

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Pendrell Corporation		2 Issuer's employer identification number (EIN) 98-0221142	
3 Name of contact for additional information Timothy M. Dozois	4 Telephone No. of contact (425) 828-8404	5 Email address of contact tim.dozois@pendrell.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 2300 Carillon Point		7 City, town, or post office, state, and Zip code of contact Kirkland, WA 98033	
8 Date of action September 30, 2016		9 Classification and description Class A common stock; Class B common stock	
10 CUSIP number Class A: 70686R104 Class B: 70686R203	11 Serial number(s)	12 Ticker symbol NASDAQ:PCO	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On September 30, 2016, Pendrell Corporation effected a one-for-ten reverse stock split of Pendrell Corporation's Class A common stock and Class B common stock for the shareholders of record on September 30, 2016. As a result of the reverse stock split, ten shares of Class A common stock were automatically combined into one issued and outstanding share of Class A common stock, and ten shares of Class B common stock were automatically combined into one issued and outstanding share of Class B common stock, without any change in the par value per share. Any shareholder who would otherwise be entitled to a fractional share as a result of the reverse stock split received cash in lieu thereof.

The CUSIP number for the pre-split Class A common stock is 70686R104
The CUSIP number for the pre-split Class B common stock is 70686R203
The CUSIP number for the post-split Class A common stock is 70686R302
The CUSIP number for the post-split Class B common stock is 70686R401

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The shareholder's total aggregate basis in the shares of Pendrell Corporation Class A or Class B common stock held prior to the reverse stock split should be equal to the total aggregate basis the shareholder has in the shares held after the reverse stock split, including any fractional share for which cash was received. A shareholder receiving cash in lieu of a fractional share is deemed to have received and then immediately sold such fractional share for the cash received. See 16 below for a more detailed methodology.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ A shareholder's tax basis in pre-split stock must be aggregated in the shareholder's post-split stock in a manner that reflects, to the greatest extent possible, the basis in the pre-split stock that was acquired on the same date and at the same price. To the extent it is not possible to aggregate the tax basis in this manner, the tax basis in the pre-split stock must be aggregated in the post-split stock in a manner that minimizes the disparity in the holding periods of the pre-split and post-split stock. This may result in some shares of post-split stock having split holding periods and split basis.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The transaction is a tax-free recapitalization under section 368(a)(1)(E) and section 354. The basis with respect to the shares exchanged is determined under section 358.

Blank lines for providing details for question 17.

18 Can any resulting loss be recognized? ▶ Except to the extent that cash is received in lieu of fractional shares, shareholders generally will not recognize gain or loss as a result of the reverse stock split.

Blank lines for providing details for question 18.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The adjustment to basis would be taken into account in the tax year of the shareholder during which the exchange occurred (e.g., 2016 for calendar year taxpayers).

Blank lines for providing details for question 19.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ Steven A. Ednie Date ▶ 10/6/2016

Print your name ▶ Steven A. Ednie Title ▶ Chief Financial Officer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.