

MALONE JOHN C  
Form 4  
August 23, 2018

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
MALONE JOHN C

(Last) (First) (Middle)

ONE DISCOVERY PLACE

(Street)

SILVER SPRING, MD 20910

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
Discovery, Inc. [DISCA]

3. Date of Earliest Transaction  
(Month/Day/Year)  
08/21/2018

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price   |
| Series C Common Stock           | 08/21/2018                           |  | J/K <sup>(1)</sup>             |   | 185,878   | D  | ①   |
| Series C Common Stock           | 08/21/2018                           |  | J/K <sup>(2)</sup>             |   | 21,359  | D  | ②   |
| Series C Common Stock           | 08/22/2018                           |  | J/K <sup>(3)</sup>             |   | 185,262   | D  | ③   |
| Series C Common Stock           | 08/22/2018                           |  | J/K <sup>(4)</sup>             |   | 21,288  | D  | ④   |

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|                             |           |   |                         |
|-----------------------------|-----------|---|-------------------------|
| Series C<br>Common<br>Stock | 557,000   | I | By Trust<br><u>(5)</u>  |
| Series C<br>Common<br>Stock | 1,316,424 | I | By<br>Spouse <u>(6)</u> |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Forward sale contract (obligation to sell) | <u>(7)</u>   | 08/21/2018                           |  | J/K <u>(7)</u>                 | <u>1</u><br>(1)   | <u>(8)</u> <u>(8)</u>                                    | Series C Common Stock   | 3,960,000                     |
| Forward sale contract (obligation to sell) | <u>(9)</u>   | 08/21/2018                           |  | J/K <u>(9)</u>                 | <u>1</u><br>(2)   | <u>(10)</u> <u>(10)</u>                                  | Series C Common Stock   | 455,040                       |
| Forward sale contract (obligation to sell) | <u>(7)</u>   | 08/22/2018                           |  | J/K <u>(7)</u>                 | <u>1</u><br>(3)   | <u>(8)</u> <u>(8)</u>                                    | Series C Common Stock   | 3,740,000                     |
| Forward sale contract (obligation to sell) | <u>(9)</u>   | 08/22/2018                           |  | J/K <u>(9)</u>                 | <u>1</u><br>(4)   | <u>(10)</u> <u>(10)</u>                                  | Series C Common Stock   | 429,760                       |

## Reporting Owners

| Reporting Owner Name / Address                                  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| MALONE JOHN C<br>ONE DISCOVERY PLACE<br>SILVER SPRING, MD 20910 | X             | X         |         |       |

## Signatures

Stephanie D. Marks, by power of attorney  
08/23/2018

Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) On August 21, 2018, the third component of the amended forward (as defined and described below) matured. The Reporting Person elected to physically settle the amended forward, as further described in the Remarks section. The settlement price for the third component was above the amended forward cap price; therefore, the Reporting Person delivered 185,878 shares of the Issuer's Series C common stock ("DISCK") to the counterparty (as defined below) and retained 34,122 shares of DISCK.
- (2) On August 21, 2018, the third component of the 2017 forward (as defined and described below) matured. The Reporting Person elected to physically settle the 2017 forward, as further described in the Remarks section. The settlement price for the third component was above the 2017 forward cap price; therefore, the Reporting Person delivered 21,359 shares of DISCK to the counterparty and retained 3,921 shares of DISCK.
- (3) On August 22, 2018, the fourth component of the amended forward matured. The Reporting Person elected to physically settle the amended forward, as further described in the Remarks section. The settlement price for the fourth component was above the amended forward cap price; therefore, the Reporting Person delivered 185,262 shares of DISCK to the counterparty and retained 34,738 shares of DISCK.
- (4) On August 22, 2018, the fourth component of the 2017 forward matured. The Reporting Person elected to physically settle the 2017 forward, as further described in the Remarks section. The settlement price for the fourth component was above the 2017 forward cap price; therefore, the Reporting Person delivered 21,288 shares of DISCK to the counterparty and retained 3,992 shares of DISCK.
- (5) The reporting person is the sole trustee of, and with his spouse, retains a unitrust interest in the trust.
- (6) The reporting person disclaims beneficial ownership of the shares owned by his spouse.
- (7) On July 20, 2012, the reporting person entered into a long-dated post-paid variable forward sale contract (the "2012 forward") with an unaffiliated counterparty (the "counterparty") relating to a maximum of 2,200,000 shares of DISCK, divided into 20 components. On August 6, 2014, the Issuer completed a 2-for-1 stock split in the form of a share dividend, and as a result, the 2012 forward was automatically adjusted to relate to 4,400,000 shares of DISCK. On August 15, 2017, the reporting person and the counterparty entered into an amendment and restatement to the 2012 forward (the "amended forward") relating to a maximum of 4,400,000 shares of DISCK, divided into 20 components each relating to 220,000 shares (each, the "Number of Shares"). The amended forward floor price and the amended forward cap price were determined based on a reference price for shares of DISCK as of August 15, 2017. The amended forward may be settled on a physical settlement or cash settlement basis.
- (8) The amended forward is divided into 20 components, each with respect to 220,000 shares of DISCK. The components mature on sequential trading days over the period beginning on August 17, 2018 and ending on September 14, 2018.
- (9) On August 15, 2017, the reporting person entered into a post-paid variable forward sale contract (the "2017 forward") with the counterparty relating to a maximum of 505,600 shares of DISCK, divided into 20 components. Each component relates to 25,280 shares (each, the "Number of Shares"). The forward floor price and the forward cap price were determined based on a reference price for shares of DISCK as of August 15, 2017. The 2017 forward may be settled on a physical settlement or cash settlement basis.
- (10) The 2017 forward is divided into 20 components, each with respect to 25,280 shares of DISCK. The components mature on sequential trading days over the period beginning on August 17, 2018 and ending on September 14, 2018.

**Remarks:**

The reporting person elected to physically settle the amended forward and the 2017 forward. Therefore, the reporting person w

The trading symbols for the Issuer's Series A, Series B and Series C common stock are, respectively, DISCA, DISCB and DIS

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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