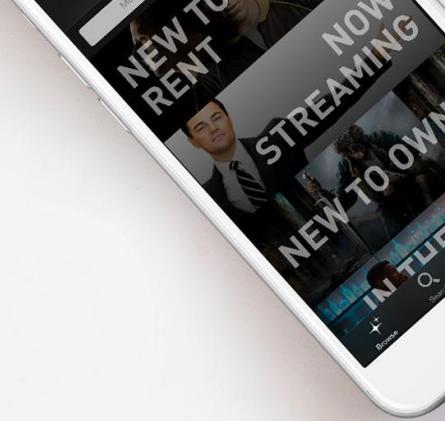




TIVO[®]

Net Operating Loss (NOL) Related Stock Transfer Restrictions

May 2017



Section 382 Stock Ownership Transfer Restrictions

- TiVo Corporation (the “Company”) has valuable net operating loss carryforwards (“NOLs”).
- In September 2016, the Company implemented certain stock transfer restrictions intended to prevent an ownership change in its stock that could limit the Company’s ability to utilize its NOLs.
- These restrictions will expire no later than September 7, 2019, in accordance with the three year period measurement in Section 382 of Internal Revenue Code of 1986, as amended (the “Code”).
- Please read on for more details on these stock transfer restrictions.

Section 382 Stock Ownership Transfer Restrictions

The Amended & Restated Certificate of Incorporation of the Company includes certain transfer restrictions intended to preserve the tax benefits related to the NOLs of the Company pursuant to Section 382 of the Code. These transfer restrictions are intended to act as a deterrent to any person acquiring (together with all affiliates and associates of such person) beneficial ownership of 4.91% or more of the Company's outstanding common stock within the meaning of Section 382 of the Code, without the approval of the Company's Board of Directors.

For background, when Rovi Corporation acquired TiVo Inc. on September 7, 2016, Rovi Corporation had \$1.2 billion in NOLs for both Federal and State purposes. As part of the acquisition of TiVo Inc., Rovi Corporation issued approximately 36.2 million shares to TiVo Inc. stockholders. Under Section 382 of the Code, this transaction resulted in a single ownership change of almost 30%.

Under Section 382 of the Code of 1986 significant limitations would be placed on the Company's ability to utilize, on an annual basis, its NOLs if it has an ownership change, as defined, of more than 50% in any three-year period of time.

For example, in 2016, when the Company filed its tax returns for 2015, the Company had taxable income of almost \$100 million, which it was able to offset with its NOLs. If limitations had been placed on the Company's annual NOL utilization, the Company would have only been able to offset its taxable income by approximately one half. Depending on the difference between the fair value and tax basis of the Company's assets, the limitation could have been meaningfully more.

In calculating additional ownership change, under Section 382 of the Code, stockholders holding less than 5% of the Company's stock are excluded. As such, to protect the Company's valuable NOLs, the Company put in restrictions on ownership of 4.91% or more of the Company's stock. These limitations will automatically expire no later than the third anniversary of the TiVo Inc. acquisition, September 7, 2019.

Section 382 Stock Ownership Transfer Restrictions (conti.)

To recap, who is subject to the 4.91% Ownership Restrictions?

Under Section 382 of the Code, “5% stockholders” are those individuals or entities which have “economic ownership” of 5% or more of TiVo stock. “Economic ownership” is defined by the Treasury Regulations as the right to receive dividends and/or proceeds from the sale of TiVo stock. The Company’s stock ownership restrictions are solely aimed at preventing additional “5% stockholders” under Section 382 of the Code.

Can one investment firm acquire ownership of 4.91% or more without impacting these restrictions?

Yes, as long as no single individual, entity, or fund, (or group of individuals, entities, or funds acting through a coordinated acquisition of the Company’s stock) holds, directly or indirectly, economic ownership of 4.91% or more. If the firm has multiple investment funds with different “economic ownership,” each fund could theoretically acquire up to 4.90% without an issue. It is the responsibility of the investment firm to determine which individual, entities, funds, or groups of individuals, entities, or funds are the economic owners as defined by the Treasury Regulations.

The above summary of the transfer restrictions applicable to the Company’s capital stock is subject in all respects to the applicable provisions of the Delaware General Corporation Law and is qualified in its entirety by reference to the Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, which are filed as Exhibit 3.1 and Exhibit 3.2, respectively, to the Company’s Form 8-K filed on September 8, 2016 and incorporated herein by reference.

This document should not be interpreted as offering tax or legal advice. Stockholders and potential stockholders should discuss any questions or issues relating to Section 382 of the Code, the definition of “economic ownership” in the Treasury Regulations, and the Company’s Stock Ownership Restrictions with their legal and tax advisors. While the Company cannot give tax or investment advice, it is glad to discuss these transfer restrictions and answer whatever questions it is able to address. The Company encourages any investment firm with questions about whether its investments will be in compliance with the Company’s Article X to complete a questionnaire. The Company will furnish the investor with the questionnaire upon request to Investor Relations.