

To ratify a Standby Equity Agreement among a corporation and three standby investors in connection with obtaining certain amendments, modifications and waivers of defaults under a Credit Agreement among the corporation and named banks and providing requested assurances to the banks regarding the ability of the corporation to comply with specific financial ratios and covenants required by the Credit Agreement. In consideration for the standby investors' commitment to provide cash funding pursuant to the Standby Equity Agreement, the corporation will be obligated to issue to them an aggregate of 75,075 additional shares of corporation Common Stock for \$.01 per share (*with a copy of the Standby Equity Agreement*)

PROPOSAL NO.3— APPROVAL OF THE STANDBY EQUITY AGREEMENT

Background

At the Annual Meeting, shareholders will be asked to consider and act upon a proposal to ratify the Standby Equity Agreement, dated as of April 30, 1991 (the "Standby Equity Agreement"), among the Corporation, Liberty Program Investments, Inc. ("Liberty"), Comcast Financial Corporation ("Comcast") and Time Warner Investors, Inc. ("Time Warner") (each, a "Standby Investor" and collectively, the "Standby Investors"). As discussed below, the Standby Equity Agreement was entered into by the Corporation in Connection with obtaining certain amendments, modifications and waivers of defaults and events of defaults under the Credit Agreement, dated as of October 31, 1989, as amended, among the Corporation, QVC Acquisition Corp., a syndicate of banks and The Bank of New York, individually and as agent (the syndicate of banks and The Bank of New York are collectively referred to herein as the "Banks") (the "Credit Agreement"), in the form of an amendment and waiver of the Credit Agreement, dated as of April 30, 1991 (the "Credit Agreement Amendment") and to provide requested assurances to the Banks regarding the ability of the Corporation to comply with certain financial ratios and covenants required by the Credit Agreement. A copy of the Standby Equity Agreement is attached to this Proxy Statement as Exhibit A and incorporated herein by reference. In October 1989, the Corporation and QVC Acquisition Corp. entered into the Credit Agreement with the Banks to provide financing for the purchase of all of the outstanding capital stock of CVN and for working capital purposes. The Credit Agreement provided for a term loan of \$347,000,000 and a revolving credit facility of \$65,000,000. As of April 30, 1991, the outstanding principal balance of the term loan was \$276,898,000 and there was no outstanding principal balance on the revolving credit facility; however, the Corporation anticipates that it will draw against the revolving credit facility during the third and fourth fiscal quarters to support increased inventories during the Christmas shopping season.

As of January 31, 1991, the Corporation was not in compliance with the Net Worth Calculation (actual \$194,440,000; covenanted at least \$195,000,000), Minimum Fixed Charge Ratio (actual .96; covenanted not less than 1.11) and Adjusted Total Liabilities to Adjusted Net Worth Ratio (actual 2.15; covenanted not more than 2.04) covenants contained in the Credit Agreement.

In February 1991, representatives of the Banks and management of the Corporation held discussions regarding methods by which the Corporation could provide the Banks with additional assurances that the Corporation would comply with certain financial ratios and covenants set forth in the Credit Agreement. In March 1990, the Banks agreed in principle that an agreement, such as the Standby Equity Agreement, would be sufficient to provide such assurances. In March and April 1991, management of the Corporation initiated discussions with the Standby Investors. In April 1990, management of the Corporation and outside legal counsel engaged in the negotiation of the specific terms of the Standby Equity Agreement with the Banks, the Standby Investors and their respective legal counsel.

Terms of the Agreement

Under the Standby Equity Agreement, if requested by the Corporation, the Standby Investors shall be obligated to fund to the Corporation cash equal to the sum (the "Cash Funding") (not to exceed \$12,000,000) of (i) the amount which would cause the Corporation's ratio of Operating Cash Flow to Pro-Forma Funded Debt Service (as such terms are defined in the Credit Agreement) for the Corporation's fiscal year ending

January 31, 1992 to equal 1.1 to 1 and (ii) the amount which would enable the Corporation to reduce to zero the aggregate unpaid principal balance of all revolving credit loans outstanding under the Credit Agreement on March 23, 1992. Each of the three Standby Investors will be severally liable for one-third of the Cash Funding. The Cash Funding would be used to repay all revolving credit loans and partially prepay the outstanding principal balance of the term loans under the Credit Agreement. In the event that the Corporation's cash needs to achieve compliance with its loan covenants exceed \$12,000,000, the Corporation will renegotiate with the Banks and the Standby Investors or seek to obtain other methods of financing.

If the Corporation exercises its right to require the Standby Investors to provide the Cash Funding, the Corporation shall issue to the Standby Investors in return for the Cash Funding unregistered shares of Common Stock valued at 75% of the average closing sales price of a share of Common Stock on NASDAQ during the twenty consecutive trading days ending on the second business day immediately preceding the scheduled date of the Cash Funding. If the Cash Funding had occurred on April 30, 1991, the Standby Investors would have received a maximum of an aggregate of 1,246,753 unregistered shares of Common Stock of the Corporation or 6.6% of the shares of Common Stock outstanding immediately after such issuance.

In consideration for the Standby Investors' commitment to provide the Cash Funding pursuant to the Standby Equity Agreement, the Corporation has agreed to issue to the Standby Investors an aggregate of 75,075 additional shares of Common Stock for \$.01 per share, the par value of each share of Common Stock (the "Commitment Shares"). Subject to the terms and conditions of the Standby Equity Agreement, it is anticipated that, if the Cash Funding is required, the closing of the Cash Funding shall occur on or about March 31, 1992.

The consummation of the transactions contemplated by the Standby Equity Agreement is subject to various conditions. One such condition is the approval of such transactions by the holders of the Corporation's Voting Stock. While neither Delaware law nor either of the Corporation's Restated Certificate of Incorporation or By-Laws requires the approval of the holders of the Corporation's Voting Stock in connection with the Standby Equity Agreement, such approval may be required pursuant to the By-Laws of the National Association of Securities Dealers, Inc. (the "NASD By Laws"). The NASD By-Laws require that the sale or issuance by a company of 20% or more of its common stock or 20% or more of the voting power outstanding prior to the issuance of such stock, at a price less than the greater of book or market value, be approved by a majority of the total votes cast on such proposal in person or by proxy.

Depending upon the closing sales price of the Common Stock during the twenty consecutive trading day period referred to above, it is possible that the shares to be issued in return for the Cash Funding and the Commitment Shares may equal or exceed 20% of the Corporation's Common Stock or voting power currently outstanding.

The approval of this Proposal No. 3 by the favorable vote of a majority of the shares of the Voting Stock represented at the Annual Meeting will satisfy the foregoing condition.

Another condition to the consummation of the transactions contemplated by the Standby Equity Agreement is the termination or expiration of all applicable waiting periods under the Hart-Scott Rodino Antitrust Improvements Act of 1976 (the "H-S-R Act"). The parties to the Standby Equity Agreement have agreed to file in a timely manner any notifications required under the H-S-R Act. On May 24, 1991, the Federal Trade Commission granted early termination of the applicable waiting period.

A default under the terms of the Credit Agreement will be deemed to exist in the event that the approval of this Proposal No. 3 and the termination or expiration of all applicable H-S-R Act waiting periods have not occurred by June 30, 1991. The Standby Equity Agreement may be terminated by any party thereto on September 30, 1991 if the above conditions have not been satisfied, so long as such party's default under the Standby Equity Agreement has not caused the failure to meet such condition. Such termination shall not relieve any party of liability for breach of the Standby Equity Agreement.

Each Standby Investor has agreed to vote all shares of Voting Stock owned of record by it in favor of the

proposal to ratify the Standby Equity Agreement and to use reasonable efforts to cause its affiliates over which it has control to do so. In addition, each Standby Investor has agreed not to transfer any of shares owned of record by it, except to an affiliate over which it has control, prior to the Corporation obtaining shareholder approval of the transactions contemplated by the Standby Equity Agreement. As of April 30, 1991, the Standby Investors and affiliates over which they had direct control were record owners of an aggregate of 5,651,813 shares of the Corporation's Voting Stock.

Certain Interests of Affiliated Parties

The Standby Investors and their respective affiliates have interests in the Standby Equity Agreement which may be deemed to conflict with the interests of shareholders of the Corporation. Liberty and its affiliates (including Tele-Communications, Inc. ("TCI") and its affiliates) own 22.2% of the Corporation's Voting Stock and Peter R. Barton, the President of Liberty, serves on the Corporation's Board of Directors. Comcast and its affiliates (including Comcast Corporation and its affiliates) own 12.3% of the Corporation's Voting Stock and Brian L. Roberts, the President of Comcast Corporation, serves on the Corporation's Board of Directors. Time Warner and its affiliates (including Time Warner, Inc. and its affiliates) own 5.0% of the Corporation's Voting Stock and Edwin W. Hamowy, a Senior Vice President of Time Warner, Inc., serves on the Corporation's Board of Directors. Furthermore, at the Annual Meeting, the shareholders will be asked to elect a new director, John C. Malone, who currently serves as President of TCI. At the Annual Meeting, shareholders will also be asked to elect Ralph J. Roberts, who currently serves as Chairman of Comcast Corporation. See "Voting Securities and Principal Holders Thereof" and "Proposal No. 1 — Election of Directors."

In addition, each of TCI, Comcast Corporation and Time Warner, Inc. and their affiliates are principal cable television system operators of the Corporation, and as such, receive from the Corporation a percentage of net sales to customers in their respective service areas. See "Certain Transactions and Business Relationships."

Credit Agreement Amendment

The Credit Agreement Amendment provides that, if required under the terms of the Standby Equity Agreement, the Cash Funding must be invested in the Corporation on or before March 31, 1992.

Under the terms of the Credit Agreement Amendment, in return for assurances under the Standby Equity Agreement, the Banks have agreed to, among other things, (i) waive the Corporation's existing defaults and events of default under the Credit Agreement with respect to certain financial ratios, (ii) remove certain financial covenant restrictions until February 1, 1992, at which time the covenant restrictions in place at the time of the Credit Agreement Amendment will be reinstated, and (iii) in the event the Cash Funding is invested in the Corporation, and such amount is sufficient to cause compliance with certain financial ratios, waive defaults and events of default of the Corporation under the Credit Agreement existing from February 1, 1992 to March 31, 1992, if any. In consideration for the Banks' agreement to enter into the Credit Agreement Amendment, the Corporation has agreed to pay the Banks an aggregate fee of \$641,058.83, equal to 3/16 of 1% of the aggregate principal amount outstanding under the Credit Agreement.

Board Approval

On April 23, 1991, by unanimous vote of its disinterested members present, the Board of Directors of the Corporation approved the Standby Equity Agreement. In determining to approve the Standby Equity Agreement, the Board of Directors considered, among other matters, alternative arrangements designed to induce the Banks to provide the Corporation with the agreements contained in the Amendment, including, among other things, the waiver of the Corporation's non-compliance with certain financial covenants under the Credit Agreement. The Standby Equity Agreement provides the Banks the assurances they seek and the transactions referred to therein are believed by the Corporation to be an expedient and cost effective means of achieving this end. The Board of Directors reviewed the report of Valuation Research Corporation, an independent valuation firm, which advised the Board of the normal range of compensation paid to investors in transactions similar to the Standby Equity Agreement, and the Board then determined that the compensation to the Standby Investors was within that range. The terms and conditions of the Standby Equity Agreement were determined through arm's-length negotiations among senior management of the Corporation, the Banks and the Standby Investors. Valuation Research Corporation was paid a fee of \$8,131 for its services and did not participate in the determination of the compensation to be provided to the Standby Investors.

Based upon the foregoing considerations, the Board of Directors believes that the terms and provisions contemplated by the Standby Equity Agreement are reasonable, and the transactions referred to therein are in the best interests of the Corporation.

The Corporation has been informed that 52.9% of Voting Stock of the Corporation (including the Voting Stock owned by the Standby Investors and their affiliates and management of the Corporation) will vote “FOR” the proposal to ratify the Standby Equity Agreement and, accordingly, the Standby Equity Agreement can be ratified without the approval of any other shareholder.

Vote Required for Adoption of Proposal No. 3

Ratification of the Standby Equity Agreement will require a favorable vote of a majority of the shares of Voting Stock represented at the Annual Meeting.

The Board of Directors recommends that shareholders
vote “FOR” Proposal No. 3.

EXHIBIT A

STANDBY EQUITY AGREEMENT

STANDBY EQUITY AGREEMENT, dated as of April 30, 1991, among QVC Network, Inc., a Delaware company (the "Company"), Comcast Financial Corporation, Liberty Program Investments, Inc. and Time Warner Investors, Inc. (each, a "Standby Investor" and collectively, the "Standby Investors").

WITNESSETH:

WHEREAS, the Company is a party to that certain Credit Agreement, dated as of October 31, 1989, as amended from time to time (the "Credit Agreement"), among the Company, QVC Acquisition Corp., various banks signatory thereto (the "Banks") and The Bank of New York, as agent (the "Agent Bank"); and

WHEREAS, the Company has requested that the Agent Bank and the Banks waive noncompliance by the Company with certain covenants and provisions under the Credit Agreement and, in connection with such waiver, the Agent Bank has requested assurances regarding the ability of the Company to comply with certain financial ratios and covenants required by the Credit Agreement; and

WHEREAS, the Company has determined that certain amendments, modifications and/or waivers to the Credit Agreement, substantially in the form of Exhibit A hereto (the "Amendment"), are in the best interests of the Company; and

WHEREAS, in an effort to provide the Banks with assurances regarding the ability of the Company to comply with certain financial ratios and covenants, the Company has secured from the Standby Investors commitments to purchase for cash shares of common stock, par value \$.01 per share, of the Company (the "Common Stock") in certain events; and

WHEREAS, in consideration for the Standby Investors' commitment referred to above, the Company has agreed to issue to the Standby Investors an aggregate of 75,075 shares of Common Stock; and

WHEREAS, the parties hereto and the Agent Bank desire and intend that the Amendment and this Agreement be entered into simultaneously on the date hereof.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

SECTION 1. COMMITMENT TO PURCHASE SHARES

Each of the Standby Investors hereby agrees to purchase Common Stock in accordance with the terms set forth below.

1.1 On or prior to March 23, 1992, the Company shall make a written determination (which determination shall be attested to by the Company's independent certified public accountants as having been made in accordance with the Credit Agreement) of the ratio of Operating Cash Flow to Pro-Forma Funded Debt Service (as such terms are defined in the Credit Agreement) for the Company's fiscal year ending January 31, 1992 (the "Ratio") (the date such determination is made shall be referred to herein as the "Confirmation Date"). In the event that (i) such determination indicates that the Ratio was less than 1.1 to 1 (a "Ratio Default"), and/or (ii) there was no 30 consecutive day period between December 15, 1991 and March 23, 1992 during which there were no Revolving Credit Loans (as defined in the Credit Agreement) outstanding (a "Failure to Clean-Up"); then, in either case, within three business days following the Confirmation Date, the Company shall, unless mutually agreed to by the Company and the Agent Bank, notify the Standby Investors in writing of its intention to sell shares of Common Stock to the Standby Investors in accordance with the terms and conditions set forth in this Agreement (the "Election").

1.2 Upon written notification of the Election and subject to the conditions set forth in Sections 6 and 8

below, the Standby Investors shall be irrevocably obligated to fund on the Funding Share Closing Date (as defined in Section 2.1 below) cash in an aggregate amount (the "Aggregate Contribution") equal to the sum of (i) the amount which would cause the Ratio to equal 1.1 to 1 (when applying such amount to the prepayment of the outstanding principal balance of the Term Loans (as defined in the Credit Agreement), in the order of maturity thereof) for the fiscal year ending January 31, 1992 (in the event that a Ratio Default has occurred), and (ii) the amount which would enable the Company to reduce to zero the aggregate unpaid principal balance of all Revolving Credit Loans on March 23, 1992 (in the event that a Failure to Clean-Up has occurred) ; provided, that in no event shall the Aggregate Contribution exceed \$12,000,000. Each Standby Investor shall be obligated to fund such portion of the Aggregate Contribution equal to the product of (i) the Aggregate Contribution and (ii) the Commitment Percentage set forth opposite such Standby Investor's name on Schedule I attached hereto (each, an "Individual Contribution"). The Company shall specify in its Election the event or events specified in Section 1.1 above giving rise to the Election and the Aggregate Contribution and the Individual Contributions of the Standby Investors. The Company shall also provide each Standby Investor with a copy of the written determination referred to in Section 1.1 above. The Company hereby directs the Agent Bank to apply the proceeds, if any, of the Aggregate Contribution in the manner required by the Credit Agreement.

1.3 In consideration for its Individual Contribution, each Standby Investor shall be entitled to receive on the Funding Share Closing Date the number of shares of Common Stock calculated as follows (the "Funding Shares"): the dollar amount of each Individual Contribution divided by 75% of the average closing sales price of shares of Common Stock on the National Association of Securities Dealers Automated Quotations National Market System during the twenty consecutive trading days ending on the second business day immediately preceding the Funding Share Closing Date.

SECTION 2. ISSUANCE OF SHARES; CLOSINGS

2.1 Subject to the terms and conditions set forth in this Agreement and in reliance upon each Standby Investor's representations and agreements set forth herein, on the Funding Share Closing Date, the Company shall deliver to each Standby Investor (or its nominee) its Funding Shares upon payment by such Standby Investor of its Individual Contribution determined in accordance with Section 1.3 above. Such issuance shall be effected on the Funding Share Closing Date by the Company executing and delivering to each Standby Investor, in each case duly registered in the name of such Standby Investor, duly executed stock certificates evidencing the Funding Shares to be issued against delivery by such Standby Investor of its Individual Contribution by wire transfer of immediately available funds to the Company's Account No. 8252051156 at The Bank of New York. The closing of the issuance of the Funding Shares shall take place at 10:00 a.m. on the fifth business day after the Company notifies the Standby Investors of the Election, or such other date as the Standby Investors, the Company and the Agent Bank mutually agree (the "Funding Share Closing Date"), subject to the satisfaction or waiver of the conditions set forth in Sections 6, 7 and 8 below relating to the issuance and purchase of the Funding Shares, at the offices of the Company referred to in Section 9.1 hereof.

2.2 Subject to the terms and conditions set forth in this Agreement and in reliance upon the Company's and the Standby Investors' representations and agreements set forth herein, on the Commitment Share Closing Date (as defined below), the Company shall deliver to each Standby Investor (or its nominee), in each case, duly registered in the name of such Standby Investor, duly executed stock certificates evidencing the number of shares of Common Stock set forth opposite each such Standby Investors' name on Schedule I hereto (the "Commitment Shares") against delivery by such Standby Investor of an amount, in cash, equal to the par value of a share of Common Stock (\$.01), multiplied by the number of Commitment Shares received by such Standby Investor hereunder. The closing of the issuance of the Commitment Shares shall take place at 10:00 a.m. on the third business day after the conditions set forth in Sections 6, 7 and 8 below relating to the issuance and acceptance of the Commitment Shares have been satisfied or waived (except in the case of Section 8, which cannot be waived), or such other date as the Standby Investors, the Company and the Agent Bank mutually agree (the "Commitment Share Closing Date"), at the offices of the Company referred to in Section 9.1 hereof.

SECTION 3. RESALE OF SECURITIES

3.1 Each Standby Investor will acquire shares of Common Stock to be issued hereunder for its own

account for investment and not with a view towards the resale, transfer or distribution thereof, nor with any present intention of distributing such shares.

3.2 Each Standby Investor covenants that it will not sell or otherwise transfer the shares of Common Stock acquired hereunder except pursuant to an effective registration under the Securities Act of 1933, as amended (the "Act"), or in a transaction which, in the opinion of counsel reasonably satisfactory to the Company, qualifies as an exempt transaction under the Act and the rules and regulations promulgated thereunder.

3.3 The certificates evidencing the shares of Common Stock acquired hereunder will bear the following legend reflecting the foregoing restrictions on the transfer of such securities:

"The securities evidenced hereby have not been registered under the Securities Act of 1933, as amended (the "Act") and may not be transferred except pursuant to an effective registration under the Act or in a transaction which, in the opinion of counsel reasonably satisfactory to the Company, qualifies as an exempt transaction under the Act and the rules and regulations promulgated thereunder."

SECTION 4. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY

The Company represents, warrants and covenants that:

4.1 The Company has authorized the execution, delivery and performance of this Agreement and the transactions contemplated hereby. No other corporate action (except as set forth in Section 7.5 below) is necessary to authorize the execution, delivery and performance of this Agreement, and upon such execution and delivery and fulfillment of the condition set forth in Sections 7.5 and 8 below, this Agreement shall constitute the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights. The Company has authorized the issuance and delivery of the shares of Common Stock to be issued in accordance with this Agreement, subject to Sections 7.5 and 8 below.

4.2 Upon issuance and delivery as contemplated by this Agreement, the shares of Common Stock to be issued hereunder will be duly authorized, validly issued, fully paid and non-assessable shares of Common Stock, free of all preemptive or similar rights.

4.3 Except as set forth in Sections 7.5 and 8 below, the execution and delivery by the Company of this Agreement, the performance by the Company of its obligations hereunder and the consummation by the Company of the transactions contemplated hereby do not require the Company to obtain any consent, approval or action of, or make any filing with or give any notice to, any corporation, person or firm or any public, governmental or judicial authority.

4.4. Neither the execution and delivery of this Agreement nor the performance by the Company of the transactions contemplated herein will (i) violate or conflict with any of the provisions of the Certificate of Incorporation or By-laws of the Company, or any order, judgment or ruling of any court or other governmental authority to which the Company is a party or by which any of its property is bound, or (ii) violate, be in conflict with, or constitute a default (or an event which, with notice or the lapse of time or both, would constitute a default) under, or result in the acceleration of or entitle any party to accelerate (whether after the giving of notice or lapse of time or both) any obligation under, or result in the creation or imposition of any lien, claim or encumbrance upon any property or assets of the Company under, or require the obtaining of any consent under, any mortgage, indenture, deed of trust, lease, contract, agreement, license or other instrument to which the Company is a party or by which any of its property is subject, except for liens created in favor of the Agent Bank, on behalf of the Banks, in connection with the pledge of this Agreement as Collateral under and as defined in the Guarantor Security Agreement (as defined in the Credit Agreement).

4.5 The Company shall, in a timely, accurate and complete manner (i) file, or cause to be filed, any notifications required to be filed under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations promulgated thereunder (the "H-S-R Act") with respect to the transactions contemplated

herein and (ii) provide to the applicable Standby Investor such information concerning the Company as such Standby Investor may require to file the required notifications under the H-S-R Act.

SECTION 5. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE STANDBY INVESTORS.

Each Standby Investor represents, warrants and covenants as follows:

5.1 Such Standby Investor has full power and legal right to execute and deliver this Agreement and to perform its obligations hereunder. Such Standby Investor has authorized the execution, delivery and performance of this Agreement and the transactions contemplated hereby. No other corporate or other action (including shareholder approval) is necessary to authorize such execution, delivery and performance of this Agreement, and upon such execution and delivery this Agreement shall constitute the valid and binding obligation of such Standby Investor, enforceable against such Standby Investor in accordance with its terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights.

5.2 Except as set forth in Section 8 below and as required by Sections 13 and 16 of the Securities Exchange Act of 1934, as amended, the execution and delivery by such Standby Investor of this Agreement, the performance by such Standby Investor of its obligations hereunder and the consummation by such Standby Investor of the transactions contemplated hereby do not require such Standby Investor to obtain any consent, approval or action of, or make any filing with or give any notice to, any corporation, person or firm or any public, governmental or judicial authority.

5.3 Neither the execution and delivery of this Agreement nor the performance by such Standby Investor of the transactions contemplated herein will (i) violate or conflict with any of the provisions of the Certificate of Incorporation or By-laws of such Standby Investor, or any order, judgment or ruling of any court or other governmental authority to which such Standby Investor is a party or by which any of its property is bound, or (ii) violate, be in conflict with, or constitute a default (or an event which, with notice or the lapse of time or both, would constitute a default) under, or result in the acceleration of or entitle any party to accelerate (whether after the giving of notice or lapse of time or both) any obligation under, or result in the creation or imposition of any lien, claim or encumbrance upon any property or assets of such Standby Investor under, or require the obtaining of any consent under, any mortgage, indenture, deed of trust, lease, contract, agreement, license or other instrument to which such Standby Investor is a party or by which any of its property is subject.

5.4 Such Standby Investor shall vote all shares of stock of the Company owned of record by it in favor of the transactions contemplated herein at any meeting of shareholders of the Company at which such transactions are to be voted upon and shall use all reasonable efforts to cause any of its affiliates over which it has control to vote in favor of the transactions contemplated herein at any meeting of shareholders of the Company at which such transactions are to be voted upon.

5.5 Each Standby Investor required to file any notifications under the H-S-R Act with respect to the transactions contemplated herein shall, in a timely, accurate and complete manner (i) file, or cause to be filed, such notifications and (ii) provide to the Company such information concerning such Standby Investor as the Company may require to file the required notifications under the H-S-R Act.

5.6 Each Standby Investor represents that it and all of its affiliates over which such Standby Investor has control owns of record the number of shares of stock of the Company set forth on Schedule II attached hereto and such Standby Investor covenants and agrees that it will not transfer or permit any transfer of any such shares prior to satisfaction of the condition set forth in Section 7.5 hereof unless the transferee is such Standby Investor or one or more affiliates over which such Standby Investor has control; provided, however, that nothing herein shall be deemed to release such Standby Investor from its obligations hereunder.

5.7 Each Standby Investor agrees to provide the Agent Bank, upon its reasonable request, with publicly available financial statements of such Standby Investor.

SECTION 6. PURCHASERS' CLOSING CONDITIONS

The obligations of each Standby Investor to purchase and pay for the Funding Shares to be acquired by it and to accept the Commitment Shares, shall be subject to the satisfaction, prior thereto or concurrently therewith, of the following conditions (any one or more of which may be waived, in whole or in part, in writing by such Standby Investor):

6.1 The representations and warranties of the Company to such Standby Investor contained in this Agreement shall be true on and as of the Commitment Share Closing Date and the Funding Share Closing Date, as applicable, as though such warranties and representations were made at and as of such date, except as otherwise affected by the transactions contemplated hereby.

6.2 The Company shall have performed and complied with all agreements, covenants and conditions contained in this Agreement which are required to be performed or complied with by the Company with respect to such Standby Investor prior to or on the Commitment Share Closing Date and the Funding Share Closing Date, as applicable.

8.3 Such Standby Investor shall have received a certificate, dated the Commitment Share Closing Date and the Funding Share Closing Date, as applicable, signed by an Officer of the Company, certifying that the conditions specified in the foregoing Sections 6.1 and 6.2 have been fulfilled.

6.4 There shall be no effective injunction, writ, preliminary restraining order or any order of any nature issued by a court of competent jurisdiction directing that the transactions provided for herein with respect to such Standby Investor or any of them not be consummated as herein provided and no action, suit or proceeding shall have been instituted or threatened by any governmental or regulatory body, to restrain, modify, set aside or prevent the carrying out of the transactions contemplated hereby with respect to such Standby Investor.

SECTION 7. COMPANY'S CLOSING CONDITIONS

The obligations of the Company to issue and deliver the Commitment Shares and the Funding Shares to each Standby Investor shall be subject to the satisfaction, prior thereto or concurrently therewith, of the following conditions (any one or more of which, other than Section 7.5 below, may be waived, in whole or in part, in writing by the Company):

7.1 The representations and warranties of such Standby Investor contained in this Agreement shall be true on and as of the Commitment Share Closing Date and the Funding Share Closing Date, as applicable, as though such warranties and representations were made at and as of such date, except as otherwise affected by the transactions contemplated hereby.

7.2 Such Standby Investor shall have performed and complied with all agreements, covenants and conditions contained in this Agreement which are required to be performed or complied with by such Standby Investor prior to or on the Commitment Share Closing Date or the Funding Share Closing Date, as the case may be.

7.3 The Company shall have received from such Standby Investor a certificate, dated the Commitment Share Closing Date or the Funding Share Closing Date, as applicable, signed by an Officer of such Standby Investor, certifying that the conditions specified in the foregoing Sections 7.1 and 7.2 have been fulfilled.

7.4 There shall be no effective injunction, writ, preliminary restraining order or any order of any nature issued by a court of competent jurisdiction directing that the transactions provided for herein with respect to such Standby Investor or any of them not be consummated as herein provided and no action, suit or proceeding shall have been instituted or threatened by any governmental or regulatory body, to restrain, modify, set aside or prevent the carrying out of the transactions contemplated hereby with respect to such Standby Investor.

7.5 The Company shall have obtained shareholder approval of the transactions contemplated herein from the holders of a majority of the outstanding shares of the Company's stock present in person or by proxy at a meeting at which a quorum is present.

SECTION 8. H-S-R CONDITION

The obligations of each of the parties hereto to consummate the transactions contemplated herein shall be subject to the satisfaction, prior thereto or concurrently therewith, of the following condition:

8.1 All of the parties hereto that are required to do so shall have filed complete and accurate notification and report forms with respect to the transactions contemplated hereby pursuant to the H-S-R Act, and the waiting period required to expire or terminate under the H-S-R Act, including any extension thereof, shall have expired or terminated, as the case may be, prior to each of the Funding Share Closing Date and the Commitment Share Closing Date.

SECTION 9. MISCELLANEOUS

9.1 (i) Any notices required or permitted hereunder shall be in writing and shall be sufficiently given when delivered in person to an officer of the party to which it is addressed or when deposited in the United States mail, registered, or certified, postage prepaid, addressed as follows:

If to the Company, addressed to it at:

Attention: Neal S. Grabell, Esq.
Goshen Corporate Park
West Chester, Pennsylvania 19380

If to a Standby Investor, at the address shown on Schedule I attached hereto, or at such other address as it may have furnished to the Company in writing.

A copy of any notice or other communication given under this Agreement shall be simultaneously delivered to the Agent Bank in the same manner as set forth in this Section 9.1(i) at the following address:

The Bank of New York
One Wall Street
New York, New York 10286

Attn: Peter M. Angelica,
Vice President

(ii) Any notice so addressed and mailed by registered or certified mail shall be deemed to be given on the third day after the date the same is so mailed.

9.2 This Agreement shall be construed in accordance with the laws of the State of New York, without giving effect to the principles of conflicts of law.

9.3 This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated herein and no representation, promise, inducement or statement of intention relating to the transactions contemplated by this Agreement has been made by any party which is not set forth in this Agreement. This Agreement shall not be modified or amended, or a provision hereof waived, except by an instrument in writing signed by or on behalf of the parties hereto and the Agent Bank.

9.4 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

9.5 Except for an assignment of the rights, but not the obligations, of a Standby Investor, and only to the extent that the acceptance of such rights does not require the assignee to obtain any consent, approval or action of, or make any filing with or give any notice to, any corporation, person or firm or any public governmental or judicial authority, this Agreement shall not be assignable by any party hereto. In no event shall any obligation of any party hereto to perform under this Agreement be affected by any assignment of its, or any other party's, rights under this Agreement. Each of the Company and the Standby Investors acknowledges that the Agent

Bank, on behalf of the Banks, shall be deemed a third party beneficiary of this Agreement with the right (but not the obligation) to enforce this Agreement.

9.6 Any party hereto may terminate this Agreement and abandon the transactions contemplated hereby at any time after September 30, 1991 if the conditions set forth in Sections 7.5 and 8.1 shall not have been met by such date or an action, suit or proceeding shall have been instituted by, or any party hereto shall have received formal notification of an intention to institute an action, suit or proceeding from, any governmental or regulatory body, to restrain, modify, set aside or prevent the carrying out of the transactions contemplated hereby with respect to such party; provided, however, that such party shall not be allowed to exercise such right of termination if the delay or inability to satisfy any such condition shall be due to the failure of such party to perform any of the covenants or agreements set forth herein to be performed by such party. Nothing in this Section 9.6 shall relieve any party to this Agreement of liability for breach of this Agreement.

9.7 In the event that the condition set forth in Section 8.1 shall not have been met by June 30, 1991, this Agreement shall terminate unless the Company undertakes in writing on or before July 2, 1991 to pay all reasonable expenses, including, but not limited to, reasonable attorneys' fees, actually incurred after June 30, 1991 in connection with satisfying the condition set forth in Section 8.1. Nothing in this Section 9.7 shall relieve any party to this Agreement of liability for breach of this Agreement.

9.8 Except as set forth in Section 9.7, all legal and other fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fees, costs or expenses, except that the Company hereby agrees to pay all out-of-pocket costs and expenses incurred by the Agent Bank, including the reasonable fees and disbursements of counsel to the Agent Bank, in connection with this Agreement and the transactions contemplated hereby.

9.9 The Company acknowledges that its board of directors has approved this Agreement and the transactions contemplated hereby and the Company further agrees that it will recommend approval thereof to the shareholders of the Company and that it will take all reasonable necessary action to obtain such shareholder approval at the earliest opportunity.

9.10 Subject to the condition set forth in Section 8 hereof, each party hereto acknowledges that its obligations under this Agreement are several and are not contingent upon the performance of any other party hereto or any defense or failure of condition applicable to any other party hereto.

9.11 Each party hereto waives trial by jury in connection with any action or proceeding relating to this Agreement.

IN WITNESS WHEREOF, the undersigned have caused their duly authorized officers to execute this Agreement as of the date set forth above.

QVC NETWORK, INC.
By: /s/ NEAL S. GRABELL
Neal S. Grabell

COMCAST FINANCIAL CORPORATION
By: /s/ BRIAN L. ROBERTS
Brian L. Roberts

LIBERTY PROGRAM INVESTMENTS, INC.
By: /s/ ROBERT BENNETT
Robert Bennett

TIME WARNER INVESTORS, INC.
By: /sf BERT WASSERMAN
Bert Wasserman

ACCEPTED BY:

THE BANK OF NEW YORK, As Agent Bank

By: /s/ PETER M. ANGELICA

Peter M. Angelica

SCHEDULE I

<u>Standby Investor</u>	Number of Commitment Shares	Commitment <u>Percentage</u>
Comcast Financial Corporation 1409 Foulk Road Suite 102 P.O. Box 7108 Wilmington, DE 19803 with a copy to: Arthur R. Block, Esq. Deputy General Counsel Comcast Corporation 1234 Market Street Philadelphia, PA 19107	25,025	33.3%
Liberty Program Investments, Inc. . . 4643 South Ulster Street Suite 601 Denver, CO 80237	25,025	33.3%
Time Warner Investors, Inc One Commerce Center Suite 719 12th and Orange Streets Wilmington, DE 19801	25,025	33.3%

SCHEDULE II

Number of Shares Owned of Record by Standby Investor and Affiliates Over Which it has Control

<u>Standby Investor</u>	
Comcast Financial Corporation	1,535,492
1409 Foulk Road	
Suite 102	
P.O. Box 7108	
Wilmington, DE 19803	
with a copy to:	
Arthur R. Block, Esq.	
Deputy General Counsel	
Comcast Corporation	
1234 Market Street	
Philadelphia, PA 19107	
Liberty Program Investments, Inc	3,468,009
4643 South Ulster Street	
Suite 601	
Denver, CO 80237	
Time Warner Investors, Inc	648,312
One Commerce Center	
Suite 719	
12th and Orange Streets	
Wilmington, DE 19801	

QVC Network, Inc. 6/7/91

To (a) approve the sale to a general partnership of (i) promissory notes that are convertible into shares of the corporation's Common Stock and (ii) a warrant to purchase up to the greater of 2,598,000 shares of Common Stock or the number of shares of Common Stock equal to 18.5% of the corporation's Common Stock outstanding at the time of exercise of the warrant; (b) amend the Articles of Incorporation to classify the Board of Directors; (c) elect eleven directors to staggered terms of one to three years; and (U) amend the Articles of Incorporation to authorize the issuance of 5,000,000 shares of Preferred Stock (*this is a complete Proxy Statement and includes copies of the Articles of Incorporation of a Delaware corporation and the amendments of the Articles of Incorporation*)