax Authority in respect of any such matters.

(c) Failure to give such notice of any Tax Claim within a sufficient period of time or in reasonable detail to apprise the Indemnifying Party of the nature of such claim (in each instance taking into account the facts and circumstances with respect to such claim) will not affect the indemnification provided under this Agreement, except to the extent that the Indemnifying Party has been actually and materially prejudiced as a result of such failure.

SECTION 6.02. Control of Tax Claims.

(a) In General. Subject to Section 6.02(b) and (c), the Indemnified Party will be entitled to exercise full control of the defense, compromise or settlement of any Tax Claim, unless the Indemnifying Party (promptly after the receipt of notice of such Tax Claim in accordance with Section 6.01):

(i) delivers a written confirmation to such Indemnified Party that the indemnity provisions of this Agreement are applicable to such Tax Claim and that the Indemnifying Party will indemnify such Indemnified Party in respect of such Tax Claim pursuant to this Agreement;

(ii) notifies such Indemnified Party in writing of the Indemnifying Party’s intention to assume the defense thereof; and

(iii) retains legal counsel reasonably satisfactory to such Indemnified Party to conduct the defense of such Tax Claim;

in which case the Indemnifying Party will be entitled to exercise full control of the defense, compromise or settlement of such Tax Claim.

(b) Transaction Taxes. In the case of any Tax Claim with respect to Transaction Taxes, Graham and Cable will have the right to control jointly the defense, compromise or settlement of such Tax Claim (and neither Party will settle or compromise or consent to entry of any judgment with respect to any such Tax Claim without the prior written consent of the other Party), except to the extent Graham waives all related indemnities of such Taxes under Section 2.02(b), in which case Graham will have the sole right to control the defense, compromise or settlement of such Tax Claim. In the case of any Tax Claim over which Graham and Cable exercise joint control, the Parties will use their reasonable best efforts to resolve any disputes that arise with respect to the defense, compromise or settlement of such Tax Claim.

(c) Combined Taxes. In the case of any Tax Claim with respect to any Tax of any Graham Consolidated Group that is not a Transaction Tax, (i) to the extent permitted by applicable Law, each Party will control the defense of the portion of the Tax Claim directly and exclusively related to any proposed adjustment by a Tax Authority that would create or increase a Tax liability for which it would be exclusively liable under this Agreement and (ii) in all other cases, the Parties will cooperate in good faith to achieve, as closely as possible, the same effect as if applicable Law did not prevent the application of clause (i).

(d) Participation of Non-Controlling Party. Unless the Parties exercise joint control and except to the extent Graham exercises sole control because it waived all related indemnities as provided in Section 6.02(b), the Party controlling the defense, compromise or settlement of any Tax Claim under this Section 6.02 will:

(i) notify the non-controlling Party of significant developments with respect to such Tax Claim;

(ii) keep the non-controlling Party reasonably informed;

(iii) consult with the non-controlling Party with respect to any issue that reasonably could be expected to have an adverse effect on the non-controlling Party or any of its Subsidiaries (including by giving rise to an indemnity obligation of the non-Controlling Party);

(iv) provide the non-controlling Party with an opportunity to attend, at the non-controlling Party's own expense, as an observer, settlement discussions and other conferences or meetings with respect to such Tax Claim; and

(v) notify the non-controlling Party of its intention to settle or compromise any Tax Claim and the terms of such settlement or compromise.

ARTICLE VII

TAX MATTERS RELATING TO THE TRANSACTIONS

SECTION 7.01. Termination of Tax Sharing Agreements. Prior to the Distribution, all Tax allocation or sharing agreements (other than this Agreement) between one or more members of the Cable Group and one or more members of the Graham Group will terminate and all rights and obligations under such agreements will cease.

SECTION 7.02. Tax Opinion Matters. Graham and Cable will use their reasonable best efforts to deliver to Cravath, Swaine & Moore LLP the Tax Representation Letters.

SECTION 7.03. Mutual Representation. Each Party represents that it knows of no fact and has no plan or intention to take any action that it knows or reasonably should expect is inconsistent with the qualification of the Transactions for their Intended Tax Treatment.

SECTION 7.04. Cable Covenants. (a) Subject to Section 7.04(b), during the period that begins on the Distribution Date and ends on (and includes) the second anniversary of the Distribution Date, Cable and its Subsidiaries will not, in any transaction or series of transactions:

(i) liquidate Cable, including by way of merger, consolidation or conversion;

(ii) enter into or cause or permit any transaction in connection with which one or more Persons (including Cable itself) would (directly or indirectly) acquire, or have the right to acquire, from any other Person or Persons an interest in the stock of Cable that, when combined with any other acquisitions of the stock of Cable that occur after the Distribution, comprises 12.5% or more (by vote or by value) of the total outstanding shares of Cable as of the Distribution Date;

(iii) cause or permit Cable, directly or indirectly, to redeem or otherwise purchase any of its outstanding stock, except for purchases of outstanding shares of Cable common stock through stock purchases meeting the following requirements: (A) there is a good business purpose for the stock purchases, (B) the stock to be purchased is widely held, (C) the stock purchases will be made on the open market and (D) the aggregate amount of stock purchases will be less than 20% of the total value of the outstanding stock of Cable as of the Distribution Date (for the avoidance of doubt, any such redemptions or purchases will also be subject to the covenant in Section 7.04(a)(ii));

(iv) cause or permit Cable to sell or otherwise dispose of all or any material amount of its assets;

(v) cause or permit Cable to cease to operate the Business in a manner substantially consistent with the operation of the Business immediately before the Distribution; or

(vi) be treated as a real estate investment trust for U.S. Federal income Tax purposes pursuant to an election made at any time.

For purposes of clause (ii) of this Section 7.04(a), (x) any recapitalization, repurchase or redemption of the stock of Cable and any amendment to the certificate of incorporation (or other organizational documents) of Cable shall be treated as an indirect acquisition of the stock of Cable by any shareholder to the extent such shareholder's percentage interest in the total outstanding equity of Cable increases by vote or by value and (y) the following will not be taken into account: (A) transfers on an established market of the stock of Cable that are described in Safe Harbor VII of Treasury Regulation § 1.355-7(d), (B) issuances of the stock of Cable that satisfy Safe Harbor VIII of Treasury Regulation § 1.355-7(d) (relating to acquisitions in connection with a Person's performance of services) and (C) issuances of the stock of Cable that satisfy Safe Harbor IX of Treasury Regulation § 1.355-7(d) (relating to acquisitions by a retirement plan of an employer).

(b) Cable and its Subsidiaries may take any of the actions described in Section 7.04 if, prior to taking such action, Cable obtains:

(i) a ruling from the IRS confirming that the proposed action will not adversely affect the Intended Tax Treatment;

(ii) an unqualified "will" opinion of a nationally recognized Tax counsel, which opinion permits reliance by Graham and is satisfactory to Graham in its reasonable discretion, to the effect that the proposed action will not adversely affect the Intended Tax Treatment; or

(iii) the prior written consent of Graham, which consent may be provided or withheld by Graham in its sole discretion;

provided that (A) in the case of (i) and (ii), such ruling or opinion, as applicable, is satisfactory to Graham in both form and substance and (B) in each case, such ruling, opinion or consent, as applicable, is based on facts and representations provided by Cable or its Affiliates (and, if applicable, any counterparty to the proposed action) that are true, complete and correct in all material respects. For each such ruling, opinion or consent described in this Section 7.04(b), Cable or its Affiliates (and, if applicable, any counterparty to the proposed action) will certify to Graham that the facts and representations on which any such ruling, opinion or consent is based are true, complete and correct in all material respects.

SECTION 7.05. IRS Ruling Requests. Cable covenants and agrees that, after the Distribution Date, it will not file, and it will cause its Subsidiaries to refrain from filing, any ruling request with the IRS (i) in respect of any part of the Transactions or (ii) that may reasonably be expected to have any effect on the Tax treatment of the Transactions, in each case without the consent of Graham (which consent will not be unreasonably withheld or delayed); provided, however, that Cable may request a ruling from the IRS that a transaction described in Section 7.04 will not adversely affect the Intended Tax Treatment.

SECTION 7.06. Tax Reporting of the Transactions. The Tax Returns (including all forms or statements required by Section 6045B of the Code and Treasury Regulation § 1.355-5) of Graham, Cable and their respective Affiliates will report the Tax items relating to the Transactions consistent with the Intended Tax Treatment and this Agreement, unless otherwise required by applicable Law or a Final Determination.

SECTION 7.07. Actions on the Distribution Date. Cable will not take any action on the Distribution Date after the Distribution that is outside the ordinary course of business of Cable.

SECTION 7.08. Protective Section 336(e) Election. (a) Graham will make a valid protective election under Section 336(e) of the Code with respect to the Distribution, in accordance with Treasury Regulation §§ 1.336-2(h) and (j). Accordingly, Graham and Cable will timely enter into an agreement contemplated by Treasury Regulation § 1.336-2(h)(1)(i). Cable will cooperate with Graham to facilitate the making of such election.

(b) In the event that the Distribution fails to qualify for the Intended Tax Treatment:

(i) If Graham is liable for Transaction Taxes pursuant to Section 2.01, then Cable will pay to Graham 100% of any Tax benefits actually realized by Cable or any of its Affiliates as a result of the election described in Section 7.08(a) (net of Cable's reasonable costs and expenses, including professional fees, in determining the amount due), up to the total amount of Transaction Taxes for which Graham is liable;

(ii) If Cable is liable for Transaction Taxes pursuant to Section 2.02, then no payment will be due.

(c) In the event Section 7.08(b)(i) becomes applicable and payments become due hereunder, the Parties will cooperate in good faith to implement Section 7.08(b)(i) in accordance with the principles that commonly apply to "tax receivable agreements".

(d) For the avoidance of doubt, Tax benefit matters addressed by this Section 7.08 will not be governed by Section 4.03.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Termination. This Agreement will be automatically terminated in the event that (i) the Distribution does not occur or (ii) the Separation Agreement is terminated. In the event of the termination of this Agreement pursuant to this Section 8.01, this Agreement, except for the provisions of this Section 8.01, will become void and have no effect, without any liability on the part of any Party or its directors, officers or stockholders.

SECTION 8.02. Late Payments. Any amount owed by one Party to another Party under this Agreement that is not paid when due will bear interest at the Prime Rate plus 2%, compounded semiannually, from the due date of the payment to the date paid.

SECTION 8.03. No Duplicative Payment. Notwithstanding anything to the contrary in this Agreement, it is intended that the provisions of this Agreement will not result in a duplicative payment of any amount required to be paid under the Separation Agreement or any Ancillary Agreement, and this Agreement will be construed accordingly.

SECTION 8.04. Counterparts; Effectiveness. This Agreement may be executed in one or more counterparts, all of which counterparts shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party. This Agreement may be executed by facsimile or PDF signature and a facsimile or PDF signature shall constitute an original for all purposes.

SECTION 8.05. Integration. In the event of any inconsistency between this Agreement and the Separation Agreement or any other Ancillary Agreement, the provisions of this Agreement will control.

SECTION 8.06. Governing Law. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of New York, regardless of the Laws that might otherwise govern under applicable principles of conflicts of laws thereof. Each Party irrevocably consents to the exclusive jurisdiction, forum and venue of the Commercial Division of the Supreme Court of the State of New York, New York County and the United States District Court for the Southern District of New York over any and all claims, disputes, controversies or disagreements between the Parties or any of their respective Subsidiaries, Affiliates, successors and assigns under or related to this Agreement or any document executed pursuant to this Agreement or any of the transactions contemplated hereby or thereby.

SECTION 8.07. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT.

SECTION 8.08. Assignability. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise by either Party without the prior written consent of the other Party. Any purported assignment without such consent shall be void. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns. Notwithstanding the foregoing, either Party may assign this Agreement without consent in connection with (a) a merger transaction in which such Party is not the surviving entity and the surviving entity acquires or assumes all or substantially all of such Party's Assets or (b) the sale of all or substantially all of such Party's Assets; provided, however, that the assignee expressly assumes in writing all of the obligations of the assigning Party under this Agreement, and the assigning Party provides written notice and evidence of such assignment and assumption to the non-assigning Party. No assignment permitted by this Section 8.08 shall release the assigning Party from liability for the full performance of its obligations under this Agreement.

SECTION 8.09. Third-Party Beneficiaries. (a) The provisions of this Agreement are solely for the benefit of the Parties hereto and are not intended to confer upon any Person except the Parties hereto any rights or remedies hereunder, (b) there are no third-party beneficiaries of this Agreement and (c) this Agreement will not provide any third person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

SECTION 8.10. Notices. All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given when (a) delivered in person, (b) on the date received, if sent by a nationally recognized delivery or courier service, or (c) upon the earlier of confirmed receipt or the fifth business day following the date of mailing if sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Graham, to:

Graham Holdings Company
1300 North 17th Street
Arlington, VA 22209
Attn: General Counsel
Facsimile: (703) 345-6299

with a copy to:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Attn: Eric L. Schiele
Lauren Angelilli
Facsimile: (212) 474-3700

If to Cable, to:

Cable One, Inc.
210 East Earll Drive
Phoenix, AZ 85012
Attn: General Counsel
Facsimile: (602) 364-6013

with a copy to:

Perkins Coie LLP
1201 Third Avenue, Suite 4900
Seattle, WA 98101
Attn: Stewart M. Landefeld
Eric A. DeJong
Facsimile: (206) 359-4793

Either Party may, by notice to the other Party, change the address to which such notices are to be given.

SECTION 8.11. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining portions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

SECTION 8.12. Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

SECTION 8.13. Survival of Covenants. Except as expressly set forth in this Agreement, the covenants in this Agreement and the liabilities for the breach of any obligations in this Agreement shall survive the Spin-Off and shall remain in full force and effect.

SECTION 8.14. Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the affected Party shall have the right to specific performance and injunctive relief or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The other Party will not oppose the granting of such relief on the basis that money damages are an adequate remedy. The Parties agree that the remedies at law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

SECTION 8.15. Amendments. No provision of this Agreement shall be deemed waived, amended, supplemented or modified by any Party unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of each Party.

SECTION 8.16. Interpretation. The rules of interpretation set forth in Section 12.14 of the Separation Agreement shall be incorporated by reference to this Agreement, *mutatis mutandis*.

SECTION 8.17. Further Assurances. The Parties will execute and deliver all documents, provide all information, and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement, including the execution and delivery to the other Party and its Subsidiaries and representatives of such powers of attorney or other authorizing documentation as is reasonably necessary or appropriate in connection with Tax Claims (or portions thereof) under the control of the other Party in accordance with Article VI.

IN WITNESS WHEREOF, the Parties have caused this Tax Matters Agreement to be executed by their duly authorized representatives.

GRAHAM HOLDINGS COMPANY

By: /s/ Hal S. Jones

Name: Hal S. Jones

Title: Chief Financial Officer

CABLE ONE, INC.

By: /s/ Thomas O. Might

Name: Thomas O. Might

Title: Chief Executive Officer

EMPLOYEE MATTERS AGREEMENT

By and Between

GRAHAM HOLDINGS COMPANY

and

CABLE ONE, INC.

Dated as of June 16, 2015

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EMPLOYEE MATTERS AGREEMENT (this “Agreement”), dated as of June 16, 2015, by and between GRAHAM HOLDINGS COMPANY, a Delaware corporation (“Graham”), and CABLE ONE, INC., a Delaware corporation (“Cable”, and together with Graham, the “Parties”).

R E C I T A L S

WHEREAS the Parties are entering into the Separation and Distribution Agreement (the “Separation Agreement”) concurrently herewith, pursuant to which Graham intends to distribute to its shareholders its entire interest in Cable by way of a stock dividend to be made to holders of Graham Common Stock (as defined below) (the “Distribution”); and

WHEREAS the Parties wish to set forth their agreements as to certain matters regarding employment, compensation, employee benefits and arrangements with non-employee service providers.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Definitions. For purposes of this Agreement, the following terms shall have the following meanings. All capitalized terms used but not defined herein shall have the meanings assigned to them in the Separation Agreement unless otherwise indicated.

“Action” shall mean any claim, demand, action, suit, countersuit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority or any Federal, state, local, foreign or international arbitration or mediation tribunal.

“Adjusted Graham Option” has the meaning set forth in Section 12.02.

“Administrative Costs” has the meaning set forth in Section 13.02.

“Ancillary Agreements” shall mean the TSA, TMA and any other instruments, assignments, documents and agreements executed in connection with the implementation of the transactions contemplated by this Agreement.

“Applicable Exchange” shall mean, with respect to Graham Common Stock, the New York Stock Exchange, and, with respect to Cable Common Stock, the New York Stock Exchange, or, in either case, such other securities exchange as may, at the applicable time, be the principal market for the Graham Common Stock or the Cable Common Stock, as the case may be.

“Benefit Plan” shall mean any plan, program, policy, agreement, arrangement or understanding that is an employment, consulting, deferred compensation, executive compensation, incentive bonus or other bonus, employee pension, profit sharing, savings, retirement, supplemental retirement, stock option, stock purchase, stock appreciation right, restricted stock, restricted stock unit, deferred stock unit, other equity-based compensation, severance pay, retention, change in control, salary continuation, life, death benefit, health, hospitalization, sick leave, vacation pay, disability or accident insurance or other employee benefit plan, program, agreement or arrangement, including any “employee benefit plan” (as defined in Section 3(3) of ERISA) (whether or not subject to ERISA), but excluding any plan, program, policy, agreement, arrangement or understanding providing for benefits in respect of workers’ compensation claims.

“Cable” has the meaning set forth in the preamble.

“Cable 401(k) Plan” has the meaning set forth in Section 9.01.

“Cable Benefit Plan” shall mean any Benefit Plan sponsored or maintained by any member of the Cable Group, or to which any member of the Cable Group is a party, or in which any Cable Employee or Former Cable Employee participates by reason of such current or former employment with a member of the Cable Group, other than a Graham Benefit Plan.

“Cable Cafeteria Plan” has the meaning set forth in Section 11.01.

“Cable Common Stock” shall mean the common stock, \$0.01 par value per share, of Cable.

“Cable Defined Benefit SERP” has the meaning set forth in Section 8.02.

“Cable Defined Contribution SERP” has the meaning set forth in Section 9.04.

“Cable Deferred Compensation Plan” has the meaning set forth in Section 10.01.

“Cable Employee” shall mean, as of any applicable date, each Employee employed by a member of the Cable Group, including any individual who is not actively at work due to a leave of absence (including vacation, holiday, illness, injury or short-term disability but excluding, until such time as provided in Section 7.01, any Cable LTD Employee) from which such employee is permitted to return to active employment in accordance with the Cable Group’s personnel policies, but excluding any Former Cable Employee.

“Cable Group” shall mean (a) Cable, (b) each Person that will be a Subsidiary of Cable immediately prior to the Distribution, including the entities set forth on Schedule III of the Separation Agreement under the caption “Subsidiaries” and (c) each Person that becomes a Subsidiary of Cable after the Distribution, including in each case any Person that is merged or consolidated with and into Cable or any Subsidiary of Cable.

“Cable Indemnitees” shall mean Cable, each other member of the Cable Group and each of their respective former and current directors, officers and Employees, and each of the heirs, executors, successors and assigns of any of the foregoing.

“Cable LTD Employee” shall mean any Employee of the Cable Group who, as of the Distribution, is receiving long-term disability benefits under the Graham LTD Plan or who becomes eligible under the terms of the Graham LTD Plan to receive such benefits as a result of a “disabling event” (within the meaning of the Graham LTD Plan) occurring prior to the Distribution.

“Cable Restricted Share” shall have the meaning set forth in Section 12.03.

“Cable Service Provider” shall mean, as of an applicable date, each Service Provider providing services to a member of the Cable Group.

“Cable Welfare Plan” has the meaning set forth in Section 6.01.

“COBRA” shall mean the U.S. Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

“COBRA Employees” shall mean Pre-Distribution COBRA Employees, Continuation Period COBRA Employees and Post-Continuation Period COBRA Employees.

“COBRA Liabilities” has the meaning set forth in Section 6.04.

“COBRA Premium Amounts” has the meaning set forth in Section 6.04.

“Code” shall mean the U.S. Internal Revenue Code of 1986, as amended.

“Continuation Coverage” has the meaning set forth in Section 6.01.

“Continuation Period” has the meaning set forth in Section 6.01.

“Continuation Period COBRA Employees” has the meaning set forth in Section 6.04.

“Distribution” has the meaning set forth in the recitals.

“Distribution Ratio” shall mean the number of shares of Cable Common Stock to be distributed in respect of each share of Graham Common Stock in the Distribution, which ratio shall be determined by the Graham Board of Directors prior to the Distribution.

“Employee” shall mean any individual employed by another Person.

“Employment Taxes” shall mean all fees, Taxes, social insurance payments or similar contributions to a fund of a Governmental Authority with respect to wages or other compensation of an Employee or Service Provider.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“Equity Awards” shall mean Graham Options, Graham Restricted Shares and Cable Restricted Shares.

“Former Cable Employee” shall mean, as of any applicable date, each individual who is a former Employee of a member of the Cable Group; provided that, in the case of any former Employee of a member of the Cable Group who, following termination of such employment, becomes an Employee of the Graham Group, such Employee shall only be considered a Former Cable Employee with respect to Liabilities relating to employment with the Cable Group; provided further that any such former Employee of a member of the Cable Group who, on or prior to the Distribution becomes an Employee of the Graham Group, shall not be considered a Former Cable Employee for purposes of any of the following provisions: Section 2.03 (relating to cessation of active participation in Graham Benefit Plans); Section 2.04 (relating to termination of payroll services); the first sentence of Section 6.01 (relating to post-Distribution participation in Graham Welfare Plans); Section 6.01 (relating to cessation of participation in Graham Welfare Plans); Section 8.01 (relating to cessation of active participation in the Graham Pension Plan); Article VIII (relating to the Cable Defined Benefit SERP); Section 9.01 (relating to transfer of account balances to the Cable 401(k) Plan); Section 9.04 (relating to the Cable Defined Contribution SERP); Section 10.01 (relating to the Cable Deferred Compensation Plan); Article XII (relating to treatment of Equity Awards) and Section 13.02 (relating to post-Distribution participation in Graham Welfare Plans).

“Former Cable Service Provider” shall mean each individual or entity that is a former Service Provider of a member of the Cable Group.

“Former Graham Employee” shall mean, as of any applicable date, each individual who is a former Employee of a member of the Graham Group, excluding, except to the extent provided in Section 2.02, any Cable Employee.

“FSA Amounts” has the meaning set forth in Section 11.02.

“Governmental Authority” shall mean any Federal, state, local, domestic, foreign or international court, government, department, commission, board, bureau, agency, official or other legislative, judicial, regulatory, administrative or governmental authority.

“Graham” has the meaning set forth in the preamble.

“Graham 401(k) Plan” has the meaning set forth in Section 9.01.

“Graham Benefit Plan” shall mean any Benefit Plan sponsored or maintained by any member of the Graham Group or to which any member of the Graham Group is a party.

“Graham Benefit Plan Rebates” has the meaning set forth in Section 13.02.

“Graham Cafeteria Plan” has the meaning set forth in Section 11.01.

“Graham Common Stock” shall mean the common stock, \$0.01 par value per share, of Graham.

“Graham Continuation Plans” has the meaning set forth in Section 6.01.

“Graham Deferred Compensation Plan” has the meaning set forth in Section 10.01.

“Graham Defined Benefit SERP” has the meaning set forth in Section 8.02.

“Graham Defined Contribution SERP” has the meaning set forth in Section 9.04.

“Graham Employee” shall mean, as of any applicable date, each Employee employed by a member of the Graham Group, including any individual who is not actively at work due to a leave of absence (including vacation, holiday, illness, injury, short-term disability or long-term disability) from which such employee is permitted to return to active employment in accordance with the Graham Group’s personnel policies, but excluding any Former Graham Employee; provided that, solely for the purposes of Article XII (relating to the treatment of Graham Restricted Shares), the term “Graham Employee” shall include any non-Employee director of the Graham Group.

“Graham Group” shall mean Graham and each of its Subsidiaries.

“Graham Indemnitee” shall mean Graham, each other member of the Graham Group and each of their respective former and current directors, officers and Employees, and each of the heirs, executors, successors and assigns of any of the foregoing.

“Graham Life Insurance Plan” shall mean the Graham Holdings Company Life Insurance Plan.

“Graham LTD Plan” shall mean the Graham Holdings Company Long-Term Disability Plan.

“Graham Option” has the meaning set forth in Section 12.01.

“Graham Price Ratio” shall mean the quotient obtained by dividing (a) the Graham Post-Distribution Stock Value by (b) the Graham Pre-Distribution Stock Value.

“Graham Pension Plan” has the meaning set forth in Section 8.01.

“Graham Post-Distribution Stock Value” shall mean the simple average of the volume weighted average per share price of Graham Common Stock trading on the Applicable Exchange during Regular Trading Hours on the date of the Distribution and the four Trading Days immediately following the date of the Distribution.

“Graham Pre-Distribution Stock Value” shall mean the simple average of the volume weighted average per share price of Graham Common Stock trading “regular way with due bills” on the Applicable Exchange during Regular Trading Hours on the five Trading Days immediately preceding the date of the Distribution.

“Graham Restricted Shares” has the meaning set forth in Section 12.03.

“Graham Share Ratio” shall mean the quotient obtained by dividing (a) the Graham Pre-Distribution Stock Value by (b) the Graham Post-Distribution Stock Value.

“Graham Welfare Plan” shall mean each Welfare Plan that is a Graham Benefit Plan.

“Group” shall mean either the Graham Group or the Cable Group, as the context requires.

“HCSA” shall mean the Health Flexible Spending Account under the applicable Graham Continuation Plan.

“HIPAA” shall mean the Health Insurance Portability and Accountability Act of 1996, as amended.

“Health Reimbursement Account” has the meaning set forth in Section 6.01.

“Information” shall mean information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product) and other technical, financial, Employee, Service Provider or business information or data.

“Liabilities” shall mean any and all claims, debts, demands, actions, causes of action, suits, damages, obligations, accruals, accounts payable, reckonings, bonds, indemnities and similar obligations, agreements, promises, guarantees, make whole agreements and similar obligations and other liabilities and requirements, including all contractual obligations, whether absolute or contingent, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising and including those arising under any law, rule, regulation, Action, threatened or contemplated Action, order or consent decree of any Governmental Authority or any award of any arbitrator or mediator of any kind and those arising under any contract, commitment or undertaking, including those arising under this Agreement, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person. For the avoidance of doubt, Liabilities (a) shall include attorneys’ fees, the costs and expenses of all assessments, judgments, settlements and compromises and any and all other costs and expenses whatsoever reasonably incurred in connection with anything contemplated by the preceding sentence and (b) shall not include liabilities or requirements related to Taxes.

“Person” shall mean an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability company, any other entity and any Governmental Authority.

“Post-Continuation Period COBRA Employees” has the meaning set forth in Section 6.04.

“Premium Amounts” has the meaning set forth in Section 11.02.

“Pre-Distribution COBRA Employees” has the meaning set forth in Section 6.04.

“Previously Funded Amounts” has the meaning set forth in Section 13.02.

“Regular Trading Hours” shall mean the period beginning at 9:30 A.M. New York City time and ending at 4:00 P.M. New York City time.

“Run-Out Period” has the meaning set forth in Section 13.02.

“Run-Out Schedule” has the meaning set forth in Section 13.02.

“Service Provider” shall mean any individual or entity providing services for another Person, whether as an independent contractor or other similar role (other than as an Employee).

“Subsidiary” of any Person shall mean any corporation or other organization whether incorporated or unincorporated of which at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect at least a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries; provided, however, that (a) no Person that is not directly or indirectly wholly owned by any other Person shall be a Subsidiary of such other Person unless such other Person controls, or has the right, power or ability to control, that Person and (b) solely for purposes of this Agreement, Cable and its Subsidiaries shall not be considered Subsidiaries of Graham (or members of the Graham Group) prior to, on or after the Distribution.

“Taxes” shall mean all forms of taxation or duties imposed, or required to be collected or withheld, including (but not limited to) all forms of income taxes, social insurance charges, payroll tax payments or other tax-related amounts, together with any related interest, penalties or other additional amounts.

“TMA” shall mean the Tax Matters Agreement dated as of the date of this Agreement by and between Graham and Cable.

“Trading Day” shall mean the period of time during any given calendar day, commencing with the determination of the opening price on the Applicable Exchange and ending with the determination of the closing price on the Applicable Exchange.

“TSA” shall mean the Transition Services Agreement dated as of the date of this Agreement by and between Graham and Cable.

“Welfare Plan” shall mean each Benefit Plan that provides life insurance, health care, dental care, accidental death and dismemberment insurance, disability, severance, vacation, flexible spending accounts or other group welfare or fringe benefits.

“Withholding Amount” shall have the meaning set forth in Section 12.04.

ARTICLE II

General Principles

SECTION 2.01. Cable Employees. All Cable Employees as of immediately prior to the Distribution shall continue to be Cable Employees immediately following the Distribution.

SECTION 2.02. Liabilities. Except as otherwise specifically provided in this Agreement, the members of the Cable Group shall be responsible for all actual or potential employment and other Liabilities with respect to Cable Employees and Former Cable Employees arising prior to, at or after the Distribution relating to periods during which such Cable Employees and Former Cable Employees were employed by any member of the Cable Group. Except as otherwise specifically provided in this Agreement, the provisions of this Agreement do not apply to Cable Service Providers and Former Cable Service Providers, and the members of the Cable Group shall be responsible for all actual or potential Liabilities relating to services provided by Cable Service Providers and Former Cable Service Providers to members of the Cable Group, including (a) Liabilities relating to the misclassification of any Person as a Service Provider and not as an Employee of a member of the Cable Group, (b) Liabilities for Taxes (including any Employment Taxes) with respect to such Cable Service Provider or Former Cable Service Provider, (c) accounts payable owed to any Cable Service Provider or Former Cable Service Provider and (d) any claims made by any Cable Service Provider or Former Cable Service Provider with respect to benefits under any Benefit Plan. Except as otherwise specifically provided in this Agreement or as relates to any periods of service for, or employment with, any member of the Cable Group, the members of the Cable Group shall not be responsible for any actual or potential employment and other Liabilities with respect to Graham Employees, Former Graham Employees or current or former Service Providers of the Graham Group, whether arising prior to, at or after the Distribution.

SECTION 2.03. Benefit Plans. Except as otherwise specifically provided in this Agreement or as may otherwise be provided in the TSA, as of the Distribution, each Cable Employee and each Former Cable Employee (and each of their respective dependents and beneficiaries) shall cease active participation in, and each member of the Cable Group shall cease to be a participating employer in, all Graham Benefit Plans, including the Graham Benefit Plans listed on Schedule 2.03, and, as of such time, Cable shall, or shall cause its Subsidiaries to, have in effect such corresponding Cable Benefit Plans as are necessary to comply with its obligations pursuant to this Agreement. As of immediately following the Distribution, except as otherwise specifically provided in this Agreement, (a) Graham shall, or shall cause one or more members of the Graham Group to, retain, pay, perform, fulfill and discharge all Liabilities arising out of or relating to all Graham Benefit Plans, and (b) Cable shall, or shall cause one of the members of the Cable Group to, retain, pay, perform, fulfill and discharge all Liabilities arising out of or relating to all Cable Benefit Plans.

SECTION 2.04. Payroll Services. Subject to the TSA, prior to, at and after the Distribution, the members of the Cable Group shall be solely responsible for providing payroll services to the Cable Employees and Former Cable Employees.

ARTICLE III

Annual Incentive Plans; Long-Term Incentive Plans

SECTION 3.01. Cable Annual Incentive Plans. At and after the Distribution, the members of the Cable Group shall retain all Liabilities with respect to any annual bonus or other short-term incentive awards to or in respect of Cable Employees and Former Cable Employees that relate to the year that includes the Distribution under any Cable Benefit Plan, including any such awards under the Benefit Plans that are set forth on Schedule 3.01.

SECTION 3.02. Cable Long-Term Incentive Plans. At and after the Distribution, the members of the Cable Group shall retain all Liabilities with respect to any long-term incentive awards to or in respect of Cable Employees and Former Cable Employees under any Cable Benefit Plan that is a long-term incentive plan, including any such awards under the Benefit Plans that are set forth on Schedule 3.02.

ARTICLE IV

Service Credit

SECTION 4.01. Graham Benefit Plans. As of the Distribution, the service of Cable Employees with any member of the Cable Group or any other employer, as applicable, other than any member of the Graham Group, shall not be taken into account for any purpose under any Graham Benefit Plan, except as otherwise specifically provided in this Agreement.

SECTION 4.02. Cable Benefit Plans. Unless prohibited by applicable law, Cable shall, and shall cause its Subsidiaries to, credit service accrued by each Cable Employee with, or otherwise recognized for benefit plan purposes by, any member of the Graham Group or the Cable Group at the time of or prior to the Distribution for purposes of (a) eligibility and vesting under each Cable Benefit Plan under which service is relevant in determining eligibility or vesting, (b) determining the amount of severance payments and benefits (if any) payable under each Cable Benefit Plan that provides severance payments or benefits and (c) determining the number of vacation days to which each such Employee will be entitled following the Distribution, in the case of clauses (a), (b) and (c), to the same extent recognized by the relevant members of the Graham Group or Cable Group or the corresponding Graham Benefit Plan or Cable Benefit Plan immediately prior to the Distribution, except to the extent such credit would result in a duplication of benefits for the same period of service.

ARTICLE V

Severance

SECTION 5.01. Severance Liabilities. The members of the Cable Group shall retain all Liabilities and be solely responsible for all severance or other separation payments and benefits relating to the termination or alleged termination of any Cable Employee's or Former Cable Employee's employment with a member of the Cable Group that occurs prior to, at or after the Distribution.

ARTICLE VI

Certain Welfare Benefit Plan Matters

SECTION 6.01. Graham Welfare Plans. Without limiting the generality of Section 2.02 and notwithstanding Section 2.03, (i) the Cable Employees and Former Cable Employees (and their respective dependents and beneficiaries) who are participants in the Graham Welfare Plans identified on Schedule 6.01 (the "Graham Continuation Plans") as of the Distribution may continue to participate in such Graham Continuation Plans for the period commencing on the date of the Distribution and ending December 31, 2015, and (ii) the Cable Employees and Former Cable Employees (and their respective dependents and beneficiaries) who become eligible to participate in the Graham Continuation Plans after the Distribution but prior to December 31, 2015 in accordance with the terms of such plans (other

than any individual who became a Cable Employee outside of the course of ordinary business (e.g., pursuant to an acquisition or extraordinary transaction)) may participate in the Graham Continuation Plans for the period commencing on the date of such eligibility, as applicable, and ending December 31, 2015 (such period described in clauses (i) or (ii), as the context requires, the “Continuation Period”, and such coverage, the “Continuation Coverage”). For purposes of this Agreement, if a Cable Employee is a participant in the HCSA on December 31, 2015, the Continuation Period shall also include the period ending March 15, 2016 solely with respect to expenses otherwise eligible for reimbursement from the HCSA. Cable shall notify Graham in writing as soon as possible, and in all cases, (A) within five (5) days, in the case of any change in employment status (including but not limited to termination of employment) or (B) within thirty-one (31) days, in the case of any other change, in each case, of a Cable Employee or Former Cable Employee that affects such Employee’s eligibility for Continuation Coverage under the Graham Continuation Plans; provided, however, that such notice will be deemed given to the extent of any such changes that are timely and validly entered by a member of the Cable Group directly into the applicable shared Human Resources Information System. The Continuation Coverage under the Graham Continuation Plans shall be on the same general terms and conditions as in effect immediately prior to the Distribution, including the Cable Group’s obligation to fund by no later than the 15th of each month the budgeted amounts (i.e., Graham’s determination of the estimated costs in excess of premium payments payable by members of the Cable Group) payable to the Graham Group in respect of the Graham Continuation Plans and the Cable Group’s obligation to reimburse Graham in accordance with Section 13.02, subject to any amendment or modification to any Graham Continuation Plan that becomes effective following the Distribution and relates to similarly situated Graham Employees. Graham’s obligation to provide Continuation Coverage shall be subject to any necessary consents of any third-party vendors and insurance carriers in respect of the Graham Continuation Plans. The Cable Employees shall have the opportunity to use their phantom account balances under the Aetna Health Fund (“Health Reimbursement Account”) under Graham Continuation Plans during the Continuation Period; provided that any portion of such balances that remain unused as of December 31, 2015 shall not be transferred to Cable or the Cable Welfare Plans (as hereinafter defined) and shall be forfeited on such date, subject to any applicable run-out period set forth in the Health Reimbursement Account. In order to implement the provisions of this Section 6.01, Cable and Graham shall reasonably cooperate in the exchange of information, notification to Cable Employees and in the preparation of any documentation required to be filed with any Governmental Authority; provided, however, that the Graham Group shall only be required to disclose information to the Cable Group with respect to Continuation Coverage to the extent specifically permitted under the applicable provisions of HIPAA and any other similar applicable law.

SECTION 6.02. Cable Welfare Plans. As of (a) the Distribution, in the case of Graham Welfare Plans that are not Graham Continuation Plans, and (b) the expiration of the Continuation Period, in the case of Graham Continuation Plans, each Cable Employee and Former Cable Employee will cease participation with respect to themselves and their respective dependents and beneficiaries in the applicable Graham Welfare Plan. Cable shall, or shall cause its Subsidiaries to have in effect Welfare Plans (collectively, the “Cable Welfare Plans”) as of (i) the Distribution, in the case of Cable Welfare Plans corresponding to the Graham Welfare Plans described in clause (a) above, and (ii) January 1, 2016, in the case of Cable Welfare Plans corresponding to the Graham Welfare Plans described in clause (b) above, in each case, that will provide welfare benefits to the Cable Employees and Former Cable Employees (and their respective dependents and beneficiaries).

SECTION 6.03. Allocation of Welfare Benefit Claims. Notwithstanding Section 2.03, and other than in connection with the Continuation Coverage under the Graham Continuation Plans at and after the Distribution, (a) the members of the Graham Group shall retain Liability and responsibility in accordance with the applicable Graham Welfare Plan for all reimbursement claims (such as medical and dental claims) for expenses incurred and for all non-reimbursement claims (such as life insurance claims) incurred by Cable Employees and Former Cable Employees (and their dependents and beneficiaries) under such plans prior to the Distribution and (b) the members of the Cable Group shall retain Liability and responsibility in accordance with the Cable Welfare Plans for all reimbursement claims (such as medical and dental claims) for expenses incurred and for all non-reimbursement claims (such as life insurance claims) incurred by Cable Employees and Former Cable Employees (and their dependents and beneficiaries) on or after the Distribution. Notwithstanding the foregoing, Cable shall be obligated to reimburse Graham for any such claims and expenses as provided in Article XIII. For purposes of this Section 6.03, a benefit claim shall be deemed to be incurred as follows: (i) health, dental, vision and prescription drug benefits (including in respect of any hospital confinement), upon provision of such services, materials or supplies; and (ii) life, accidental death and dismemberment and business travel accident insurance benefits, upon the death, cessation of employment or other event giving rise to such benefits; and (iii) notwithstanding the above, with respect to any fully insured benefits, the insurance premium shall be treated as a claim at the time such premium is due, and benefits payable by the insurer shall not be considered a claim.

SECTION 6.04. COBRA. Notwithstanding Section 2.03, (a) at and after the Distribution, Graham and the Graham Welfare Plans shall be responsible for all Liabilities in respect of COBRA and any applicable similar state laws (the "COBRA Liabilities") with respect to Cable Employees and Former Cable Employees (and their respective dependents) who became eligible to receive continued health coverage under such laws prior to the Distribution (the "Pre-Distribution COBRA Employees"), (b) during the Continuation Period and subject to Cable's obligation to reimburse Graham in accordance with Section 13.02, Graham and the Graham Welfare Plans shall provide continued health coverage with respect to Cable Employees and Former Cable Employees (and their respective dependents) who became eligible to receive such coverage under COBRA or any applicable similar state law after the Distribution but on or prior to December 31, 2015 (the "Continuation Period COBRA Employees"), and (c) as of January 1, 2016, Cable and the Cable Welfare Plans shall be responsible for all COBRA Liabilities with respect to the Continuation Period COBRA Employees and Cable Employees and Former Cable Employees (and their respective dependents) who became eligible to receive continued health coverage under COBRA or any applicable similar state law after the Distribution (the "Post-Continuation Period COBRA Employees"); provided that Continuation Period COBRA Employees shall, during the Continuation Period, remit the premiums required for each such participant's participation in the applicable plan(s) (the "COBRA Premium Amounts") directly to the third-party administrator of the applicable governing plan (in accordance with past practice) within the time required under the governing plan documents. In addition, Cable shall indemnify, defend and hold harmless the members of the Graham Group from and against any and all Liabilities relating to, arising out of or resulting from COBRA provided by Cable, or the failure of Cable to meet its COBRA obligations to Cable Employees, Former Cable Employees and their respective dependents.

ARTICLE VII

Long-Term Disability

SECTION 7.01. Benefits. Except as otherwise specifically provided in this Agreement and subject to Section 7.02, at and after the Distribution, the Cable LTD Employees shall be deemed to be Graham Employees for purposes of this Agreement, including participation in the Graham LTD Plan and eligibility to receive continued benefits under the Graham Life Insurance Plan.

SECTION 7.02. Return to Work. To the extent required by applicable Cable policies, as in effect from time to time, and applicable law, Cable shall, or shall cause its Subsidiaries to, employ any Cable LTD Employee at such time, if ever, as such Cable LTD Employee is ready to return to active employment, and from and after the time such Cable LTD Employee returns to active employment, such Employee shall no longer be deemed a Graham Employee and shall be deemed a Cable Employee for purposes of this Agreement.

ARTICLE VIII

Defined Benefit Pension Plans

SECTION 8.01. Graham Pension Plan. Effective as of the Distribution, each Cable Employee or Former Cable Employee who is a participant as of immediately prior to the Distribution in The Retirement Plan for Graham Holdings Company (including the Secure Retirement Account and Cash Balance schedules thereunder) (the "Graham Pension Plan") shall cease active participation in the Graham Pension Plan and, without limiting the generality of Section 4.01, service with any member of the Cable Group or any other employer other than any member of the Graham Group from and after the Distribution shall not be taken into account for any purpose under the Graham Pension Plan. At the Distribution, the accrued benefit of each Cable Employee under the Graham Pension Plan, if unvested, shall become immediately vested, subject to compliance with applicable law. Notwithstanding any provision of this Agreement to the contrary, following the Distribution, the Graham Group shall retain sponsorship of the Graham Pension Plan and all assets and Liabilities arising out of or relating to the Graham Pension Plan in respect of Cable Employees and Former Cable Employees, and the Graham Pension Plan shall make payments to Cable Employees and Former Cable Employees with vested rights thereunder in accordance with the terms of the Graham Pension Plan as in effect from time to time and their applicable beneficiaries. The obligations of the members of the Cable Group to provide information to the members of the Graham Group in connection with Cable Employees and Former Cable Employees participating in the Graham Pension Plan are set forth in Section 14.01. Notwithstanding Section 2.03, Cable shall not have any obligation to establish a tax-qualified defined benefit pension plan from and after the Distribution.

SECTION 8.02. Graham Defined Benefit SERP. Effective as of the Distribution, the Cable Group shall establish a defined benefit supplemental executive retirement plan for the benefit of certain Cable Employees and Former Cable Employees (the "Cable Defined Benefit SERP") as a continuation of the defined benefit portion of the Graham Holdings Company Supplemental Executive Retirement Plan (the "Graham Defined Benefit SERP"). Effective as of the Distribution, Cable and its Subsidiaries shall be responsible for all Liabilities with respect to the Graham Defined Benefit SERP relating to Cable Employees and Former Cable Employees, and, from and after the Distribution, Cable and its Subsidiaries shall be solely liable for all payments to any such Cable Employee and Former Cable Employee under the Cable Defined Benefit SERP. Cable and its Subsidiaries shall make payments to such Cable Employees and Former Cable Employees with rights under the Graham Defined Benefit SERP in accordance with the terms of such plan (which, for purposes of clarity, shall be incorporated into the Cable Defined Benefit SERP), as in effect from time to time. Cable and its Subsidiaries shall be solely responsible for all obligations relating to reporting of Taxes to the appropriate Governmental Authority and remitting the amounts of any such Taxes required to be withheld (including any Employment Taxes) to the appropriate Governmental Authority in connection with payments to Cable Employees and Former Cable Employees with rights under the Graham Defined Benefit SERP and in connection with payments to Cable Defined Benefit SERP participants. Notwithstanding Section 2.03 or anything in this Section 8.02 to the contrary, Cable shall not have any obligation to allow Cable Employees or Former Cable Employees to accrue additional benefits under the Cable Defined Benefit SERP from and after the Distribution. At and after the Distribution, Graham shall cooperate in good faith to assist the Cable Group in the administration of the Cable Defined Benefit SERP with respect to the matters set forth on Schedule 8.02.

SECTION 8.03. No Distributions. The Parties acknowledge that none of the transactions contemplated by this Agreement or the Separation Agreement will trigger a payment or distribution of compensation under the Graham Defined Benefit SERP for any Cable Employee or Former Cable Employee and, consequently, the payment or distribution of any compensation to which any such Cable Employee or Former Cable Employee is entitled under the Graham Defined Benefit SERP will occur upon such Employee's separation from service from Cable or its Subsidiaries or at such other time as provided pursuant to the Cable Defined Benefit SERP.

SECTION 8.04. Limitation of Liability. For the avoidance of doubt, Graham shall have no responsibility for any failure of Cable to properly administer the Cable Defined Benefit SERP in accordance with its terms and applicable law, including any failure to properly administer the accounts of Cable Employees, Former Employees and their respective beneficiaries in the Cable Defined Benefit SERP, other than any failure that is the direct result of the receipt by a member of the Cable Group or the Cable Defined Benefit SERP of incorrect information from a member of the Graham Group or an Employee of a member of the Graham Group; provided, however, that in no event shall any member of the Graham Group have any responsibility for any failure that would have occurred in the absence of the receipt of such inaccurate information.

ARTICLE IX

Defined Contribution Plans

SECTION 9.01. Cable 401(k) Plan. Effective as of the Distribution, Cable will establish a defined contribution plan that includes a qualified cash or deferred arrangement within the meaning of Section 401(k) of the Code (the "Cable 401(k) Plan") providing benefits to Cable Employees and Former Cable Employees participating in The Savings Plan for GHC Divisions (the "Graham 401(k) Plan") as of the Distribution.

SECTION 9.02. Trust-to-Trust Transfer. As soon as practicable following the Distribution, a member of the Graham Group shall cause to be transferred from the Graham 401(k) Plan to the Cable 401(k) Plan the assets and Liabilities relating to the account balances of Cable Employees and Former Cable Employees in accordance with the applicable requirements of all applicable laws, including the Code. From and after the time that the transfer is complete, as described in the immediately preceding sentence, a member of the Cable Group shall administer the accounts of Cable Employees and Former Cable Employees in the Cable 401(k) Plan in accordance with all applicable laws, including the Code. Such transfer of assets and Liabilities shall consist of a transfer in kind of all account balances referred to in the first sentence of this Section 9.01, including such Liabilities for the beneficiaries of the Cable Employees and Former Cable Employees and accrued benefit Liabilities arising under any applicable qualified domestic relations order. As soon as practicable following the Distribution, a member of the Cable Group shall direct the trustee of the Cable 401(k) Plan to accept such transfers of assets and Liabilities from the Graham 401(k) Plan. Following the foregoing transfer, the Cable Group and/or the Cable 401(k) Plan shall assume all Liabilities of the Graham Group under the Graham 401(k) Plan with respect to all participants in the Graham 401(k) Plan whose balances were transferred to the Cable 401(k) Plan and their beneficiaries pursuant to such transfer, and the Graham Group and the Graham 401(k) Plan shall have no Liabilities to provide such participants with benefits under the Graham 401(k) Plan following such transfer. Cable shall not permit any participant in the Cable 401(k) Plan to make any additional investments in the stock fund holding Graham Common Stock or in any of the funds listed on Schedule 9.02 from and after the time that the trust-to-trust transfer contemplated in this Section 9.01 is effected. Graham and Cable shall use reasonable efforts to minimize the duration of any "blackout period" imposed in connection with each transfer of account balances from the Graham 401(k) Plan to the Cable 401(k) Plan.

SECTION 9.03. Employer 401(k) Plan Contributions. The Cable Group shall remain responsible for employer contributions under the Graham 401(k) Plan or Cable 401(k) Plan, as applicable, with respect to any Cable Employees or Former Cable Employees relating to periods prior to, at and after the Distribution. In the event that any such contribution relates to a payroll period that begins prior to the Distribution but ends after the Distribution, the Cable Group shall make such contribution to the Cable 401(k) Plan following the Distribution.

SECTION 9.04. Cable Defined Contribution SERP. Effective as of the Distribution, the Cable Group shall establish a defined contribution supplemental executive retirement plan for the benefit of certain Cable Employees and Former Cable Employees (the "Cable Defined Contribution SERP") as a continuation of the defined contribution portion of the Graham Holdings Company Supplemental Executive Retirement Plan (the "Graham Defined Contribution SERP"). Effective as of the Distribution, Cable and its Subsidiaries shall be responsible for all Liabilities with respect to the Graham Defined Contribution SERP relating to Cable Employees and Former Cable Employees, and, from and after the Distribution, Cable and its Subsidiaries shall be solely liable for all payments to any such Cable Employee and Former Cable Employee under the Cable Defined Contribution SERP. Cable and its Subsidiaries shall make payments to such Cable Employees and Former Cable Employees with rights under the Graham Defined Contribution SERP in accordance with the terms of such plan (which, for purposes of clarity, shall be incorporated into the Cable Defined Contribution SERP), as in effect from time to time. Cable and its Subsidiaries shall be solely responsible for all obligations relating to reporting of Taxes to the appropriate Governmental Authority and remitting the amounts of any such Taxes required to be withheld (including any Employment Taxes) to the appropriate Governmental Authority in connection with payments to Cable Employees and Former Cable Employees with rights under the Graham Defined Contribution SERP and in connection with payments to Cable Defined Contribution SERP participants. Notwithstanding Section 2.03 or anything in this Section 9.04 to the contrary, except as required to comply with Section 409A of the Code, Cable shall not have any obligation to allow Cable Employees or Former Cable Employees to accrue additional benefits under the Cable Defined Contribution SERP from and after the Distribution.

SECTION 9.05. No Distributions. The Parties acknowledge that none of the transactions contemplated by this Agreement or the Separation Agreement will trigger a payment or distribution of compensation under the Graham Defined Contribution SERP for any Cable Employee or Former Cable Employee and, consequently, the payment or distribution of any compensation to which any such Cable Employee or Former Cable Employee is entitled under the Graham Defined Contribution SERP will occur upon such Employee's separation from service from Cable or its Subsidiaries or at such other time as provided pursuant to the Cable Defined Contribution SERP.

SECTION 9.06. Limitation of Liability. For the avoidance of doubt, Graham shall have no responsibility for any failure of Cable to properly administer the Cable 401(k) Plan or the Cable Defined Contribution SERP in accordance with their terms and applicable law, including any failure to properly administer the accounts of Cable Employees, Former Employees and their respective beneficiaries in such Cable 401(k) Plan or Cable Defined Contribution SERP, other than any failure that is the direct result of the receipt by a member of the Cable Group, the Cable 401(k) Plan or the Cable Defined Contribution SERP of incorrect information from a member of the Graham Group or an Employee of a member of the Graham Group; provided, however, that in no event shall any member of the Graham Group have any responsibility for any failure that would have occurred in the absence of the receipt of such inaccurate information.

ARTICLE X

Nonqualified Deferred Compensation

SECTION 10.01. Graham Deferred Compensation Plan. Effective as of the Distribution, the Cable Group will establish a nonqualified deferred compensation plan (the "Cable Deferred Compensation Plan"). Pursuant to the Cable Deferred Compensation Plan, the Cable Group will be responsible for all Liabilities with respect to the Graham Deferred Compensation Plan (the "Graham Deferred Compensation Plan") relating to Cable Employees and Former Cable Employees. From and after the Distribution, Cable shall indemnify, defend and hold harmless the members of the Graham Group from and against any and all Liabilities relating to, arising out of or resulting from the participation of the Cable Employees and Former Cable Employees in the Cable Deferred Compensation Plan. Notwithstanding Section 2.03 or anything in this Section 10.01 to the contrary, except as required to comply with Section 409A of the Code, Cable shall not have any obligation to allow Cable Employees or Former Cable Employees to defer additional amounts or accrue additional benefits under the Cable Deferred Compensation Plan from and after the Distribution.

SECTION 10.02. No Distributions. The Parties acknowledge that none of the transactions contemplated by this Agreement or the Separation Agreement will trigger a payment or distribution of compensation under the Graham Deferred Compensation Plan for any Cable Employee or Former Cable Employee and, consequently, that the payment or distribution of any compensation to which any such Cable Employee or Former Cable Employee is entitled under the Graham Deferred Compensation Plan will occur upon such Employee's separation from service from Cable or its Subsidiaries or at such other time as provided pursuant to the Cable Deferred Compensation Plan or by such Employee's deferral election.

SECTION 10.03. Limitation of Liability. For the avoidance of doubt, Graham shall have no responsibility for any failure of Cable to properly administer the Cable Deferred Compensation Plan in accordance with its terms and applicable law, including any failure to properly administer the accounts of Cable Employees, Former Employees and their respective beneficiaries in such Cable Deferred Compensation Plan, other than any failure that is the direct result of the receipt by a member of the Cable Group or the Cable Deferred Compensation Plan of incorrect information from a member of the Graham Group or an Employee of a member of the Graham Group; provided, however, that in no event shall any member of the Graham Group have any responsibility for any failure that would have occurred in the absence of the receipt of such inaccurate information.

SECTION 10.04. Individual Deferred Compensation Arrangement. Cable will continue to honor the individual deferred compensation arrangement listed on Schedule 10.04.

ARTICLE XI

Medical Flexible Spending Arrangements; Medical Insurance Premiums

SECTION 11.01. Cafeteria Plan. In order to facilitate the Continuation Coverage in accordance with Section 6.01, no later than the Distribution, Cable shall, or shall cause one of its Subsidiaries to, have in effect a cafeteria plan qualifying under Section 125 of the Code (the "Cable Cafeteria Plan") that will continue in effect through December 31, 2015 in respect of elections made by the Cable Employees pursuant to the Code Section 125 cafeteria plan sponsored by any member of the Graham Group (the "Graham Cafeteria Plan"), which elections will apply to participation in the Graham Continuation Plans until December 31, 2015.

SECTION 11.02. Remittances of Premiums and FSA Contributions. Cable shall, or shall cause one of its Subsidiaries to, honor and continue through the last paycheck of 2015, the payroll deductions and salary reductions made through the Cable Cafeteria Plan that are required for each Cable Employee's continued active participation in the Cable Cafeteria Plan in respect of (i) the premiums (if any) required for each Cable Employee's participation in the Graham Continuation Plans (such amounts, the "Premium Amounts") and (ii) the contributions (if any) elected to be made by the Cable Employees to the flexible spending reimbursement accounts that constitute a component of the Graham Continuation Plans (such amounts, the "FSA Amounts"). Cable shall remit the Premium Amounts and FSA Amounts to Graham by no later than the fifth business day following the end of each month during the Continuation Period (in all events, in accordance with the timing applicable to such remittances prior to the Distribution), commencing with the month of the Distribution. At the reasonable request of Graham, Cable shall provide Graham with a summary for each Cable Employee of such Cable Employee's Premium Amounts and FSA Amounts (in each case, if any) paid or contributed during the relevant month during the Continuation Period within 15 business days of such request.

SECTION 11.03. Liabilities. Cable shall indemnify, defend and hold harmless the members of the Graham Group from and against any and all Liabilities relating to, arising out of or resulting from the Cable Cafeteria Plan.

ARTICLE XII

Graham Equity Compensation Awards

SECTION 12.01. General Provisions. Each option to purchase shares of Graham Common Stock (each, a “Graham Option”) that is outstanding as of the Distribution and is held by a Cable Employee or Former Cable Employee shall be adjusted as described below; provided, however, that, in connection with the Distribution, the Board of Directors of Graham (or a duly authorized committee thereof) (the “Graham Board”) may provide for different adjustments with respect to some or all of a holder’s Graham Options. For greater certainty, any adjustments made by the Graham Board shall be deemed incorporated by reference herein as if fully set forth below and shall be binding on the parties hereto and their respective Subsidiaries. The adjustments provided in Section 12.02 with respect to any Graham Options are intended to be effected in a manner that is consistent with Sections 424(a) and 409A of the Code.

SECTION 12.02. Treatment of Outstanding Graham Stock Options Held by Cable Employees or Former Cable Employees. The employment of each Cable Employee with Graham and its Affiliates will be treated as terminated as of the Distribution for purposes of any outstanding Graham Option held by such Cable Employee. Subject to any required action by the Graham Board, (a) effective prior to the Distribution, a pro rata portion of the then outstanding and unvested Graham Options held by a Cable Employee will become vested, with such proration determined based on the remaining portion of the vesting period that would have elapsed as of the Distribution, (b) effective upon the Distribution, each outstanding unvested Graham Option that, as of the Distribution, is held by a Cable Employee (including any portion of a Graham Option that did not become vested in accordance with clause (a) of this Section 12.02) shall be automatically canceled and forfeited and (c) each outstanding vested Graham Option that, as of the Distribution, is held by a Cable Employee or Former Cable Employee, shall remain outstanding through the period specified in the applicable award agreement for such Graham Option (each, an “Adjusted Graham Option”) and shall, except as otherwise provided in this Section 12.02, be subject to the same terms and conditions after the Distribution as applicable to such Graham Option immediately prior to the Distribution; provided, however, that from and after the Distribution:

(i) the per share exercise price of each such Adjusted Graham Option shall be equal to the product of (A) the per share exercise price of the corresponding Graham Option immediately prior to the Distribution multiplied by (B) the Graham Price Ratio, rounded up to the nearest whole cent; and

(ii) the number of shares of Graham Common Stock subject to each such Adjusted Graham Option shall be equal to the product of (A) the number of shares of Graham Common Stock subject to the corresponding Graham Option immediately prior to the Distribution multiplied by (B) the Graham Share Ratio, with any fractional share rounded down to the nearest whole share.

SECTION 12.03. Treatment of Outstanding Graham Restricted Shares Held by Graham Employees or Cable Employees. In connection with the Distribution, each Graham Employee or Cable Employee who holds restricted shares of Graham Common Stock ("Graham Restricted Shares") will generally receive, as of the time of the Distribution, restricted shares of Cable Common Stock ("Cable Restricted Shares") in accordance with the terms and conditions of the awards agreements for such Graham Restricted Shares, in an amount determined in the same manner as for other shareholders of Graham Common Stock based on the Distribution Ratio, rounded down to the nearest whole number of shares. Such Cable Restricted Shares shall be subject to the same vesting requirements and dates and other terms and conditions as the Graham Restricted Shares to which they relate (including the right to receive dividends or other distributions paid on Cable Common Stock). Immediately prior to the Distribution, each Cable Employee holding Graham Restricted Shares as of the Distribution shall become vested pro rata in a percentage of such Graham Restricted Shares, with such percentage calculated by dividing (i) the number of full months elapsed from the effective grant date of such Graham Restricted Shares through the Distribution by (ii) the number of full months elapsed from the effective grant date of such Graham Restricted Shares through the original vesting date. Any Cable Common Stock received by such Cable Employee in respect of such vested Graham Restricted Shares upon the Distribution shall also be deemed vested. As the employment of each Cable Employee with Graham and its Affiliates will be treated as terminated as of the Distribution for purposes of the Graham Restricted Shares, any outstanding unvested Graham Restricted Shares shall be automatically canceled and forfeited effective upon the Distribution (and, for the avoidance of doubt, no Cable Common Stock shall be issued upon the Distribution in respect of such Graham Restricted Shares).

SECTION 12.04. Employee Withholding Tax Obligations. Upon vesting or exercise, as applicable, of any Equity Awards, the applicable Employee shall, in accordance with and to the extent permitted under the Graham policy (in the case of Equity Awards relating to Graham Common Stock) or Cable policy (in the case of Equity Awards relating to Cable Common Stock) applicable to the vesting or exercise of such Equity Awards, either (i) pay to Graham (in the case of Graham Employees or Former Graham Employees) or to Cable (in the case of Cable Employees or Former Cable Employees) an amount in cash equal to the Withholding Amount attributable to such vesting or exercise, or (ii) deliver instructions to the applicable brokerage to sell a number of shares of Cable Common Stock or Graham Common Stock, as applicable, that, upon sale, would result in an amount realized by such holder equal to the Withholding Amount attributable to such vesting or exercise. For purposes of this Section 12.04, the "Withholding Amount" shall mean the employee-paid portion of any Taxes (including any Employment Taxes) required to be withheld upon the applicable event.

SECTION 12.05. Employer Tax Obligations; Tax Deductions. Graham and Cable hereby acknowledge and agree that, notwithstanding any provision of this Article XII to the contrary, (a) the members of the Cable Group shall be solely responsible for all obligations relating to reporting of Taxes to the appropriate Governmental Authority and withholding and remitting the amounts of any such Taxes required to be withheld (including any Employment Taxes) to the appropriate Governmental Authority in connection with any Equity Awards held by Cable Employees or Former Cable

Employees and Graham shall not have any responsibility or Liability with respect thereto, other than as provided in Section 12.07, and (b) the members of the Graham Group shall be solely responsible for all obligations relating to reporting of Taxes to the appropriate Governmental Authority and remitting the amounts of any such Taxes required to be withheld (including any Employment Taxes) to the appropriate Governmental Authority in connection with any Equity Awards held by Graham Employees or Former Graham Employees and Cable shall not have any responsibility or Liability with respect thereto, other than as provided in Section 12.07; provided, however, that the Parties shall cooperate in good faith to take any steps necessary to ensure that any Withholding Amount received pursuant to Section 12.04 by a Party who is not responsible for withholding and remitting such amount to the appropriate Governmental Authority in accordance with this Section 12.05 is paid over or remitted to the applicable responsible Party as promptly as reasonably practicable. The rights and obligations of the Parties with respect to Tax deductions relating to the Equity Awards shall be governed by Section 2.06 of the TMA.

SECTION 12.06. Forfeited Restricted Shares. Notwithstanding the foregoing, the Parties hereby acknowledge and agree that, in respect of any Cable Restricted Shares that are forfeited by a Graham Employee or Former Graham Employee following the Distribution, the Parties shall ensure that the appropriate transfer agent returns such Cable Restricted Shares to Cable. Cable will be authorized to cancel any and all such certificates representing Cable Restricted Shares so forfeited and to cause any book entry to be made in the records of Cable in respect of such Cable Restricted Shares so forfeited. For the avoidance of doubt, forfeited Cable Restricted Shares held by a Graham Employee or Former Graham Employee shall be delivered to Cable without any reimbursement by Cable to Graham for such forfeited Cable Restricted Shares.

SECTION 12.07. Reports. For so long as any Equity Award in respect of Graham Common Stock is outstanding and held by a Cable Employee or Former Cable Employee, or any Equity Award in respect of Cable Common Stock is outstanding and held by a Graham Employee or Former Graham Employee, (a) Graham shall provide Cable with the reports listed on Schedule 12.07(a) hereto at the times specified therein and (b) Cable shall provide Graham with the reports listed on Schedule 12.07(b) hereto at the times specified therein.

ARTICLE XIII

Benefit Plan Reimbursements; Indemnification

SECTION 13.01. Benefit Plan Indemnification. With respect to each Graham Benefit Plan or Cable Benefit Plan, Cable shall indemnify, defend and hold harmless the members of the Graham Group and the Graham Benefit Plans from and against any and all Liabilities relating to, arising out of or resulting from participation in any such plan by any Cable Employee or Former Cable Employee, regardless of whether such participation relates to a period that was prior to, at or after the Distribution; provided, however, that the foregoing obligations shall not apply in the event of any Liabilities arising out of gross negligence or wilful or intentional misconduct by any member of the Graham Group or any Employee of any member of the Graham Group. With respect to each Graham Benefit Plan or Cable Benefit Plan, Graham shall indemnify, defend and hold harmless the members of the Cable Group and the Cable Benefit Plans from and against any and all Liabilities arising out of gross negligence or wilful or intentional misconduct by any member of the Graham Group or any Employee of any member of the Graham Group; provided, however, that in no event shall any member of the Graham Group be responsible for the cost of any compensation or benefits that the relevant member of the Cable Group would have incurred in the absence of any gross negligence or wilful or intentional misconduct by the relevant member of the Graham Group or the relevant Employee of any member of the Graham Group.

SECTION 13.02. Cable Reimbursement of Graham for Post-Separation Welfare Plan Continuation Coverage. (a) As promptly as practicable following December 31, 2015, Graham will provide Cable with a summary that sets forth the following: (i) the aggregate amounts paid by a member of the Graham Group during the 2015 calendar year (whether prior to, at or after the Distribution) for welfare benefit claims in respect of the Cable Employees and Former Cable Employees (excluding COBRA Employees) and their dependents and beneficiaries under the Graham Continuation Plans, to the extent not fully covered by insurance (if applicable); (ii) the aggregate amounts paid by a member of the Graham Group during the Continuation Period for welfare benefit claims in respect of Continuation Period COBRA Employees and their dependents and beneficiaries under the Graham Continuation Plans; (iii) the aggregate amounts reimbursed during the 2015 calendar year to the Cable Employees or Former Cable Employees pursuant to the flexible spending reimbursement accounts under the Graham Continuation Plans; (iv) the aggregate premiums paid during the 2015 calendar year by the Graham Group to third-party insurance providers in respect of coverage of the Cable Employees or Former Cable Employees (and their dependents and beneficiaries); and (v) the aggregate administrative costs and any legal fees incurred by the Graham Group in respect of participation by the Cable Employees, the Former Cable Employees and their dependents and beneficiaries in the Graham Continuation Plans during the 2015 calendar year (including such costs and fees in respect of the Continuation Period COBRA Employees incurred at or after the Distribution) (which, for example purposes only and not by means of limitation, shall include ASO fees, consulting fees, ancillary costs such as mailing and printing, and other similar fees and costs) (such costs, the "Administrative Costs"). Within 10 business days following Cable's receipt of such summary, Cable shall make a cash payment to Graham in an amount equal to the sum of the amounts determined pursuant to the foregoing clauses (i) through (v), less the Previously Funded Amounts. For these purposes, the "Previously Funded Amounts" shall mean, without duplication of any amounts, the sum of (A) the aggregate Premium Amounts remitted to Graham by Cable in accordance with Section 11.02 and the aggregate corresponding payroll deductions and salary reductions made through the Graham Cafeteria Plan during the period from January 1, 2015 through the Distribution in respect of the premiums for each Cable Employee's or Former Cable Employee's participation in the Graham Continuation Plans prior to the start of the Continuation Period, (B) the aggregate FSA Amounts remitted to Graham by Cable in accordance with Section 11.02 and the aggregate corresponding payroll deductions and salary reductions made through the Graham Cafeteria Plan during the period from January 1, 2015 through the Distribution in respect of the contributions, if any, elected to be made by the Cable Employees or Former Cable Employees to the flexible spending reimbursement accounts that constitute a component of the Graham Continuation Plans prior to the start of the Continuation Period, (C) the aggregate COBRA Premium Amounts, (D) the monthly budgeted amounts paid by the Cable Group during the 2015 calendar year (whether paid prior to the Distribution or at or after the Distribution in accordance with Section 6.01) to the Graham Group in respect of the Graham Continuation Plans and (E) any rebates or reimbursements received during the 2015 calendar year by a member of the Graham Group from any third party (whether from a vendor, a Governmental Authority or any other third party) that relate to amounts paid by a member of the Cable Group pursuant to this Agreement or the TSA in connection with participation by Cable Employees and Former Cable Employees in any Graham Benefit Plan (such refunds and rebates, the "Graham Benefit Plan Rebates").

(b) Promptly following the end of each calendar quarter during the period commencing on January 1, 2016 and ending on March 31, 2018, respectively (each period, a “Run-Out Period”), Graham will provide Cable with a reconciliation schedule (each, a “Run-Out Schedule”) that sets forth (i) the aggregate amounts paid by a member of the Graham Group during the respective Run-Out Period for welfare benefit claims in respect of the Cable Employees, Former Cable Employees and Continuation Period COBRA Employees (but not including Pre-Distribution COBRA Employees) and their dependents and beneficiaries under the Graham Continuation Plans, to the extent not fully covered by insurance (if applicable) and (ii) the aggregate Administrative Costs incurred during the respective Run-Out Period, to the extent not fully reimbursed in accordance with Section 13.02(a). Within 10 business days following Purchaser’s receipt of each Run-Out Schedule with respect to each respective Run-Out Period, Cable shall make a cash payment to Graham in an amount equal to the aggregate amount set forth on the applicable Run-Out Schedule.

(c) As promptly as practicable following the end of each month during the Continuation Period, Graham shall provide Cable with a monthly summary of the aggregate amounts paid by a member of the Graham Group in respect of each category described in Sections 13.02(a)(i) through (v) above. The first such summary shall cover amounts paid during the period commencing January 1, 2015 and ending on the last day of the month in which the Distribution occurs, and each subsequent summary shall cover amounts paid during the immediately preceding month. In the event that such costs are greater in any material respect than such costs were in the ordinary course of business consistent with past practice, at Cable’s reasonable request, Graham shall provide additional information regarding such costs as promptly as practicable; provided, however, that the Graham Group shall only be required to disclose information to the Cable Group pursuant to this sentence to the extent specifically permitted under the applicable provisions of HIPAA and any other similar applicable law.

(d) The payments contemplated by this Section 13.02 shall not reduce, and are in addition to, any amounts payable under the TSA.

ARTICLE XIV

Cooperation; Production of Witnesses

SECTION 14.01. Cooperation. Following the date of this Agreement, the Parties shall, and shall cause their respective Subsidiaries to, use commercially reasonable efforts to cooperate with respect to any Employee compensation or benefits matters that either Party reasonably determines require the cooperation of the other Party in order to accomplish the objectives of this Agreement. Without limiting the generality of the preceding sentence, (a) Graham and Cable shall cooperate in connection with any audits of any Benefit Plan with respect to which such Party may have Information, (b) Graham and Cable shall cooperate in connection with any audits of their respective payroll services (whether by a Governmental Authority in the U.S. or otherwise) in connection with the services provided by one Party to the other Party and (c) Graham and Cable shall cooperate in administering the Graham Pension Plan and the Graham Defined Benefit SERP. The obligations of the Graham Group and the Cable Group to cooperate pursuant to this Section 14.01 shall remain in effect until the later of (i) the date all audits of all Benefit Plans with respect to which a Party may have Information have been completed or (ii) the date the applicable statute of limitations with respect to such audits has expired.

SECTION 14.02. Production of Witnesses; Records. Without limiting the foregoing, Section 7.07 of the Separation Agreement is hereby incorporated into this Agreement *mutatis mutandi*.

ARTICLE XV

Termination

SECTION 15.01. Termination. This Agreement may be terminated by Graham, in its sole discretion, at any time prior to the Distribution; provided, however, that this Agreement shall automatically terminate upon the termination of the Separation Agreement in accordance with its terms.

SECTION 15.02. Effect of Termination. In the event of any termination of this Agreement prior to the Distribution, none of the Parties (or any of its directors or officers) shall have any Liability or further obligation to any other Party under this Agreement.

ARTICLE XVI

Indemnification

SECTION 16.01. Incorporation of Indemnification Provisions of Separation Agreement. In addition to the specific indemnification provisions in this Agreement, Sections 6.02 through 6.09 of the Separation Agreement are hereby incorporated into this Agreement *mutatis mutandi*.

ARTICLE XVII

Further Assurances and Additional Covenants

SECTION 17.01. Further Assurances. (a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties shall use reasonable best efforts, prior to, on and after the Distribution, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement.

(b) Without limiting the foregoing, prior to, on and after the Distribution, each Party shall cooperate with the other Party, without any further consideration, but at the expense of the requesting Party, (i) to execute and deliver, or use reasonable best efforts to execute and deliver, or cause to be executed and delivered, all instruments, including any instruments of conveyance, assignment and transfer as such Party may reasonably be requested to execute and deliver by the other Party, (ii) to make, or cause to be made, all filings with, and to obtain, or cause to be obtained, all Consents of any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument, (iii) to obtain, or cause to be obtained, any Governmental Approvals or other Consents required to effect the Spin-Off and (iv) to take, or cause to be taken, all such other actions as such Party may reasonably be requested to take by the other Party from time to time, consistent with the terms of this Agreement, the Separation Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and any transactions contemplated hereby.

(c) On or prior to the Distribution, Graham and Cable, in their respective capacities as direct and indirect shareholders of their respective Subsidiaries, shall each ratify any actions that are reasonably necessary or desirable to be taken by any member of the Cable Group or any Subsidiary of Graham, as the case may be, to effectuate the transactions contemplated by this Agreement.

(d) Prior to the Distribution, if either Party identifies any commercial or other service that is needed to ensure a smooth and orderly transition of its business in connection with the consummation of the transactions contemplated hereby, the Parties will cooperate in determining whether there is a mutually acceptable arm's-length basis on which the other Party will provide such service.

ARTICLE XVIII

Miscellaneous

SECTION 18.01. Administration. Cable hereby acknowledges that Graham has provided administration services for certain Cable Benefit Plans, including the Graham Continuation Plans during the Continuation Period, and Cable agrees to assume responsibility for the administration and administration costs of such plans and each other Cable Benefit Plan, except as otherwise set forth in the TSA. The Parties shall cooperate in good faith to complete such transfer of responsibility on commercially reasonable terms and conditions effective no later than the Distribution.

SECTION 18.02. Data Privacy. The Parties agree that any applicable data privacy laws and any other obligations of the Cable Group and the Graham Group to maintain the confidentiality of any Employee Information in accordance with applicable law shall govern the disclosure of Employee Information among the Parties under this Agreement. Graham and Cable shall ensure that they each have in place appropriate technical and organizational security measures to protect the personal data of the Cable Employees and Former Cable Employees. Cable shall be responsible for ensuring that it has in place appropriate technical and organizational security measures to protect the personal data of Cable Service Providers and Former Cable Service Providers. Additionally, each Party shall sign a business associate agreement, in accordance with the HIPAA, and such additional documentation as may be required to comply with applicable data privacy laws.

SECTION 18.03. Section 409A. Graham and Cable shall cooperate in good faith so that the transactions contemplated by this Agreement and the Separation Agreement will not result in adverse tax consequences under Section 409A of the Code to any Cable Employee or Former Cable Employee (or any of their respective beneficiaries), in respect of their respective benefits under any Benefit Plan.

SECTION 18.04. Confidentiality. Section 7.08 of the Separation Agreement is hereby incorporated into this Agreement *mutatis mutandi*.

SECTION 18.05. Counterparts; Entire Agreement; Corporate Power. Section 12.01 of the Separation Agreement is hereby incorporated into this Agreement *mutatis mutandi*.

SECTION 18.06. Governing Law; Jurisdiction. Section 12.02 of the Separation Agreement is hereby incorporated into this Agreement *mutatis mutandi*.

SECTION 18.07. Assignability. Section 12.03 of the Separation Agreement is hereby incorporated into this Agreement *mutatis mutandi*.

SECTION 18.08. No Third-Party Beneficiaries. Except for the indemnification rights under this Agreement of any Graham Indemnitee or Cable Indemnitee in their respective capacities as such, this Agreement is solely for the benefit of the Parties and no current or former director, officer, Employee or Service Provider of any member of the Graham Group or any member of the Cable Group or any other individual associated therewith (including any beneficiary or dependent thereof), or any trustee of any Benefit Plan of a Party or their respective Subsidiaries shall be regarded for any purpose as a third-party beneficiary of this Agreement and no provision of this Agreement shall create such rights in any such persons in respect of any benefits that may be provided, directly or indirectly, under any Graham Benefit Plan or any Cable Benefit Plan. Furthermore, no provision of this Agreement shall constitute a limitation on the rights to amend, modify or terminate any Graham Benefit Plan or any Cable Benefit Plan and nothing herein shall be construed as an amendment to any such Benefit Plan. No provision of this Agreement shall require any member of the Graham Group or any member of the Cable Group to continue the employment of any Employee or the services of any Service Provider of any member of either Group for any specific period of time following the Distribution.

SECTION 18.09. Notices. All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given when (a) delivered in person, (b) on the date received, if sent by a nationally recognized delivery or courier service or (c) upon the earlier of confirmed receipt or the fifth business day following the date of mailing if sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Graham, to:

Graham Holdings Company
1300 North 17th Street
Arlington, VA 22209
Attn: General Counsel
e-mail: Nicole.Maddrey@ghco.com

Facsimile: (703) 345-6299

with a copy to:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Attn: Eric Schiele
Jennifer S. Conway
e-mail: eschiele@cravath.com
jconway@cravath.com
Facsimile: (212) 474-3700

If to Cable, to:

Cable One, Inc.
210 E. Earll Drive
Phoenix, AZ 85012
Attn: General Counsel
e-mail: alan.silverman@cableone.biz
Facsimile: (602) 364-6013

with a copy to:

Perkins Coie LLP
1201 Third Avenue, Suite 4900
Seattle, WA 98101
Attn: Stewart M. Landefeld
Eric A. DeJong
e-mail: slandefeld@perkinscoie.com
edejong@perkinscoie.com
Facsimile: (206) 359-4793

Any Party may, by notice to the other Parties, change the address to which such notices are to be given.

SECTION 18.10. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

SECTION 18.11. Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 18.12. Survival of Covenants. Except as expressly set forth in this Agreement, the covenants in this Agreement and the Liabilities for the breach of any obligations in this Agreement shall survive the Distribution and shall remain in full force and effect.

SECTION 18.13. Waivers of Default. No failure or delay of any Party (or the applicable member of its Group) in exercising any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. Waiver by any Party hereto of any default by the other Party hereto of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default.

SECTION 18.14. Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the affected Party shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The other Party shall not oppose the granting of such relief on the basis that money damages are an adequate remedy. The Parties to this Agreement agree that the remedies at law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

SECTION 18.15. Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party hereto, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of each Party.

SECTION 18.16. Interpretation. Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires. The terms “hereof,” “herein,” “herewith” and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement as a whole (including all of the schedules hereto) and not to any particular provision of this Agreement. Article, Section or Schedule references are to the articles, sections and schedules of or to this Agreement unless otherwise specified. Any capitalized terms used in any Schedule to this Agreement but not otherwise defined therein shall have the meaning as defined in this Agreement. Any reference herein to this Agreement, unless otherwise stated, shall be construed to refer to this Agreement as amended, supplemented or otherwise modified from time to time, as permitted by Section 18.15. The word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless the context otherwise requires or unless otherwise specified. The word “or” shall not be exclusive.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

GRAHAM HOLDINGS COMPANY

By: /s/ Hal S. Jones

Name: Hal S. Jones

Title: Chief Financial Officer

CABLE ONE, INC.

By: /s/ Thomas O. Might

Name: Thomas O. Might

Title: Chief Executive Officer

June 11, 2015

Notice of Blackout Period

Dear Graham Directors and Officers:

Graham Holdings Company ("Graham") has received notice from the plan administrator of Graham's 401(k) plans that the Graham Holdings Company Stock Fund under such plans will be in a blackout period that will begin at 4:00 p.m. Eastern time on June 26, 2015, and is expected to end on or around the week of July 5, 2015, but could end later. This blackout is being imposed in connection with the spin-off of Cable One, Inc. ("Cable") from Graham expected to occur on July 1, 2015, pursuant to which the dividend in the form of Cable common stock to be distributed to all Graham shareholders will include participants holding units of the Graham Holdings Company Stock Fund in their 401(k) plan accounts. When the dividend is distributed on July 1, 2015, participants in the Graham 401(k) plans who hold units of the Graham Holdings Company Stock Fund will receive new units of Cable ONE Company Stock Fund in respect of this dividend, and the blackout described above is required to facilitate the addition of the Cable ONE Company Stock Fund units to accounts in the plans. During the blackout, the Graham Holdings Company Stock Fund will be temporarily frozen, and participants will be restricted from all transactions with respect to the Graham Holdings Company Stock Fund.

Under applicable SEC rules we are required to notify you that during the blackout period described above you will be generally restricted from directly or indirectly purchasing, selling, acquiring, exercising or otherwise transferring Graham equity securities if they were "acquired in connection with your service or employment as a director or officer" of Graham within the meaning of the Section 245 of Regulation BTR promulgated under the Securities Exchange Act of 1934. Transactions covered by this trading prohibition are not limited to those involving your direct ownership, but include any transaction in which you have a pecuniary interest, including transactions by members of your immediate family who share your household or by certain entities in which you have financial involvement. Please note that the trading restriction during the blackout period will not apply to certain transactions, but the exemptions are limited. Given the applicable rules and the short time period involved, we recommend that you avoid any change in your beneficial ownership of Graham equity securities acquired in connection with your service or employment as a director or officer during the blackout period. Upon termination of the blackout period, such restrictions will be lifted.

Please note that the dates outlined above may change in connection with changes made to the blackout applicable to Graham's 401(k) plans, and the restrictions described in this notice are in addition to any other restrictions on trading activity under Graham's policies or of which Graham has notified you. If there are changes to any of the dates of the blackout period, you will receive an updated communication regarding the change. The rules are complex and penalties may be imposed on you for violation of the rules. Therefore, for any inquiries you have regarding the blackout period, including information about whether such blackout has begun or ended (which will be provided at no charge to you), please contact Nicole Maddrey via e-mail (nicole.maddrey@ghco.com) or telephone at (703) 345-6474.