Confidential Treatment Requested by New Fox, Inc.
Pursuant to 17 C.F.R. Section 200.83

As confidentially submitted to the Securities and Exchange Commission on October 9, 2018

File No. 001-

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

Form 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934

New Fox, Inc.
(Exact name of Registrant as specified in its charter)

Delaware	**83-1825597**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. employer Identification number)**
c/o New Fox, Inc. **1211 Avenue of the Americas** **New York, New York**	**10036**
(Address of principal executive offices)	**(Zip Code)**

(212) 852-7000
(Registrant's telephone number, including area code)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of Each Class to be so Registered	Name of Each Exchange on which Each Class is to be Registered
Class A Common Stock, par value $0.01 per share	**The Nasdaq Global Select Market**
Class B Common Stock, par value $0.01 per share	**The Nasdaq Global Select Market**

Securities to be registered pursuant to Section 12(g) of the Act: None

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Confidential Treatment Requested by New Fox, Inc.
Pursuant to 17 C.F.R. Section 200.83

NEW FOX, INC.

INFORMATION REQUIRED IN REGISTRATION STATEMENT CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND ITEMS OF FORM 10

Cross-Reference Sheet Between Information Statement and Items of Form 10

Certain information required to be included in this Form 10 is incorporated by reference to specifically-identified portions of the body of the information statement filed herewith as Exhibit 99.1 (the “Information Statement”). None of the information contained in the Information Statement shall be incorporated by reference herein or deemed to be a part hereof unless such information is specifically incorporated by reference.

Item 1. ***Business.***

The information required by this item is contained under the sections of the information statement entitled “Information Statement Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business,” “Certain Relationships and Related Person Transactions” and “Where You Can Find More Information.” Those sections are incorporated herein by reference.

Item 1A. ***Risk Factors.***

The information required by this item is contained under the section of the information statement entitled “Risk Factors” and “Cautionary Statement Concerning Forward-Looking Statements.” Those sections are incorporated herein by reference.

Item 2. ***Financial Information.***

The information required by this item is contained under the sections of the information statement entitled “Unaudited Pro Forma Condensed Combined Financial Information,” “Selected Historical Condensed Combined Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Those sections are incorporated herein by reference.

Item 3. ***Properties.***

The information required by this item is contained under the section of the information statement entitled “Business—Properties.” That section is incorporated herein by reference.

Item 4. ***Security Ownership of Certain Beneficial Owners and Management.***

The information required by this item is contained under the section of the information statement entitled “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.” That section is incorporated herein by reference.

Item 5. ***Directors and Executive Officers.***

The information required by this item is contained under the section of the information statement entitled “Management.” That section is incorporated herein by reference.

Item 6. ***Executive Compensation.***

The information required by this item is contained under the sections of the information statement entitled “Management—Compensation Committee,” “Executive Compensation” and “Compensation of Directors.” Those sections are incorporated herein by reference.

Item 7. ***Certain Relationships and Related Transactions, and Director Independence.***

The information required by this item is contained under the sections of the information statement entitled “Management” and “Certain Relationships and Related Person Transactions.” Those sections are incorporated herein by reference.

Item 8. ***Legal Proceedings.***

The information required by this item is contained under the section of the information statement entitled “Business—Legal Proceedings.” That section is incorporated herein by reference.

Item 9. ***Market Price of and Dividends on the Registrant’s Common Equity and Related Stockholder Matters.***

The information required by this item is contained under the sections of the information statement entitled “The Transactions,” “Dividend Policy,” “Capitalization” and “Description of Our Capital Stock.” Those sections are incorporated herein by reference.

Item 10. ***Recent Sales of Unregistered Securities.***

The information required by this item is contained under the sections of the information statement entitled “Description of Other Indebtedness” and “Description of Our Capital Stock—Sale of Unregistered Securities.” Those sections are incorporated herein by reference.

Item 11. ***Description of Registrant’s Securities to be Registered.***

The information required by this item is contained under the sections of the information statement entitled “The Transactions,” “Dividend Policy” and “Description of Our Capital Stock.” Those sections are incorporated herein by reference.

Item 12. ***Indemnification of Directors and Officers.***

The information required by this item is contained under the section of the information statement entitled “Description of Our Capital Stock—Limitation of Liability for Officers and Directors and Insurance.” That section is incorporated herein by reference.

Item 13. ***Financial Statements and Supplementary Data.***

The information required by this item is contained under the section of the information statement entitled “Index to Financial Statements” (and the financial statements referenced therein). That section is incorporated herein by reference.

Item 14. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.***

None.

Item 15. ***Financial Statements and Exhibits.***

(a) Financial Statements

The information required by this item is contained under the section of the information statement entitled “Index to Financial Statements” (and the financial statements referenced therein). That section is incorporated herein by reference.

(b) Exhibits

See below.

The following documents are filed as exhibits hereto:

Exhibit Number	Exhibit Description
2.1	Amended and Restated Agreement and Plan of Merger, dated as of June 20, 2018, by among Twenty-First Century Fox, Inc., The Walt Disney Company, TWDC Holdco 613 Corp., WDC Merger Enterprises I, Inc. and WDC Merger Enterprises II, Inc.*
2.2	Amended and Restated Distribution Agreement and Plan of Merger, dated as of June 20, 2018, by and between Twenty-First Century Fox, Inc. and 21CF Distribution Merger Sub, Inc.*
2.3	Form of Separation Agreement, by and between Twenty-First Century Fox, Inc. and New Fox, Inc.**
2.4	Form of Tax Matters Agreement, by and between The Walt Disney Company, Twenty-First Century Fox, Inc. and New Fox, Inc.**
3.1	Form of Certificate of Incorporation of New Fox, Inc.**
3.2	Form of Bylaws of New Fox, Inc.**
21.1	Subsidiaries of New Fox, Inc.**
99.1	Information Statement of New Fox, Inc., preliminary and subject to completion*
99.2	Pertinent pages from Twenty-First Century Fox, Inc.'s Proxy Statement, dated September 28, 2018*
99.3	Form of Notice of Internet Availability of Information Statement Materials**

* Filed herewith.

** To be filed by amendment.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

NEW FOX, INC.

By: /s/ John P. Nallen
Name: John P. Nallen
Title: President

Date: October 9, 2018

Exhibit 2.1

EXECUTION VERSION

AMENDED AND RESTATED AGREEMENT AND PLAN OF MERGER

among

TWENTY-FIRST CENTURY FOX, INC.

THE WALT DISNEY COMPANY

TWDC HOLDCO 613 CORP.

WDC MERGER ENTERPRISES I, INC.

and

WDC MERGER ENTERPRISES II, INC.

Dated as of June 20, 2018

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AMENDED AND RESTATED AGREEMENT AND PLAN OF MERGER

This AMENDED AND RESTATED AGREEMENT AND PLAN OF MERGER (hereinafter referred to as this "Agreement"), dated as of June , 2018 (the "Execution Date"), among Twenty-First Century Fox, Inc., a Delaware corporation (the "Company"), The Walt Disney Company, a Delaware corporation ("Parent"), TWDC Holdco 613 Corp., a Delaware corporation and a wholly owned Subsidiary of Parent ("Holdco"), WDC Merger Enterprises I, Inc., a Delaware corporation and a wholly owned Subsidiary of Holdco ("Delta Sub"), and WDC Merger Enterprises II, Inc., a Delaware corporation and a wholly owned Subsidiary of Holdco ("Wax Sub", and together with Delta Sub, the "Merger Subs"), amends and restates in its entirety that certain Agreement and Plan of Merger (the "Original Merger Agreement"), dated as of December 13, 2017 (the "Original Execution Date"), among the Company, Parent, TWC Merger Enterprises 2 Corp. and TWC Merger Enterprises 1, LLC, as amended by the Amendment to Agreement and Plan of Merger, dated as of May 7, 2018. Capitalized terms used in this Agreement shall have the respective meanings ascribed thereto in the sections of this Agreement set forth next to such terms on Annex A hereto.

RECITALS

WHEREAS, the parties to the Original Merger Agreement desire to amend and restate the Original Merger Agreement in its entirety on the terms and subject to the conditions set forth herein;

WHEREAS, on or prior to the Closing Date, the Company will consummate the Separation in accordance with the principles set forth on Exhibit I hereto (such principles, the "Separation Principles") and subject to such other terms and conditions as will be agreed between the Company and Parent pursuant to this Agreement and set forth in a Separation Agreement by and between the Company and SpinCo (the "Separation Agreement"), and following the Separation and prior to the Delta Effective Time, the Company will consummate the Distribution;

WHEREAS, the Board of Directors of the Company, by resolutions duly adopted, has approved the Separation Principles and the transactions contemplated thereby, including the Separation and the Distribution;

WHEREAS, the Board of Directors of the Company, by resolutions duly adopted, has approved and declared the advisability of amendments to the Company Charter providing that the holders of Hook Stock will not receive any shares of SpinCo Common Stock in connection with the Distribution or any shares of Holdco Common Stock or cash in connection with the Wax Merger (such amendment or any substantially consistent amendment as mutually agreed by the parties hereto, the "Charter Amendment"), subject to the approval of holders of a majority of the outstanding Class B Shares entitled to vote on such matter at a meeting duly called and held for such purpose (such stockholder approval, the "Charter Amendment Stockholder Approval");

WHEREAS, (a) each of Parent, Holdco and Delta Sub desire, following the satisfaction or waiver of the conditions set forth in Article VI, to effect a merger upon the terms and subject to the conditions set forth in this Agreement, whereby Delta Sub shall be merged in accordance with Section 251(g) of the Delaware General Corporation Law (the "DGCL") with and into Parent, with Parent as the surviving corporation in the merger (the "Delta Surviving Company", and such merger, the "Delta Merger") and the Delta Surviving Company becoming a wholly owned Subsidiary of Holdco and (b) immediately following the Delta Effective Time, each of the Company, Holdco and Wax Sub desire, following the satisfaction or waiver of the conditions set forth in Article VI, to effect a merger upon the terms and subject to the conditions set forth in this Agreement, whereby Wax Sub shall be merged with and into the Company, with the Company as the surviving corporation in the merger (the "Wax Surviving Company", and such merger, the "Wax Merger" and, together with the Delta Merger, the "Mergers") and the Wax Surviving Company becoming a wholly owned Subsidiary of Holdco;

WHEREAS, the Board of Directors of Parent, by resolutions duly adopted, has (i) approved the Delta Merger upon the terms and subject to the conditions set forth in this Agreement and in accordance with the DGCL, (ii) approved and declared advisable this Agreement, and (iii) resolved to recommend to its stockholders the approval of the issuance of Holdco Common Stock in the Wax Merger pursuant to this Agreement;

WHEREAS, the Board of Directors of the Company, by resolutions duly adopted, has (i) approved the Wax Merger upon the terms and subject to the conditions set forth in this Agreement and in accordance with the DGCL, (ii) approved and declared advisable this Agreement and (iii) resolved to recommend to its stockholders the adoption of this Agreement;

WHEREAS, for U.S. federal income tax purposes, the parties hereto intend that (i) the Delta Merger and the Wax Merger, taken together, qualify as a transaction described in Section 351 of the Internal Revenue Code of 1986, as amended (the "Code") (the "Intended Tax Treatment") and (ii) Parent, the Company and SpinCo make, in connection with the Distribution and pursuant to the Tax Matters Agreement, an election under Section 336(e) of the Code with respect to SpinCo and certain Subsidiaries of SpinCo;

WHEREAS, the Board of Directors of Holdco, by resolutions duly adopted, has approved and declared advisable this Agreement and the transactions contemplated hereby (which includes the Mergers and the issuance of shares of common stock, par value $0.01 per share, of Holdco (the "Holdco Common Stock") and shares of series A voting preferred stock, par value $0.01 per share, of Holdco (the "Holdco Series A Preferred Stock", and together with the Holdco Common Stock, the "Holdco Stock"), pursuant to the Mergers) upon the terms and subject to the conditions set forth in this Agreement and in accordance with the DGCL;

WHEREAS, the Board of Directors of Delta Sub, by resolutions duly adopted, has approved the Delta Merger upon the terms and subject to the conditions set forth in this Agreement, has approved and declared advisable this Agreement and has resolved to recommend to its stockholder the adoption of this Agreement;

WHEREAS, the Board of Directors of Wax Sub, by resolutions duly adopted, has approved the Wax Merger upon the terms and subject to the conditions set forth in this Agreement, has approved and declared advisable this Agreement and has resolved to recommend to its stockholder the adoption of this Agreement;

WHEREAS, simultaneously with the execution and delivery of this Agreement and as a condition and inducement to the willingness of Parent and the Merger Subs to enter into this Agreement, Parent and certain stockholders of the Company entered into an amended and restated voting agreement (the "Voting Agreement"), pursuant to which, among other things, such stockholders have agreed to vote to adopt this Agreement and to take certain other actions in furtherance of the Mergers, in each case upon the terms and subject to the conditions set forth therein;

WHEREAS, the parties intend, as set forth in Section 8.12(c), that (a) all references in this Agreement to "the date hereof" or "the date of this Agreement" shall refer to the Original Execution Date, (b) the date on which the representations and warranties set forth in Article III and Article IV are made by the Company or Parent shall not change as a result of the execution of this Agreement and shall be made as of such dates as they were in the Original Merger Agreement and (c) each reference to "this Agreement" or "herein" in the representations and warranties set forth in Article III and Article IV shall refer to "the Original Merger Agreement", in each case of (a), (b) and (c), unless expressly indicated otherwise in this Agreement; and

WHEREAS, the Company, Parent, Holdco and the Merger Subs desire to make certain representations, warranties, covenants and agreements in connection with this Agreement.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE I

The Mergers

Section 1.01. The Mergers. (a) Upon the terms and subject to the conditions set forth in this Agreement and in accordance with Section 251(g) of the DGCL, at the Delta Effective Time, Delta Sub shall be merged with and into Parent and the separate corporate existence of Delta Sub shall thereupon cease. Parent shall be the surviving corporation in the Delta Merger as a wholly owned Subsidiary of Holdco, and the separate corporate existence of Parent with all its rights, privileges, immunities, powers and franchises shall continue unaffected by the Delta Merger, except as set forth in Article II. The Delta Merger shall have the effects specified in the DGCL.

(b) Upon the terms and subject to the conditions set forth in this Agreement and the DGCL, at the Wax Effective Time, Wax Sub shall be merged with and into the Company and the separate corporate existence of Wax Sub shall thereupon cease. The Company shall be the surviving corporation in the Wax Merger as a wholly owned Subsidiary of Holdco, and the separate corporate existence of the Company with all its rights, privileges, immunities, powers and franchises shall continue unaffected by the Wax Merger, except as set forth in Article II. The Wax Merger shall have the effects specified in the DGCL.

(c) In connection with the Mergers and prior to the Delta Effective Time, Holdco shall take all corporate action necessary to reserve for issuance a sufficient number of shares of Holdco Stock to permit the issuance of shares of Holdco Stock to the holders of shares of Parent Stock and the holders of Shares as of the Delta Effective Time and the Wax Effective Time, as applicable, in accordance with this Agreement.

Section 1.02. Closing. The closing of the Distribution and the Mergers (the "Closing") shall occur by electronic exchange of documents at 8:00 a.m. (New York City time) on the date that is as soon as reasonably practicable, and in no event later than the third business day, following the day on which the last to be satisfied or waived of each of the conditions set forth in Article VI (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions) shall have been satisfied or waived in accordance with this Agreement, or at such other time and/or on such other date as the Company and Parent may otherwise agree in writing (the date on which the Closing occurs, the "Closing Date").

Section 1.03. Effective Time. Concurrently with the Closing, the Company and Parent will (i) cause a certificate of merger with respect to the Delta Merger (the "Delta Certificate of Merger") to be duly executed, acknowledged and filed with the Secretary of State of the State of Delaware as provided in the DGCL and (ii) cause a certificate of merger with respect to the Wax Merger (the "Wax Certificate of Merger" and, together with the Delta Certificate of Merger, the "Certificates of Merger") to be duly executed, acknowledged and filed with the Secretary of State of the State of Delaware as provided in the DGCL. The Delta Merger shall become effective at 12:01 a.m. (New York City time) on the date immediately following the Closing Date or at such time as may be agreed upon by the parties hereto in writing and set forth in the Delta Certificate of Merger in accordance with the DGCL (such time as the Delta Merger becomes effective, the "Delta Effective Time"). The Wax Merger shall become effective at 12:02 a.m. (New York City time) on the date immediately following the Closing Date or at such time as may be agreed upon by the parties hereto in writing and set forth in the Wax Certificate of Merger in accordance with the DGCL (such time as the Wax Merger becomes effective, the "Wax Effective Time").

Section 1.04. Certificates of Incorporation. (a) Immediately prior to the Delta Effective Time, Parent and Holdco shall take all requisite action necessary to cause the certificate of incorporation of Holdco in effect immediately prior to the Delta Effective Time to contain provisions identical to the certificate of incorporation of Parent immediately prior to the Delta Effective Time, except as otherwise permitted or required by Section 251(g) of the DGCL. Holdco shall amend its certificate of incorporation to change the name of Holdco to "The Walt Disney Company", which amendment shall be effective as of the Delta Effective Time.

(b) At the Delta Effective Time, pursuant to the Delta Merger, the certificate of incorporation of the Delta Surviving Company (the "Delta Surviving Company Certificate of Incorporation") shall continue to be the certificate of incorporation of Parent in effect immediately prior to the Delta Effective Time, except that the name of the Delta Surviving Company shall be replaced by a name to be determined by Parent prior to the Delta Effective Time and shall be amended as set forth below, until thereafter amended as provided therein or by applicable Law (and subject to Section 5.12):

(i) Article IV, Section 1 of the certificate of incorporation of Parent shall be deleted in its entirety and replaced with the following:

1. ***Authorization***

The total number of shares of capital stock which the Corporation shall have the authority to issue is 10,000, of which 9,000 shares shall be shares of common stock having par value of $0.01 per share ("Common Stock") and 1,000 shares shall be shares of preferred stock having a par value of $0.01 per share ("Preferred Stock") and issuable in one or more classes or series as hereinafter provided.

The number of authorized shares of any class or classes of capital stock of the Corporation may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the stock of the Corporation entitled to vote generally in the election of directors.

(ii) Article IV of the certificate of incorporation of Parent shall be amended by adding as Section 4 immediately following Section 3 to read in its entirety as follows:

Any act or transaction by or involving the Corporation, other than the election or removal of directors of the Corporation, that requires for its adoption under the DGCL or this Certificate of Incorporation the approval of the stockholders of the Corporation shall, in accordance with Section 251(g) of the DGCL, require, in addition, the approval of the stockholders of TWDC Holdco 613 Corp. (or any successor thereto by merger), by the same vote as is required by the DGCL and/or this Certificate of Incorporation.

(iii) The third paragraph of the Certificate of Designation of Series A Voting Preferred Stock of Parent, attached as Exhibit A to the certificate of incorporation of Parent, shall be deleted in its entirety and replaced with the following:

> Designation and Amount. The designation of the series of the preferred stock shall be "Series A Voting Preferred Stock" and the number of shares constituting the Series A Voting Preferred Stock shall be 100. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, however, that no decrease shall reduce the number of shares of Series A Voting Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series A Voting Preferred Stock.

(c) At the Wax Effective Time, pursuant to the Wax Merger, the certificate of incorporation of the Wax Surviving Company shall continue to be the certificate of incorporation of the Company in effect immediately prior to the Wax Effective Time, except that references to the Company shall be replaced by a name to be determined by Parent prior to the Wax Effective Time (the "Wax Surviving Company Certificate of Incorporation"), until thereafter amended as provided by applicable Law (and subject to Section 5.12).

Section 1.05. Bylaws. (a) Immediately prior to the Delta Effective Time, Parent and Holdco shall take all requisite action to cause the bylaws of Holdco in effect immediately prior to the Delta Effective Time to contain provisions identical to the bylaws of Parent immediately prior to the Delta Effective Time, except as otherwise permitted or required by Section 251(g) of the DGCL.

(b) At the Delta Effective Time, the parties hereto shall take all necessary action so that the bylaws of the Delta Surviving Company shall continue to be the bylaws of Parent in effect immediately prior to the Delta Effective Time, except that references to the name of Parent shall be replaced by a name to be determined by Parent prior to the Delta Effective Time (the "Delta Surviving Company Bylaws"), until thereafter amended as provided therein or by applicable Law (and subject to Section 5.12).

(c) At the Wax Effective Time, the parties hereto shall take all necessary action so that the bylaws of the Wax Surviving Company shall be amended and restated so as to read in their entirety as the bylaws of Wax Sub in effect immediately prior to the Wax Effective Time, except that references to the name of Wax Sub shall be replaced by a name to be determined by Parent prior to the Wax Effective Time (the "Wax Surviving Company Bylaws"), until thereafter amended as provided therein or by applicable Law (and subject to Section 5.12).

Section 1.06. Directors of the Delta Surviving Company. Each of the parties hereto shall take all necessary action so that the directors of Delta Sub immediately prior to the Delta Effective Time shall, from and after the Delta Effective Time, be the directors of the Delta Surviving Company until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Delta Surviving Company Certificate of Incorporation and the Delta Surviving Company Bylaws.

Section 1.07. Officers of the Delta Surviving Company. Each of the parties hereto shall take all necessary action so that the officers of Delta Sub immediately prior to the Delta Effective Time shall, from and after the Delta Effective Time, be the officers of the Delta Surviving Company until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Delta Surviving Company Certificate of Incorporation and the Delta Surviving Company Bylaws.

Section 1.08. Directors of the Wax Surviving Company. Each of the parties hereto shall take all necessary action so that the directors of Wax Sub immediately prior to the Wax Effective Time shall, from and after the Wax Effective Time, be the directors of the Wax Surviving Company until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Wax Surviving Company Certificate of Incorporation and the Wax Surviving Company Bylaws.

Section 1.09. Officers of the Wax Surviving Company. Each of the parties hereto shall take all necessary action so that the officers of Wax Sub immediately prior to the Wax Effective Time shall, from and after the Wax Effective Time, be the officers of the Wax Surviving Company until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Wax Surviving Company Certificate of Incorporation and the Wax Surviving Company Bylaws.

Section 1.10. Directors of Holdco. Parent and Holdco shall take all corporate action necessary to cause the directors of Parent immediately prior to the Delta Effective Time to be the directors of Holdco as of the Delta Effective Time until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Holdco Certificate of Incorporation and the Holdco Bylaws.

Section 1.11. Officers of Holdco. In accordance with Section 251(g) of the DGCL, Parent and Holdco shall take all corporate action necessary to cause the officers of Parent immediately prior to the Delta Effective Time to be the officers of Holdco as of the Delta Effective Time until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Holdco Certificate of Incorporation and the Holdco Bylaws.

ARTICLE II

Pre-Merger Steps; Effect of the Merger; Exchange

Section 2.01. Pre-Merger Steps.

(a) Charter Amendment. Subject to obtaining the Charter Amendment Stockholder Approval, the Company shall file with the Secretary of State of the State of Delaware a duly executed and acknowledged certificate setting forth the Charter Amendment and certifying that the Charter Amendment Stockholder Approval has been received in accordance with Section 242 of the DGCL to cause the Charter Amendment to be effective prior to the Distribution.

(b) Intentionally Omitted.

(c) Distribution. On the Closing Date, upon the terms and subject to the conditions set forth in that certain Amended and Restated Distribution Agreement and Plan of Merger, dated as of the Execution Date, by and between the Company and Distribution Merger Sub attached hereto as Annex B (the "Distribution Merger Agreement") and the DGCL, Distribution Merger Sub shall be merged with and into the Company, the separate corporate existence of Distribution Merger Sub shall thereupon cease and SpinCo Common Stock shall be received by the holders of Shares (other than Shares constituting Hook Stock) in accordance with the exchange procedures set forth in the Distribution Merger Agreement (the "Distribution"). The Company shall be the surviving corporation in the Distribution.

(d) Pre-Distribution Dividend. Immediately prior to the Distribution, the Company shall cause SpinCo to pay to the Company a dividend in the amount of $8,500,000,000 in immediately available funds (the "Dividend").

(e) Transaction Tax. The amount of the Transaction Tax shall be calculated on the Closing Date as promptly as practicable following the determination of the SpinCo Equity Value.

(f) Cash Payment. At the open of business on the business day immediately following the Closing Date, Parent shall pay, or cause to be paid, to SpinCo in immediately available funds the amount obtained by subtracting the amount of the Transaction Tax from the amount of the Dividend (the "Cash Payment"); provided that the Cash Payment shall in no event (a) exceed $2,000,000,000 or (b) be less than $0.

Section 2.02. Effect on Capital Stock of the Mergers. (a) At the Delta Effective Time, by virtue of the Delta Merger and without any action on the part of the holders of any capital stock of Parent, Holdco or Delta Sub:

(i) Each share of common stock, par value $0.01 per share, of Parent (the "Parent Common Stock") held in treasury by Parent that is not held on behalf of a third party (excluding, for the avoidance of doubt, any shares of Parent Common Stock that are held by Subsidiaries of Parent (such shares of Parent Common Stock, the "Subsidiary Owned Parent Shares")) immediately prior to the Delta Effective Time shall be canceled without payment of any consideration therefor and shall cease to exist.

(ii) Each share of Parent Common Stock issued and outstanding (including, for the avoidance of doubt, any Subsidiary Owned Parent Shares) immediately prior to the Delta Effective Time (other than any shares of Parent Common Stock to be canceled pursuant to Section 2.02(a)(i)) shall be converted, in accordance with Section 251(b)(5) of the DGCL and as specified in Section 251(g) of the DGCL, into one validly issued, fully paid and non-assessable share of Holdco Common Stock (such consideration, the "Delta Common Stock Consideration").

(iii) Each share of series A preferred stock, par value $0.01 per share, of Parent (such preferred stock, together with the Parent Common Stock, the "Parent Stock") issued and outstanding immediately prior to the Delta Effective Time shall be converted, in accordance with Section 251(b)(5) of the DGCL and as specified in Section 251(g) of the DGCL, into one validly issued, fully paid and non-assessable share of Holdco Series A Preferred Stock (such consideration, together with the Delta Common Stock Consideration, the "Delta Merger Consideration").

(iv) Each share of common stock of Delta Sub, par value $0.01 per share, issued and outstanding immediately prior to the Delta Effective Time shall be converted, in accordance with Section 251(b)(5) of the DGCL, into one validly issued, fully paid and non-assessable share of common stock, par value $0.01 per share, of the Delta Surviving Company.

(v) Each share of capital stock of Holdco that is owned by Parent shall be canceled and shall cease to be outstanding as of the Delta Effective Time, without payment of consideration therefor.

(vi) All shares of Parent Stock converted into the Delta Merger Consideration pursuant to this Section 2.02(a) shall cease to be outstanding, shall be cancelled and shall cease to exist, and (1) each certificate (a "Parent Certificate") formerly representing any such shares of Parent Stock and (2) each book-entry account formerly representing any such uncertificated shares of Parent Stock ("Uncertificated Parent Shares") shall thereafter represent shares of Holdco Stock (without any requirement for the surrender of any Parent Certificates or Uncertificated Parent Shares), with each Parent Certificate representing automatically an equivalent number of shares of Holdco Stock.

(b) At the Wax Effective Time, by virtue of the Wax Merger and without any action on the part of the holders of any capital stock of the Company, Holdco or Wax Sub:

(i) Common Stock Consideration. Each share of Class A Common Stock, par value $0.01 per share, of the Company (the "Class A Common Stock", and each a "Class A Share") and each share of Class B Common Stock, par value $0.01 per share, of the Company (the "Class B Common Stock", and together with the Class A Common Stock, the "Common Stock", and each a "Class B Share", and together with the Class A Shares, the "Shares") issued and outstanding immediately prior to the Wax Effective Time (other than Shares (I) held in treasury by the Company that are not held on behalf of third parties, (II) constituting Hook Stock or (III) owned by stockholders ("Dissenting Stockholders") who have not voted in favor of the Wax Merger and perfected and not withdrawn a demand for appraisal rights pursuant to Section 262 of the DGCL (such Shares, "Excluded Shares")) shall be exchanged, in accordance with Section 251(b)(5) of the DGCL, for, at the election of the holder thereof in accordance with the procedures set forth in Sections 2.04 and 2.05, and as adjusted pursuant to Section 2.03 (such consideration, the "Wax Merger Consideration"):

(1) for each Share with respect to which an election to receive cash has been made and not revoked or lost pursuant to Section 2.04 (such Shares, together with any Shares for which an election to receive cash is deemed to have been made under clause (3) below, in each case after giving effect to the Distribution, the "Cash Election Shares"), an amount of cash equal to the Per Share Value, without interest (the "Wax Cash Consideration");

(2) for each Share with respect to which an election to receive stock has been made and not revoked or lost pursuant to Section 2.04 (such Shares, together with any Shares for which an election to receive stock is deemed to have been made under clause (3) below, in each case after giving effect to the Distribution, the "Stock Election Shares"), a number of validly issued, fully paid and non-assessable shares of Holdco Common Stock equal to the quotient (which shall be rounded to four decimal places) of the Per Share Value divided by the Average Parent Stock Price (the "Wax Stock Consideration"); and

(3) for each Share with respect to which no election to receive cash or stock has been made, the Wax Cash Consideration or the Wax Stock Consideration or a combination of both, as provided in Section 2.03 (such Shares described in this clause (3), after giving effect to the Distribution, the "No Election Shares").

(ii) Hook Stock. Each Class A Share constituting Hook Stock and each Class B Share constituting Hook Stock that is issued and outstanding immediately prior to the Wax Effective Time shall be unaffected by the Wax Merger and shall remain outstanding as one Class A Share or one Class B Share, as applicable.

(iii) Cancellation of Shares. All the Shares exchanged for the Wax Merger Consideration pursuant to Section 2.02(b)(i) shall cease to be outstanding, shall be cancelled and shall cease to exist, and (1) each certificate (a "Company Certificate") formerly representing any such Shares and (2) each book-entry account formerly representing any such uncertificated Shares ("Uncertificated Company Shares") shall thereafter represent only the applicable Wax Merger Consideration and, in each case, the right, if any, to receive pursuant to Section 2.05(e) cash in lieu of fractional shares into which such Shares have been exchanged pursuant to this Section 2.02 and any distribution or dividend pursuant to Section 2.05(c).

As used in this Agreement, the term "Base Exchange Ratio" means the following (in each case rounded to four decimal places):

I. if the Average Parent Stock Price is an amount greater than $114.32, then the Base Exchange Ratio shall be 0.3324;

II. if the Average Parent Stock Price is an amount greater than or equal to $93.53 but less than or equal to $114.32 then the Base Exchange Ratio shall be an amount equal to the quotient obtained by dividing (x) $38.00 by (y) the Average Parent Stock Price; or

III. if the Average Parent Stock Price is an amount less than $93.53, then the Base Exchange Ratio shall be 0.4063.

As used in this Agreement, the term "Exchange Ratio" means an amount equal to the product of (i) Base Exchange Ratio plus the quotient (which may be positive or negative, and shall be rounded to four decimal places) obtained by dividing (x) the Equity Adjustment Amount by (y) $195,069,102,000.00 and (ii) the Distribution Adjustment Multiple.

As used in this Agreement, the term "Per Share Cash Amount" means an amount equal to the product of (i) $38.00 plus the quotient (which may be positive or negative, and shall be rounded to four decimal places) obtained by dividing (x) the Equity Adjustment Amount by (y) 1,877,000,000 and (ii) the Distribution Adjustment Multiple.

As used in this Agreement, the term "Per Share Value" means an amount equal to the sum of (i) fifty percent (50.0%) of the Per Share Cash Amount plus (ii) the product of (A) the Exchange Ratio, (B) the Average Parent Stock Price and (C) fifty percent (50.0%).

As used in this Agreement, the term "Equity Adjustment Amount" means an amount (which may be positive or negative) equal to (a) the amount of the Dividend minus (b) the amount of the Transaction Tax minus (c) the amount of the Cash Payment.

(iv) Cancellation of Treasury Shares. Each Share held in treasury by the Company, in each case not (A) held on behalf of third parties or (B) constituting Hook Stock, shall, by virtue of the Wax Merger and without any action on the part of the Company, Parent, Holdco, the Merger Subs or the holder thereof, cease to be outstanding, shall be cancelled without payment of any consideration therefor and shall cease to exist.

(v) Wax Sub. Each share of common stock, par value $0.01 per share, of Wax Sub issued and outstanding immediately prior to the Wax Effective Time shall be converted into (A) a number of Class A Shares equal to the number of Class A Shares canceled pursuant to Section 2.02(b)(iii) divided by 1,000 and (B) a number of Class B Shares equal to the number of Class B Shares canceled pursuant to Section 2.02(b)(iii) divided by 1,000.

Section 2.03. Proration. Notwithstanding any provision of this Agreement to the contrary:

(a) If the product of the aggregate number of Cash Election Shares and the Wax Cash Consideration (such product being the "Elected Cash Consideration") exceeds the Maximum Cash Amount, then:

(i) all Stock Election Shares and all No Election Shares will be exchanged for the Wax Stock Consideration; and

(ii) a portion of the Cash Election Shares of each holder of Shares will be exchanged for the Wax Cash Consideration, with such portion being equal to the product obtained by multiplying (A) the number of such holder's Cash Election Shares by (B) a fraction, the numerator of which will be the Maximum Cash Amount and the denominator of which will be the Elected Cash Consideration, with the remaining portion of such holder's Cash Election Shares being exchanged for the Wax Stock Consideration.

(b) If the Elected Cash Consideration is less than the Maximum Cash Amount (such difference being the "Shortfall Amount"), then:

(i) all Cash Election Shares will be exchanged for the Wax Cash Consideration;

(ii) all Stock Election Shares and No Election Shares will be treated in the following manner: (A) if the Shortfall Amount is less than or equal to the product of the aggregate number of No Election Shares and the Per Share Value (the "No Election Value"), then (1) all Stock Election Shares will be exchanged for the Wax Stock Consideration and (2) the No Election Shares of each holder of Shares will be exchanged for the Wax Cash Consideration in respect of that number of No Election Shares equal to the product obtained by multiplying (x) the number of No Election Shares of such holder by (y) a fraction, the numerator of which is the Shortfall Amount and the denominator of which is the No Election Value, with the remaining portion of such holder's No Election Shares (if any) being exchanged for the Wax Stock Consideration or (B) if the Shortfall Amount exceeds the No Election Value, then (1) all No Election Shares will be exchanged for the Wax Cash Consideration and (2) a portion of the Stock Election Shares of each holder of Shares will be exchanged for the Wax Cash Consideration, with such portion being equal to the product obtained by multiplying (x) the number of Stock Election Shares of such holder by (y) a fraction, the numerator of which is the amount by which the Shortfall Amount exceeds the No Election Value, and the denominator of which is the product obtained by multiplying the aggregate number of Stock Election Shares by the Per Share Value, with the remaining portion of such holder's Stock Election Shares being exchanged for the Wax Stock Consideration.

(c) If the Elected Cash Consideration equals the Maximum Cash Amount, then:

(i) all Cash Election Shares will be converted into the right to receive the Wax Cash Consideration; and

(ii) all Stock Election Shares and all No Election Shares will be converted into the right to receive the Wax Stock Consideration.

Section 2.04. Election Procedures.

(a) Not less than 30 days prior to the anticipated Wax Effective Time (the "Mailing Date"), Parent will cause to be mailed to each record holder of Shares (other than Excluded Shares) as of five business days prior to the Mailing Date an election form in such form as Parent shall specify (the "Election Form").

(b) Each Election Form will permit the holder (or the beneficial owner through customary documentation and instructions) of Shares to specify (i) the number of Shares with respect to which such holder elects to receive the Wax Stock Consideration, (ii) the number of Shares with respect to which such holder elects to receive the Wax Cash Consideration or (iii) that such holder makes no election with respect to such holder's Shares. Any Shares with respect to which the Exchange Agent does not receive a properly completed Election Form during the period (the "Election Period") from the Mailing Date to 5:00 p.m., New York City time, on the business day that is three Trading Days prior to the Closing Date or such other date as Parent and the Company will, prior to the Closing, mutually agree (the "Election Deadline") will be deemed to be No Election Shares. Parent and the Company will publicly announce the anticipated Election Deadline at least five business days prior to the anticipated Closing Date. If the Closing Date is delayed to a subsequent date, the Election Deadline shall be similarly delayed to a subsequent date, and Parent and the Company shall promptly announce any such delay and, when determined, the rescheduled Election Deadline.

(c) Any election made pursuant to this Section 2.04 will have been properly made only if the Exchange Agent will have actually received a properly completed Election Form during the Election Period. Any Election Form may be revoked or changed by the person submitting it, by written notice received by the Exchange Agent during the Election Period. In the event an Election Form is revoked during the Election Period, the Shares represented by such Election Form will be deemed to be No Election Shares, except to the extent a subsequent election is properly made during the Election Period. Subject to the terms of this Agreement and of the Election Form, the Exchange Agent will have reasonable discretion to determine whether any election, revocation or change has been properly or timely made and to disregard immaterial defects in the Election Forms, and any good faith decisions of the Exchange Agent regarding such matters will be binding and conclusive. None of Parent, Holdco, the Company or the Exchange Agent will be under any obligation to notify any Person of any defect in an Election Form.

Section 2.05. Exchange of Certificates. (a) Exchange Agent. At the Wax Effective Time, Holdco shall deposit, and Parent shall cause Holdco to deposit, with an exchange agent selected by Parent with the Company's prior written approval prior to the Mailing Date, which shall not be unreasonably withheld or delayed (the "Exchange Agent"), for the benefit of the holders of Shares (other than Excluded Shares), (I) an aggregate number of shares of Holdco Common Stock to be credited in the stock ledger and

other appropriate books and records of Holdco in uncertificated form or book-entry form and (II) an aggregate amount of cash, in each case, comprising the amount required to be delivered pursuant to Section 2.02 in respect of Shares (other than Excluded Shares). In addition, Holdco shall deposit, or cause to be deposited, with the Exchange Agent, as necessary from time to time after the Wax Effective Time, (i) any dividends or other distributions payable pursuant to Section 2.05(c) with respect to the Holdco Common Stock issued pursuant to the Wax Merger with respect to Shares with a record and payment date after the Wax Effective Time and prior to the surrender of such Shares and (ii) cash in lieu of any fractional shares payable pursuant to Section 2.05(e). All shares of Holdco Common Stock and cash, together with the amount of any dividends and distributions deposited with the Exchange Agent pursuant to this Section 2.05(a), shall hereinafter be referred to as the "Exchange Fund". The Exchange Agent shall invest the cash portion of the Exchange Fund as directed by Holdco; provided that such investments shall be in obligations, funds or accounts typical for (including having liquidity typical for) transactions of this nature. To the extent that there are losses or any diminution of value with respect to such investments, or the Exchange Fund diminishes for any other reason below the level required to make prompt cash payment of any dividends or other distributions payable pursuant to Section 2.05(c) and any cash in lieu of any fractional shares payable pursuant to Section 2.05(e), Holdco shall promptly replace or restore the cash in the Exchange Fund lost through such investments or other events so as to ensure that the Exchange Fund is at all times maintained at a level sufficient to make such cash payments. Any interest and other income resulting from such investment shall become a part of the Exchange Fund, and any amounts in excess of the amounts payable under this Section 2.05(a) shall be promptly returned to Holdco.

(b) Exchange Procedures. Promptly after the Wax Effective Time (and in any event within four business days thereafter or at such other time as may be agreed by the Company, Parent and the Exchange Agent), Holdco shall cause the Exchange Agent to mail to each holder of record of Company Certificates (other than Excluded Shares) a letter of transmittal (together with any other materials delivered therewith, the "Letter of Transmittal") in customary form advising such holder of the effectiveness of the Wax Merger and the conversion of its Shares into the applicable Wax Merger Consideration, and specifying that risk of loss and title to the Company Certificates shall pass only upon delivery of the Company Certificates (or affidavits of loss in lieu of the Company Certificates as provided in Section 2.05(g)) and instructions for use in effecting the surrender of the Company Certificates (or affidavits of loss in lieu of the Company Certificates as provided in Section 2.05(g)). Prior to the Wax Effective Time, Parent shall give the Company a reasonable opportunity to review and comment on such Letter of Transmittal and shall consider in good faith all reasonable additions, deletions or changes suggested by the Company. Upon the surrender of a Company Certificate (or affidavit of loss in lieu thereof as provided in Section 2.05(g)) to the Exchange Agent in accordance with the terms of such Letter of Transmittal, the holder of such Company Certificate shall be (i) credited in the stock ledger and other appropriate books and records of Holdco that number of whole shares of Holdco Common Stock, if any, for which its Shares were exchanged pursuant to this Article II in uncertificated form (or evidence of shares in book-entry form), and (ii) sent an amount in immediately available funds (or, if no wire transfer instructions are provided, a check, and in each case, after giving effect to any required Tax withholding provided in Section 2.05(h)) equal to (A) the cash amount, if any, that such holder is entitled to receive pursuant to Section 2.02(b) plus (B) any cash in lieu of fractional

shares pursuant to Section 2.05(e) plus (C) any unpaid non-stock dividends and any other dividends or other distributions that such holder has the right to receive pursuant to Section 2.05(c), and the Company Certificate so surrendered shall forthwith be cancelled. No interest will be paid or accrued on any amount payable upon due surrender of the Company Certificates. In the event of a transfer of ownership of Shares that is not registered in the transfer records of the Company, the proper number of shares of Holdco Common Stock in uncertificated form, if any, together with a check for any cash to be paid upon due surrender of the Company Certificate and any other dividends or distributions in respect thereof, may be credited and/or paid to such a transferee if the Company Certificate formerly representing such Shares is presented to the Exchange Agent, accompanied by all documents required to evidence and effect such transfer and to evidence that any applicable stock transfer Taxes have been paid or are not applicable. If any shares (or evidence of shares in book-entry form) of Holdco Common Stock are to be credited, or any cash is to be paid, to a name other than that in which the applicable Company Certificate is registered, it shall be a condition of such credit that the Person requesting such credit shall pay any stock transfer or other Taxes required by reason of the crediting of shares (or evidence of shares in book-entry form) of Holdco Common Stock in a name other than that of the registered holder of the Company Certificate surrendered, or shall establish to the satisfaction of Holdco or the Exchange Agent that such Taxes have been paid or are not applicable.

(c) Distributions with Respect to Unexchanged Shares; Voting. (i) All shares of Holdco Common Stock to be issued pursuant to the Wax Merger shall be issued and outstanding as of the Wax Effective Time and whenever a dividend or other distribution is declared by Holdco in respect of the Holdco Common Stock, the record date for which is after the Wax Effective Time, that declaration shall include dividends or other distributions in respect of all shares of Holdco Common Stock issued in the Wax Merger. No dividends or other distributions in respect of the Holdco Common Stock issued pursuant to the Wax Merger shall be paid to any holder of any unsurrendered Company Certificate until such Company Certificate (or affidavit of loss in lieu thereof as provided in Section 2.05(g)) is surrendered in accordance with this Article II. Subject to the effect of applicable Laws, following surrender of any such Company Certificate (or affidavit of loss in lieu thereof as provided in Section 2.05(g)), there shall be credited and/or paid to the holder of the whole shares of Holdco Common Stock issued in exchange therefor, if any, without interest thereon, (A) at the time of such surrender, the dividends or other distributions with a record date after the Wax Effective Time theretofore payable with respect to such whole shares of Holdco Common Stock and not paid and (B) at the appropriate payment date, the dividends or other distributions payable with respect to such whole shares of Holdco Common Stock with a record date after the Wax Effective Time, but with a payment date subsequent to surrender.

(ii) Registered holders of unsurrendered Company Certificates, other than in respect of the Hook Stock, shall be entitled to vote after the Wax Effective Time at any meeting of Holdco stockholders with a record date at or after the Wax Effective Time the number of whole shares of Holdco Common Stock represented by such Company Certificates, regardless of whether such holders have exchanged their Company Certificates.

(d) Transfers. From and after the Wax Effective Time, there shall be no transfers on the stock transfer books of the Company of the Shares (other than Hook Stock) that were outstanding immediately prior to the Wax Effective Time.

(e) Fractional Shares. Notwithstanding any other provision of this Agreement, no fractional shares of Holdco Common Stock will be issued in the Wax Merger, and any holder of Shares entitled to receive a fractional share of Holdco Common Stock but for this Section 2.05(e) shall be entitled to receive a cash payment in lieu thereof, which payment shall be calculated by the Exchange Agent and shall represent such holder's proportionate interest in a share of Holdco Common Stock based on the Average Parent Stock Price.

(f) Termination of Exchange Fund. Any portion of the Exchange Fund (including the proceeds of any investments of the Exchange Fund and any Holdco Common Stock) that remains unclaimed by the stockholders of the Company for 180 days after the Wax Effective Time shall be delivered, at Holdco's option, to Holdco. Any holder of Shares (other than Excluded Shares) who has not theretofore complied with this Article II shall thereafter look only to Holdco for delivery of any shares of Holdco Common Stock and payment of cash and any dividends and other distributions in respect of the Holdco Common Stock to be credited or paid pursuant to the provisions of this Article II (after giving effect to any required Tax withholdings as provided in Section 2.05(h)) upon due surrender of its Company Certificates (or affidavits of loss in lieu of the Company Certificates as provided in Section 2.05(g)), without any interest thereon. Notwithstanding the foregoing, none of the Wax Surviving Company, the Delta Surviving Company, Holdco, the Exchange Agent or any other Person shall be liable to any former holder of Shares for any amount properly delivered to a public official pursuant to applicable abandoned property, escheat or similar Laws. To the fullest extent permitted by Law, immediately prior to the date any Wax Merger Consideration would otherwise escheat to or become the property of any Governmental Entity, such Wax Merger Consideration shall become the property of Holdco, free and clear of all claims or interest of any Person previously entitled thereto.

(g) Lost, Stolen or Destroyed Certificates. In the event any Company Certificate shall have been lost, stolen, mutilated or destroyed, upon the making of an affidavit of that fact by the Person claiming such Company Certificate to be lost, stolen, mutilated or destroyed and, if required by Holdco, the posting by such Person of a bond in customary amount and upon such terms as may be required by Holdco as indemnity against any claim that may be made against it, the Exchange Agent or the Wax Surviving Company with respect to such Company Certificate, the Exchange Agent will credit in exchange for such lost, stolen, mutilated or destroyed Company Certificate the shares of Holdco Stock and pay the cash and any dividends and other distributions in respect of the Holdco Common Stock that would have been credited or payable pursuant to the provisions of this Article II (after giving effect to any required Tax withholdings as provided in Section 2.05(h)) had such lost, stolen or destroyed Company Certificate been surrendered.

(h) Withholding Rights. Notwithstanding anything in this Agreement to the contrary, Holdco, Parent, the Merger Subs and the Exchange Agent shall be entitled to deduct and withhold from any amount otherwise payable pursuant to this Agreement such amounts as it is required to deduct and withhold with respect to the making of such payment under any applicable Law. To the extent that amounts are so withheld and paid over to or deposited with the applicable Governmental Entity, such amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of whom such deduction and withholding was made.

(i) Uncertificated Shares. Promptly after the Wax Effective Time, Holdco shall cause the Exchange Agent to (i) mail to each holder of Uncertificated Company Shares (other than Excluded Shares) materials advising such holder of the effectiveness of the Wax Merger and the conversion of its Shares into the Wax Merger Consideration, (ii) credit in the stock ledger and other appropriate books and records of Holdco to each holder of Uncertificated Company Shares that number of whole shares of Holdco Common Stock, if any, for which its Shares were exchanged pursuant to this Article II in uncertificated form (or evidence of shares in book-entry form), and (iii) mail a check for cash in an amount equal to (A) the cash amount, if any, that such holder is entitled to receive pursuant to Section 2.02(b) plus (B) any cash in lieu of fractional shares in respect of each such Uncertificated Company Share pursuant to Section 2.05(e) plus (C) any dividends and other distributions in respect of the Holdco Common Stock to be credited or paid pursuant to the provisions of this Article II, in each case, after giving effect to any required Tax withholdings as provided in Section 2.05(h) and without interest thereon.

(j) Parent Stock. Each Parent Certificate outstanding immediately prior to the Delta Effective Time shall, from and after the Delta Effective Time and as a result of the Delta Merger, represent an equivalent number of shares of Holdco Stock. At the Delta Effective Time, Holdco shall cause the Exchange Agent to credit in the stock ledger and other appropriate books and records of Holdco an equivalent number of shares of Holdco Stock for any Uncertificated Parent Shares (other than any shares of Parent Stock canceled pursuant to Section 2.02(a)(i)); provided, however, that if an exchange of Parent Certificates for new certificates representing shares of Holdco Stock is required by Law or is desired at any time by Holdco, in its sole discretion, Holdco shall arrange for such exchange on a one-for-one share basis. For the avoidance of doubt, from and after the Delta Effective Time, the former holders of Parent Stock, which has been converted into Holdco Stock at the Delta Effective Time, shall be entitled to receive any dividends and distributions which may be made with respect to such shares of Holdco Stock.

Section 2.06. Adjustments to Prevent Dilution. In the event that the Company changes the number of Shares or securities convertible or exchangeable into or exercisable for any such Shares, or Parent changes the number of shares of Parent Common Stock, in each case issued and outstanding prior to the Wax Effective Time as a result of a distribution, reclassification, stock split (including a reverse stock split), stock dividend or distribution, recapitalization, subdivision or other similar transaction, the Wax Merger Consideration shall be equitably adjusted to eliminate the effects of such event on the Wax Merger Consideration; provided that no such adjustment shall be made pursuant to this Section 2.06 as a result of the Distribution or the other transactions contemplated by Separation Principles or this Agreement.

Section 2.07. Dissenters' Rights. No Dissenting Stockholder shall be entitled to receive shares of Holdco Common Stock or cash or any dividends or other distributions pursuant to the provisions of this Article II unless and until the holder thereof shall have failed to perfect or shall have effectively withdrawn or lost such holder's right to dissent from the Wax Merger

under the DGCL, and any Dissenting Stockholder shall be entitled only to such rights as are granted by Section 262 of the DGCL with respect to Shares owned by such Dissenting Stockholder. If any Person who otherwise would be deemed a Dissenting Stockholder shall have failed to properly perfect or shall have effectively withdrawn or lost the right to dissent under Section 262 of the DGCL or if a court of competent jurisdiction shall finally determine that the Dissenting Stockholder is not entitled to relief provided by Section 262 of the DGCL with respect to any Shares, such Shares shall thereupon be treated as if they were No Election Shares and shall be converted into and be exchangeable for, as of the Wax Effective Time, the right to receive the Wax Merger Consideration in accordance with Section 2.02(b), without interest and less any required Tax withholding, upon surrender of the Company Certificates representing such shares, as applicable, in accordance with this Agreement. The Company shall give Parent (i) prompt written notice of any written demands for appraisal, attempted withdrawals of such demands, and any other instruments served pursuant to applicable Law received by the Company relating to stockholders' rights of appraisal, and (ii) the opportunity to direct all negotiations and proceedings with respect to demands for appraisal. The Company shall not, except with the prior written consent of Parent, voluntarily make any payment with respect to any demands for appraisal, offer to settle or settle any such demands or approve any withdrawal of any such demands.

Section 2.08. Treatment of Parent Common Stock Units and Company Equity Awards.

(a) Parent Common Stock Units.

(i) Parent Options. Each outstanding Parent Option, whether vested or unvested, that is outstanding immediately prior to the Delta Effective Time shall, as of the Delta Effective Time, automatically and without any action on the part of the holder thereof, be converted into a Holdco stock option subject to the same terms and conditions as were applicable to such Parent Option immediately prior to the Delta Effective Time, with respect to a number of underlying shares of Holdco Common Stock equal to the number of shares of Parent Common Stock underlying the Parent Option and with an exercise price equal to the exercise price of such Parent Option.

(ii) Parent RSUs. Each outstanding Parent RSU, whether vested or unvested, that is outstanding immediately prior to the Delta Effective Time shall, as of the Delta Effective Time, automatically and without any action on the part of the holder thereof, be converted into a Holdco restricted stock unit subject to the same terms and conditions as were applicable to such Parent RSU immediately prior to the Delta Effective Time, with respect to a number of underlying shares of Holdco Common Stock equal to the number of shares of Parent Common Stock underlying the Parent RSU (including in respect of dividend equivalents, if any, that were accrued but unpaid as of immediately prior to the Delta Effective Time).

(iii) Parent PSUs. Each outstanding Parent PSU, whether vested or unvested, that is outstanding immediately prior to the Delta Effective Time shall, as of the Delta Effective Time, automatically and without any action on the part of the holder thereof, be converted into a Holdco performance stock unit subject to the same terms and conditions as were applicable to such Parent PSU immediately prior to the Delta Effective Time, with respect to a number of underlying shares of Holdco Common Stock equal to the number of shares of Parent Common Stock underlying the Parent PSU (including in respect of dividend equivalents, if any, that were accrued but unpaid as of immediately prior to the Delta Effective Time).

(iv) Parent DSUs. Each outstanding Parent DSU, whether vested or unvested, that is outstanding immediately prior to the Delta Effective Time shall, as of the Delta Effective Time, automatically and without any action on the part of the holder thereof, be converted into a Holdco deferred stock unit subject to the same terms and conditions as were applicable to such Parent DSU immediately prior to the Delta Effective Time, with respect to a number of underlying shares of Holdco Common Stock equal to the number of shares of Parent Common Stock underlying the Parent DSU (including in respect of dividend equivalents, if any, that were accrued but unpaid as of immediately prior to the Delta Effective Time).

(b) Company Equity Awards.

(i) Adjustment of Company Equity Awards in Connection with the Separation. Prior to the actions described in this Section 2.08(b), the Company Equity Awards shall be adjusted in a manner consistent with Section 4 of the Separation Principles unless otherwise agreed by the parties (including in connection with the parties' obligations under Section 5.22 of this Agreement, which may also affect the terms of this Section 2.08(b)).

(ii) Company Performance Stock Units. Each outstanding Company Performance Stock Unit, whether vested or unvested, that is outstanding immediately prior to the Wax Effective Time shall, as of the Wax Effective Time, automatically and without any action on the part of the holder thereof, be converted into an award of Holdco restricted stock units subject to the same terms and conditions as were applicable to such Company Performance Stock Unit immediately prior to the Wax Effective Time (except that such Holdco restricted stock units shall (i) be subject only to service based vesting conditions and no longer subject to achievement of applicable performance goals and (ii) provide for settlement in either Holdco Common Stock or cash), with respect to a number of underlying shares of Holdco Common Stock, rounded up to the nearest whole share, determined by multiplying (A) the number of Shares of Class A Common Stock subject to each Company Performance Stock Unit based on the target level of performance by (B) the Exchange Ratio, vesting at the same time as the vesting date of the applicable Company Performance Stock Unit.

(iii) Company Restricted Stock Units. Each outstanding Company Restricted Stock Unit that is outstanding immediately prior to the Wax Effective Time shall, as of the Wax Effective Time, automatically and without any action on the part of the holder thereof, be converted into an award of Holdco restricted stock units subject to the same terms and conditions as were applicable to such Company Restricted Stock Units immediately prior to the Wax Effective Time (except that such Holdco restricted stock units shall provide for settlement in either Holdco Common Stock or cash), with respect

to a number of underlying shares of Holdco Common Stock, rounded up to the nearest whole share, determined by multiplying (A) the number of Class A Shares subject to each Company Restricted Stock Unit by (B) the Exchange Ratio, vesting based on continued service with the applicable employer.

(c) Holdco, Parent and Company Actions.

(i) At the Delta Effective Time, Holdco shall assume the Parent Stock Plans and, at the Wax Effective Time, Holdco shall assume the 2013 Company Stock Plan and, as soon as practicable after the Delta Effective Time or the Wax Effective Time, as applicable, Holdco shall, if registration of the shares of Holdco Common Stock issuable pursuant to awards granted under this Section 2.08 is required under the Securities Act of 1933 (the "Securities Act"), file with the Securities and Exchange Commission (the "SEC") a registration statement on Form S-3 or Form S-8, if required, as the case may be (or any successor form), or another appropriate form with respect to such Holdco Common Stock and shall use commercially reasonable efforts to have such registration statement declared effective as soon as practicable following such filing.

(ii) At or prior to the Delta Effective Time, Parent, the Board of Directors of Parent and the Compensation Committee of Parent's Board of Directors, as applicable, shall adopt any resolutions and take any actions which are necessary to effectuate the provisions of this Section 2.08. Holdco shall take all actions as are reasonably necessary to assume the Parent Stock Plans and for the conversion and assumption of the Parent Common Stock Units pursuant to this Section 2.08.

(iii) At or prior to the Wax Effective Time, the Company, the Board of Directors of the Company and the Compensation Committee of the Company's Board of Directors, as applicable, shall adopt any resolutions and take any actions which are necessary to effectuate the provisions of this Section 2.08. Holdco shall take all actions as are reasonably necessary to assume the 2013 Company Stock Plan and for the conversion and assumption of the Company Performance Stock Units and Company Restricted Stock Units pursuant to this Section 2.08. Without limiting the foregoing, the Company shall take all necessary action to ensure that the Wax Surviving Company will not be bound at the Wax Effective Time by any options, stock appreciation rights, units or other rights, awards or arrangements under any stock incentive plan of the Company that would entitle any Person after the Wax Effective Time to beneficially own any Shares or to receive any payments in respect thereof, and any such stock incentive plan shall be deemed to be amended to be in conformity with this Section 2.08.

ARTICLE III

Representations and Warranties of the Company

Subject to Section 8.12(c), except as set forth in the corresponding sections or subsections of the disclosure letter delivered to Parent by the Company at the time of entering into this Agreement (the "Company Disclosure Letter") (it being understood that any disclosure set forth in one section or subsection of the Company Disclosure Letter shall be deemed disclosure with respect to, and shall be deemed to apply to and qualify, the section or subsection of this Agreement to which it corresponds in number and each other section or subsection of this Agreement to the extent the qualifying nature of such disclosure with respect to such other section or subsection is reasonably apparent on the face of such disclosure) or, to the extent the qualifying nature of such disclosure with respect to a specific representation and warranty is reasonably apparent therefrom, as set forth in the Company Reports filed on or after July 1, 2016 and prior to the date of this Agreement (excluding all disclosures (other than statements of historical fact) in any "Risk Factors" section and any disclosures included in any such Company Reports that are cautionary, predictive or forward looking in nature), the Company hereby represents and warrants to Parent and the Merger Subs as follows:

Section 3.01. Organization, Good Standing and Qualification. (a) Each of the Company and its Subsidiaries is a legal entity duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and is in good standing as a foreign legal entity in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except where the failure to be so organized, qualified or in good standing, or to have such power or authority, would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(b) Prior to the Execution Date, the Company has made available to Parent complete and correct copies of its certificate of incorporation and bylaws as amended to and as in effect on the date of this Agreement. The representations and warranties set forth in this Section 3.01(b) are made as of the Execution Date.

Section 3.02. Capital Structure. (a) The authorized capital stock of the Company consists of (i) 6,000,000,000 Class A Shares, (ii) 3,000,000,000 Class B Shares, (iii) 100,000,000 shares of Preferred Stock, par value $0.01 per share (the "Preferred Stock"), and (iv) 100,000,000 shares of Series Common Stock, par value $0.01 per share (the "Series Common Stock"). As of the close of business on December 11, 2017 (such date and time, the "Measurement Date"), 1,054,008,837 Class A Shares and 798,520,953 Class B Shares were issued and outstanding (other than the Hook Stock), and no shares of Series Common Stock or shares of Preferred Stock were issued and outstanding. All of the outstanding Shares have been duly authorized and validly issued and are fully paid and nonassessable. As of the Measurement Date, there were an aggregate of 102,264,683 Class A Shares reserved for, and 18,617,447 Class A Shares (including with respect to cash-settled awards) subject to, issuance pursuant to the Company Stock Plans, which included (A) 43,035 Company Restricted Stock Units, (B) 18,362,889 Company Performance Stock Units (including cash-settled Company Performance Stock Units) (assuming the achievement of performance criteria at target levels) and (C) 211,523 Company Deferred Stock Units (including cash-settled Company Deferred Stock Units). Except as provided in the preceding sentence and except for Shares that after the date hereof become reserved for issuance or subject to issuance as permitted under this Agreement, the Company has no Shares, shares of Preferred Stock, shares of Series Common Stock or other shares of capital stock reserved for, or subject to, issuance.

(b) (i) From the Measurement Date to the date of this Agreement, the Company has not issued any Shares except pursuant to the settlement of Company Restricted Stock Units, Company Performance Stock Units and Company Deferred Stock Units outstanding as of the Measurement Date, in accordance with their terms and, since the Measurement Date, except as permitted by this Agreement for the period following the date of this Agreement, the Company has not issued any Company Restricted Stock Units, Company Performance Stock Units or Company Deferred Stock Units. (ii) Upon any issuance of any Shares in accordance with the terms of the Company Stock Plans, such Shares will be duly authorized, validly issued and fully paid and nonassessable and free and clear of any lien, charge, pledge, security interest, claim or other encumbrance (each, a "Lien"). (iii) Each of the outstanding shares of capital stock or other securities of each of the Company's Subsidiaries has been duly authorized and validly issued and is fully paid and nonassessable and owned by the Company or by a direct or indirect wholly owned Subsidiary of the Company, free and clear of any Lien (other than any Liens for Taxes not yet due and payable or that are being contested in good faith by appropriate proceedings and as to which appropriate reserves have been recorded in the Company's financial statements). (iv) Except as set forth in Section 3.02(a), as of the date of this Agreement, there are no preemptive or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, commitments or rights of any kind that obligate the Company or any of its Subsidiaries to issue or sell any shares of capital stock or other equity or voting securities of the Company or any of its Subsidiaries or any securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire from the Company or any of its Subsidiaries any equity or voting securities of the Company or any of its Subsidiaries, and no securities or obligations evidencing such rights are authorized, issued or outstanding. (v) The Company does not have outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the stockholders of the Company on any matter.

(c) Section 3.02(c) of the Company Disclosure Letter sets forth, as of the date of this Agreement, (i) each of the Company's Significant Subsidiaries and the ownership interest of the Company in each such Subsidiary and (ii) any other Person in which the Company or any of its Subsidiaries may hold capital stock or other equity interest that has a book value in excess of $10,000,000 (other than securities held by any employee benefit plan of the Company or any of its Subsidiaries or any trustee, agent or other fiduciary in such capacity under any such employee benefit plan). No Subsidiary of the Company owns any Shares. As of the date of this Agreement, the Company does not own, directly or indirectly, any voting interest in any Person that is reasonably likely to require an additional filing by Parent under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), in connection with the Transactions.

Section 3.03. Corporate Authority and Approval; Financial Advisor Opinions. The Company has, and SpinCo will have at the time it enters into any Transaction Document to which it is contemplated to be a party, all requisite corporate power and authority and has taken, or with respect to SpinCo will take, all corporate action necessary in order to execute, deliver and

perform its obligations under the Transaction Documents to which it is or is contemplated to be a party and to consummate the Transactions to which it is or is contemplated to be a party, subject only to (x) adoption of this Agreement and the Distribution Merger Agreement by the holders of a majority of the outstanding Class A Shares and Class B Shares entitled to vote on such matters, voting together as a single class, at a meeting duly called and held for such purpose and (y) adoption of the Charter Amendment by the holders of a majority of the outstanding Class B Shares entitled to vote on such matters at a meeting duly called and held for such purposes (clauses (x) and (y), collectively, the "Company Requisite Vote"). This Agreement has been duly executed and delivered by the Company and constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors' rights and to general equity principles (the "Bankruptcy and Equity Exception"). Upon execution and delivery by each of the Company and SpinCo of each other Transaction Document to which it is or is contemplated to be a party, each other Transaction Document to which it is or is contemplated to be a party will constitute a valid and binding agreement of the Company or SpinCo, as applicable, enforceable against the Company or SpinCo, as applicable, in accordance with its terms, subject to the Bankruptcy and Equity Exception. As of the Execution Date, the Board of Directors of the Company has (a) (i) determined that the Wax Merger, the Distribution and the Charter Amendment are fair to, and in the best interests of, the Company and its stockholders, (ii) approved the Wax Merger, the Distribution, the Charter Amendment and the other Transactions, other than the declaration of the Dividend, (iii) approved and declared advisable this Agreement, the Distribution Merger Agreement and the Charter Amendment, and (iv) subject to Section 5.02, resolved to recommend the adoption of this Agreement, the Distribution Merger Agreement and the approval of the Charter Amendment to the holders of Shares (such recommendation, the "Company Recommendation"), (b) directed that this Agreement and the Distribution Merger Agreement be submitted to the holders of Shares for their adoption and that the Charter Amendment be submitted to the holders of Class B Shares for their approval and (c) received the opinion of Goldman, Sachs & Co., to the effect that, as of the date of such opinion and based upon and subject to the various qualifications, assumptions, limitations and other matters set forth therein, the Wax Merger Consideration to be received by holders of Shares pursuant to this Agreement is fair, from a financial point of view, to such holders. Prior to the time SpinCo enters into any Transaction Document to which it is contemplated to be a party, the Board of Directors of SpinCo will have approved the Transaction Documents and the Transactions to which it is contemplated to be a party. The representations and warranties set forth in this Section 3.03 shall apply with respect to the Amended and Restated Agreement and are made as of the Execution Date.

Section 3.04. Governmental Filings; No Violations. (a) Other than the necessary filings, notices, reports, consents, registrations, approvals, permits, expirations of waiting periods or authorizations (i) pursuant to Section 1.03, (ii) required under the HSR Act or any applicable foreign competition laws (the "Foreign Competition Laws"), the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Securities Act, (iii) required to comply with state securities or "blue-sky" Laws, (iv) as may be required with or to the Federal Communications Commission ("FCC") under the Communications Act of 1934, as

amended (the "Communications Act"), or applicable rules and regulations promulgated thereunder (together with the Communications Act, the "Communications Laws"), and (v) as may be required with or to foreign and transnational Governmental Entities pursuant to applicable foreign and transnational Laws regarding the provision of broadcasting or audio-visual media services (such Governmental Entities, "Foreign Regulators", and such laws, "Foreign Regulatory Laws"), no filings, notices and/or reports are required to be made by the Company or its Subsidiaries with, nor are any consents, registrations, approvals, permits, expirations of waiting periods or authorizations required to be obtained by the Company or its Subsidiaries from, any domestic, foreign or transnational governmental, competition or regulatory authority, court, arbitral tribunal agency, commission, body or other legislative, executive or judicial governmental entity or self-regulatory agency (each, a "Governmental Entity") in connection with the execution, delivery and performance by each of the Company and SpinCo of the Transaction Documents to which it is or is contemplated to be a party or the consummation by the Company and SpinCo of the Wax Merger and the other Transactions, except, in each case, those that the failure to make or obtain would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. The representations and warranties set forth in this Section 3.04(a) shall apply with respect to the Amended and Restated Agreement and are made as of the Execution Date.

(b) The execution, delivery and performance by each of the Company and SpinCo of each Transaction Document to which it is a party does not, the execution, delivery and performance by each of the Company and SpinCo of each Transaction Document to which it is contemplated to be a party will not, and the consummation by each of the Company and SpinCo of the Transactions will not, constitute or result in (i) a breach or violation of, or a default under, the Company's Restated Certificate of Incorporation (as amended from time to time, the "Company Charter") or Amended and Restated By-Laws (as amended from time to time, the "Company Bylaws") or the comparable governing instruments of SpinCo or any of the Company's Subsidiaries, (ii) with or without the lapse of time or the giving of notice or both, a breach or violation of, a default or termination or modification (or right of termination or modification) under, payment of additional fees under, the creation or acceleration of any obligations under, or the creation of a Lien on any of the assets of the Company or any of its Subsidiaries pursuant to any agreement, lease, license, contract, consent, settlement, note, mortgage, indenture, arrangement, understanding or other obligation ("Contracts") binding upon the Company or any of its Subsidiaries (other than Affiliation Agreements that are not Key Affiliation Agreements), or, assuming (solely with respect to performance of the Transaction Documents and consummation of the Transactions) the filings, notices, reports, consents, registrations, approvals, permits, expirations of waiting periods and authorizations referred to in Section 3.04(a) are made or obtained and receipt of the Company Requisite Vote, under any Law, Order or License to which the Company or any of its Subsidiaries is subject or (iii) any change in the rights or obligations under any Contract to which the Company or any of its Subsidiaries is a party, except, in the case of clauses (ii) and (iii) above, for any such breach, violation, default, termination, modification, payment, acceleration, creation or change that would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. The representations and warranties set forth in this Section 3.04(b)(i) shall apply with respect to the Amended and Restated Agreement and are made as of the Execution Date.

Section 3.05. Company Reports; Financial Statements. (a) The Company has filed or furnished, as applicable, on a timely basis, all forms, statements, certifications, reports and documents required to be filed or furnished by it with or to the SEC pursuant to the Exchange Act or the Securities Act since June 30, 2014 (the "Applicable Date") (the forms, statements, reports and documents filed with or furnished to the SEC since the Applicable Date and those filed with or furnished to the SEC subsequent to the date of this Agreement, in each case as amended, the "Company Reports"). Each of the Company Reports, at the time of its filing or being furnished complied or, if not yet filed or furnished, will comply in all material respects with the applicable requirements of the Securities Act, the Exchange Act and the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), and any rules and regulations promulgated thereunder applicable to the Company Reports. As of their respective dates (or, if amended prior to the date of this Agreement, as of the date of such amendment), the Company Reports did not, and any Company Reports filed with or furnished to the SEC subsequent to the date of this Agreement will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading.

(b) The Company is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of Nasdaq.

(c) The Company maintains disclosure controls and procedures required by Rule 13a-15 or 15d-15 under the Exchange Act. Such disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in its filings with the SEC under the Exchange Act is recorded and reported on a timely basis to the individuals responsible for the preparation of the Company's filings with the SEC under the Exchange Act. The Company maintains internal control over financial reporting (as defined in Rule 13a-15 or 15d-15, as applicable, under the Exchange Act). Such internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company has disclosed, based on the most recent evaluation of its Chief Executive Officer and its Chief Financial Officer prior to the date of this Agreement, to the Company's auditors and the audit committee of the Company's Board of Directors (x) any significant deficiencies and material weaknesses in the design or operation of its internal controls over financial reporting that are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and (y) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting. The Company has made available prior to the date of this Agreement to Parent (I) either materials relating to or a summary of any disclosure of matters described in clauses (x) or (y) in the preceding sentence made by management of the Company to its auditors and audit committee on or after the Applicable Date and prior to the date of this Agreement and (II) any material communication on or after the Applicable Date and prior to the date of this Agreement made by management of the Company or its auditors to the audit committee as required by the listing standards of Nasdaq, the audit committee's charter or

professional standards of the Public Company Accounting Oversight Board. Since the Applicable Date and prior to the date of this Agreement, no complaints from any source regarding a material violation of accounting procedures, internal accounting controls or auditing matters or compliance with Law, including from Company Employees regarding questionable accounting, auditing or legal compliance matters have, to the Knowledge of the Company, been received by the Company.

(d) Each of the consolidated balance sheets included in or incorporated by reference into the Company Reports (including the related notes and schedules) fairly presents or, in the case of Company Reports filed after the date of this Agreement, will fairly present, in each case, in all material respects, the consolidated financial position of the Company and its Subsidiaries, as of the date of such balance sheet, and each of the consolidated statements of operations, cash flows and changes in stockholders' equity (deficit) included in or incorporated by reference into the Company Reports (including any related notes and schedules) fairly presents, or, in the case of Company Reports filed after the date of this Agreement, will fairly present, in each case, in all material respects, the results of operations, retained earnings (loss) and changes in financial position, as the case may be, of the Company and its Subsidiaries for the periods set forth therein (subject, in the case of unaudited statements, to notes and normal year-end audit adjustments that are not or will not be material in amount or effect), in each case in accordance with GAAP consistently applied during the periods involved, except as may be noted therein or in the notes thereto.

(e) Neither the Company nor any of its Subsidiaries has incurred any Indebtedness, or issued or sold any debt securities or rights to acquire any debt security of the Company or any of its Subsidiaries, the terms of which, or the terms of any instrument under which such Indebtedness, debt securities or rights were issued, requires the public listing of such Indebtedness, debt securities or rights or the maintenance by the Company or any of its Subsidiaries of registration under the Exchange Act.

Section 3.06. Absence of Certain Changes. Since June 30, 2017, there has not been any change, effect, circumstance or development which has had or would, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. Since June 30, 2017, and through the date of this Agreement, except for the Transactions, (i) the Company and its Subsidiaries have conducted the Retained Business in the ordinary course of such business consistent with past practice in all material respects; (ii) the Company and its Subsidiaries have not declared, set aside or paid any dividend or distribution payable in cash, stock or property in respect of any capital stock (except for (x) normal semiannual cash dividends in an amount equal to $0.18 per Share on the Shares, (y) dividends or other distributions by any Subsidiary of the Company to the Company or to any other Subsidiary of the Company, and (z) any repurchases of Shares pursuant to the Company's share repurchase program); (iii) the Company and its Subsidiaries have not incurred any material Indebtedness other than in the ordinary course of business consistent with past practice; (iv) other than in the ordinary course of business consistent with past practice, the Company and its Subsidiaries have not transferred, leased, licensed, sold, let lapse, abandoned, cancelled, mortgaged, pledged, placed a Lien upon or otherwise disposed of any of the Company's or its Subsidiaries' property or assets (including capital stock of any of the Company's Subsidiaries) with fair market values in excess of $25,000,000 individually or $100,000,000 in the aggregate (other than such actions solely among

the Company and any of its Subsidiaries or with respect to assets that would have been allocated to SpinCo, pursuant to the Separation Principles, if owned by the Company immediately prior to the Distribution); (v) other than in the ordinary course of business consistent with past practice with respect to loans, advances, capital contributions and investments not in excess of $50,000,000 individually or $150,000,000 in the aggregate, the Company and its Subsidiaries have not made any loan, advance or capital contribution to, or investment in, any Person (other than the Company or any direct or indirect Subsidiary of the Company); (vi) the Company and its Subsidiaries have not acquired any business, whether by merger, consolidation, purchase of property or assets or otherwise, for consideration in excess of $25,000,000 individually or $100,000,000 in the aggregate (other than such actions solely among the Company and any of its Subsidiaries or with respect to assets that would have been allocated to SpinCo, pursuant to the Separation Principles, if owned by the Company immediately prior to the Distribution); and (vii) the Company and its Subsidiaries have not made any material change with respect to financial accounting policies or procedures, except as required by applicable Law or GAAP.

Section 3.07. Litigation and Liabilities. There are no civil, criminal or administrative actions, suits, claims, hearings, arbitrations, investigations or other proceedings ("Proceedings") pending or, to the Knowledge of the Company, threatened against the Company or any of its Subsidiaries, except for those that would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. There are no obligations or liabilities of the Company or any of its Subsidiaries, whether or not accrued, contingent or otherwise other than (i) liabilities or obligations disclosed, reflected, reserved against or otherwise provided for in the consolidated balance sheet of the Company as of June 30, 2017, and the notes thereto set forth in the Company's annual report on Form 10-K for the fiscal year ended June 30, 2017 (the "Company Balance Sheet"); (ii) liabilities or obligations incurred in the ordinary course of business consistent with past practice since June 30, 2017; (iii) liabilities or obligations arising out of the Transaction Documents (and which do not arise out of a breach by the Company or SpinCo of any representation or warranty in the Transaction Documents); or (iv) liabilities or obligations that would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. Neither the Company nor any of its Subsidiaries is a party to or subject to the provisions of any judgment, order, writ, injunction, decree, award, stipulation or settlement of or with any Governmental Entity that would, individually or in the aggregate, reasonably be expected to have, a Company Material Adverse Effect (except to the extent expressly consented to by Parent pursuant to Section 5.06).

Section 3.08. Employee Benefits. (a) For the purposes of this Agreement, the term "Company Plan" shall mean any benefit and compensation plan, contract, policy, program or arrangement maintained, sponsored or contributed to by the Company or any of its Subsidiaries covering current or former employees of the Company and its Subsidiaries ("Company Employees") and current or former directors of the Company, including "employee benefit plans" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and any incentive and bonus, deferred compensation, stock purchase, employment, retention, severance, termination, change in control, restricted stock, stock option, stock appreciation rights or stock based plans; provided that the term Company Plan shall exclude any "multiemployer plan" within the meaning of Section 3(37) of ERISA (a

"Multiemployer Plan"). Each material Company Plan (other than any individual employment agreement with an employee of the Company or any of its Subsidiaries (each, an "Employment Agreement")) as of the date of this Agreement is listed in Section 3.08(a) of the Company Disclosure Letter. True and complete copies of each of the material Company Plans (other than any Employment Agreement) (or, if unwritten, a written summary thereof), and all amendments thereto, have been provided or made available to Parent on or prior to, or within 30 days following, the date of this Agreement. The Company shall provide a list to Parent of each material Employment Agreement and make available to Parent true and complete copies (or a summary of the material terms) of each material Employment Agreement within 90 days following the date of this Agreement.

(b) All Company Plans are in compliance with applicable Laws (including, if applicable, ERISA and the Code), except as would not be reasonably likely to have a Company Material Adverse Effect.

(c) Each Company Plan that is subject to ERISA (a "Company ERISA Plan") and that is an "employee pension benefit plan" within the meaning of Section 3(2) of ERISA (a "Company Pension Plan") intended to be qualified under Section 401(a) of the Code, has received a favorable determination letter from the Internal Revenue Service and, to the Knowledge of the Company, circumstances do not exist that are likely to result in the loss of the qualification of such plan under Section 401(a) of the Code.

(d) No liability under Subtitle C or D of Title IV of ERISA has been or is expected to be incurred by the Company or any of its Subsidiaries with respect to any ongoing, frozen or terminated "single-employer plan", within the meaning of Section 4001(a)(15) of ERISA, currently or formerly maintained by any of them, or the single-employer plan of any entity which is considered one employer with the Company under Section 4001 of ERISA or Section 414 of the Code (a "Company ERISA Affiliate"), except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(e) Each Multiemployer Plan maintained, sponsored or contributed to by the Company or any Company ERISA Affiliate (a "Company Multiemployer Plan"), as of the date of this Agreement, is listed in Section 3.08(e) of the Company Disclosure Letter, and true and complete copies of each such Multiemployer Plan and all amendments thereto have been provided or made available to Parent on or prior to the date of this Agreement. With respect to any Company Multiemployer Plan, (i) neither the Company nor any Company ERISA Affiliate has incurred any withdrawal liability under Title IV of ERISA which remains unsatisfied, except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, and (ii) a complete withdrawal from all such Multiemployer Plans at the Wax Effective Time would not reasonably be expected to have a Company Material Adverse Effect.

(f) All contributions required to be made by the Company or its Subsidiaries under each Company Plan and each Company Multiemployer Plan, as of the date of this Agreement, have been timely made and all obligations in respect of each Company Plan and Company Multiemployer Plan have been properly accrued and reflected in the most recent consolidated balance sheet filed or incorporated by reference in the Company Reports prior to the date of this Agreement, except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(g) Neither any Company Pension Plan nor any single-employer plan of a Company ERISA Affiliate has failed to satisfy the minimum funding standards under Sections 412 and 430 of the Code and Section 302 of ERISA (whether or not waived), and no Company ERISA Affiliate has an outstanding funding waiver. With respect to any Company Pension Plan subject to the minimum funding requirements of Section 412 of the Code or Title IV of ERISA, (i) no such plan is, or is expected to be, in "at-risk" status (within the meaning of Section 303(i)(4)(A) of ERISA or Section 430(i)(4)(A) of the Code), (ii) no unsatisfied liability (other than for premiums to the Pension Benefit Guaranty Corporation ("PBGC")) under Title IV of ERISA has been, or is expected to be, incurred by the Company or any of its Subsidiaries and (iii) the PBGC has not instituted proceedings to terminate any such Company Pension Plan.

(h) There is no pending or, to the Knowledge of the Company, threatened litigation relating to the Company Plans, except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(i) Neither the Company nor its Subsidiaries have any obligations for material retiree health or life benefits under any of the Company ERISA Plans or any collective bargaining agreement, except as required by Section 4980B of the Code or Section 601 of ERISA.

(j) Neither the execution of this Agreement, stockholder adoption of this Agreement, receipt of approval or clearance from any one or more Governmental Entities of the Wax Merger or the other Transactions contemplated by this Agreement, nor the consummation of the Wax Merger or the other Transactions contemplated hereby will (whether alone or in connection with any other event and other than as allocated to become solely the liability of SpinCo pursuant to the Separation Principles), (i) cause any employees of the Company or any of its Subsidiaries to become eligible for any increase in severance pay (including any increase from zero) upon any termination of employment after the date of this Agreement, (ii) accelerate the time of payment or vesting or result in any payment or funding (through a grantor trust or otherwise) of material compensation or benefits under, increase the amount payable or result in any other material obligation pursuant to, any of the Company Plans, (iii) limit or restrict the right of the Company or, after the consummation of the transactions contemplated hereby, Parent to merge, amend or terminate any of the Company Plans or (iv) result in any payment that will be considered an "excess parachute payment" within the meaning of Section 280G of the Code to any "disqualified individual" within the meaning of Section 280G of the Code.

(k) Neither the Company nor any of its Subsidiaries has any obligation to gross up, indemnify or otherwise reimburse any individual for any Taxes, interest or penalties incurred pursuant to Sections 409A or 4999 of the Code.

(l) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, (i) the Company and its Subsidiaries (A) are in compliance with applicable Laws that require amounts to be withheld, informed and/or paid with respect to earnings, salaries and other payments to employees, including applicable withholding Taxes, health and social security contributions and pension contributions and (B) have no liability by reason of an individual who performs or performed services for the Company or any of the Subsidiaries in any capacity being improperly excluded from participating in a Company Plan and (ii) to the Knowledge of the Company, each of the employees of the Company and its Subsidiaries has been properly classified by the Company and its Subsidiaries as "exempt" or "non-exempt" under applicable Law.

Section 3.09. Labor Matters. As of the date of this Agreement, except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, (a) neither the Company nor any of its Subsidiaries is the subject of any proceeding asserting that the Company or any of its Subsidiaries has committed any unfair labor practice or is seeking to compel the Company to bargain with any labor union or labor organization and (b) there is no pending or, to the Knowledge of the Company, threatened in writing, nor has there been since the Applicable Date, any labor strike, walkout, work stoppage, slow-down or lockout affecting Company Employees.

Section 3.10. Compliance with Laws, Licenses. (a) The Company, each of the Retained Subsidiaries and the Retained Business since the Applicable Date has not been, and is not being, conducted in violation of any applicable federal, state, local, foreign or transnational law, statute or ordinance, common law, or any rule or regulation, including the Export and Sanctions Regulations (collectively, "Laws") or any order, judgment, injunction, ruling, writ, award or decree of any Governmental Entity (collectively, "Order"), except for such violations that would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. To the Knowledge of the Company, no investigation or review by any Governmental Entity with respect to the Company, the Retained Subsidiaries or the Retained Business is pending or, as of the date of this Agreement, threatened, nor has any Governmental Entity indicated an intention to conduct the same, except for such investigations or reviews the outcome of which would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, after giving effect to the Separation, the Company and the Retained Subsidiaries possess each permit, license, certification, approval, registration, consent, authorization, franchise, concession, variance, exemption and order issued or granted by a Governmental Entity (collectively, "Licenses") necessary to conduct the Retained Business as it is conducted as of the date of this Agreement.

(b) Section 3.10(b) of the Company Disclosure Letter sets forth a complete and accurate list, as of the date of this Agreement, of (A) each License that is issued or granted by the FCC to the Company or any of its Subsidiaries that is material to the conduct of the Retained Business as it is conducted as of the date of this Agreement (each, a "RemainCo FCC License"), (B) each License that is issued or granted by a Foreign Regulator to the Company or any of its Subsidiaries that is material to the conduct of the Retained Business as it is conducted as of the date of this Agreement (each, a

"RemainCo Foreign License"), and (C) all Licenses (other than the RemainCo FCC Licenses and the RemainCo Foreign Licenses) issued or granted to the Company or any of its Subsidiaries that is material to the conduct of the Retained Business as it is conducted as of the date of this Agreement by any Governmental Entity, authorizing the Company or any of its Subsidiaries to provide broadcasting and/or audio-visual media services, and/or own, operate or install broadcasting and/or audio-visual media networks and facilities, including satellites, or to use radio frequencies, excluding, in each case, any License that is material to the conduct of the Retained Business as conducted as of the date of this Agreement solely because of an existing television programming distribution arrangement between the Retained Business and the SpinCo Business (collectively with the RemainCo FCC Licenses and the RemainCo Foreign Licenses, the "RemainCo Communications Licenses"). Each of the Company and its Subsidiaries is in compliance with the RemainCo Communications Licenses and the rules and regulations of the Governmental Entities issuing such RemainCo Communications Licenses, except for failures to comply that are, individually and in the aggregate, not material to the Retained Business, taken as a whole. There is not pending or, to the Knowledge of the Company, threatened before the FCC or a Foreign Regulator or any other Governmental Entity, any material proceeding, notice of violation, order of forfeiture, inquiry, administrative action, complaint or investigation (A) against the Company or any of its Subsidiaries relating to the Retained Business, (B) relating to any of the RemainCo Communications Licenses, including any such proceeding, notice, order, inquiry, action, complaint or investigation reasonably likely to result in the revocation, suspension, cancellation, rescission or modification of any material RemainCo Communications License or other impairment in any material respect of the operation of the Retained Business as it is conducted as of the date of this Agreement, except (x) proceedings to amend the Communications Laws not directed at the Company or its Subsidiaries or (y) proceedings of general applicability to the broadcasting and/or audio-visual media services industries or (C) that would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. Except for restrictions or conditions that appear on the face of the RemainCo Communications Licenses, and except for restrictions or conditions that pertain to the RemainCo FCC Licenses under generally applicable rules of the FCC, to the Knowledge of the Company, no RemainCo Communications License held by the Company or any Subsidiary of the Company is subject to any restriction or condition which would limit the operation of the Retained Business as it is conducted as of the date of this Agreement, except for failures to comply that individually or in the aggregate would not be materially adverse to the Retained Business taken as a whole.

(c) Except as would not be materially adverse to the Retained Business taken as a whole:

(i) The Company, its Subsidiaries and, to the Knowledge of the Company, their respective officers, directors, employees and agents are in compliance in with and since the Applicable Date have complied with: (A) the provisions of the U.S. Foreign Corrupt Practices Act of 1977, as amended (15 U.S.C. § 78dd-1, et seq.) ("FCPA") to the extent applicable to the Company, its Subsidiaries and such officers, directors, employees and agents, and (B) the provisions of applicable anti-bribery, anti-corruption and anti-money laundering Laws of each jurisdiction in which the Company and its Subsidiaries operate or have operated. Since

the Applicable Date, to the Knowledge of the Company, the Company, its Subsidiaries and/or their respective officers, directors, employees and agents have not paid, offered or promised to pay, or authorized or ratified the payment, directly or indirectly, of any monies or anything of value to any national, provincial, municipal or other Government Official or any political party or candidate for political office for the purpose of corruptly influencing any act or decision of such official or of the government to obtain or retain business, or direct business to any person or to secure any other improper benefit or advantage, in each case in violation of any of the FCPA or any Laws described in clause (B).

(ii) The Company and its Subsidiaries have instituted and maintain policies and procedures reasonably designed to ensure compliance with the FCPA and other anti-bribery, anti-corruption and anti-money laundering Laws in each jurisdiction in which the Company and its Subsidiaries operate.

(iii) Neither the Company nor any of its Subsidiaries are subject to any actual, pending civil, criminal, or administrative actions, suits, demands, claims, hearings, notices of violation, investigations, proceedings, demand letters, settlements, or enforcement actions, or made any voluntary disclosures to any Governmental Entity, involving the Company or any of its Subsidiaries relating to the FCPA or any other anti-bribery, anti-corruption or anti-money laundering Laws

Section 3.11. Certain Contracts. (a) Section 3.11 of the Company Disclosure Letter sets forth a list as of the date of this Agreement of each Material Contract. For purposes of this Agreement, "Material Contract" means any Contract to which (1) either the Company or any of the Retained Subsidiaries or, solely for purposes of clause (ix) hereof, any of the Company's other Subsidiaries, is, or (2) after giving effect to the Separation, either the Company or any of the Retained Subsidiaries will be, a party or otherwise bound (other than Transaction Documents and Contracts that are or, after giving effect to the Separation, will be, solely among the Company and its wholly owned Retained Subsidiaries), which:

(i) provides that any of them will not compete with any other Person, or which grants "most favored nation" protections with respect to pricing to the counterparty to such Contract, that in each case after the Wax Effective Time would be binding upon Parent, Holdco or any of their Subsidiaries (other than the Company and the Retained Subsidiaries);

(ii) purports to limit in any material respect either the type of business in which the Company or its Subsidiaries may engage or the manner or locations in which any of them may so engage in any business, that in each case after the Wax Effective Time would be binding upon Parent, Holdco or any of their Subsidiaries (other than the Company and the Retained Subsidiaries);

(iii) (x) requires the Company or any Retained Subsidiary to deal exclusively with any Person or group of related Persons which Contract is reasonably likely to provide for annual revenues or expenses of $150,000,000 or more (other than any licenses or other Contracts related to short-form video, mobile application, film, television, or game production or distribution, film or television financing or theme parks or virtual reality experience and development entered into in the ordinary course) or (y) requires, after the Wax Effective Time, Parent or its Affiliates (other than the Company or any Retained Subsidiary) to deal exclusively with any Person or group of related Persons which Contract is reasonably likely to provide for annual revenues or expenses of $150,000,000 or more or which contains a remaining term of more than five years;

(iv) is material to the operation, management or control of any partnership or joint venture, the book value of the Company's investment in which exceeds $100,000,000, other than (1) partnerships or joint ventures formed by film, television and game production or distribution entities in the ordinary course of business consistent with past practice, (2) film or television financing partnerships or contractual arrangements for film or television financing in the ordinary course of business consistent with past practice or (3) agreements with respect to film, television, or game production or distribution, film or television financing or theme parks or virtual reality experience and development and side letters with commercial terms with retailers entered into in the ordinary course;

(v) is a Contract for the lease of real property providing for annual payments of $50,000,000 or more;

(vi) is required to be filed by the Company as a "material contract" pursuant to Item 601(b)(10) of Regulation S-K under the Securities Act;

(vii) contains a put, call or similar right pursuant to which the Company or any of the Retained Subsidiaries would be required to purchase or sell, as applicable, any equity interests of any Person or assets (excluding Intellectual Property) at a purchase price which would reasonably be expected to exceed, or the fair market value of the equity interests or assets (excluding Intellectual Property) of which would be reasonably likely to exceed, $100,000,000;

(viii) could by their terms require the disposition or loss of any assets, properties (including Intellectual Property) or lines of business, or loss of any rights or privileges, of the Retained Business (or, after the Wax Effective Time, Parent or its Affiliates) as a result of the consummation of the Transactions and would reasonably be expected to provide for annual revenues or expenses of $50,000,000 or more (other than Affiliation Agreements that are not Key Affiliation Agreements); or

(ix) is a Contract not of a type (disregarding any dollar thresholds, materiality or other qualifiers, restrictions or other limitations applied to such Contract type) described in the foregoing clauses (i) through (viii) that is allocated to the Retained Business pursuant to the Separation Principles and that has or would reasonably be expected to, either pursuant to its own terms or the terms of any related Contracts, involve net payments or receipts in excess of $250,000,000 in any year.

(b) A true and complete copy of each Material Contract, as amended as of the date of this Agreement, including all attachments, schedules and exhibits thereto, has been made available to Parent prior to the date of this Agreement (other than any immaterial omissions and subject to the redaction of competitively sensitive information). Each of the Material Contracts, and each Contract entered into after the date hereof that would have been a Material Contract if entered into prior to the date hereof (each an "Additional Contract") is (or if entered into after the date hereof, will be) valid and binding on the Company or its Subsidiaries, as the case may be and, to the Knowledge of the Company, each other party thereto, and is in full force and effect, except for such failures to be valid and binding or to be in full force and effect as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. Neither the Company nor any of its Subsidiaries nor, to the Knowledge of the Company, any other party is in breach of or in default under any Material Contract or Additional Contract, and no event has occurred that, with the lapse of time or the giving of notice or both, would constitute a default thereunder by the Company or any of its Subsidiaries, in each case, except for such breaches and defaults as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. To the Knowledge of the Company, as of the date of this Agreement, neither the Company nor any of its Subsidiaries has received written notice alleging a breach of or default under any Material Contract or Additional Contract.

Section 3.12. Takeover Statutes. No "fair price", "moratorium", "control share acquisition" or other similar anti-takeover statute or regulation (each, a "Takeover Statute") or any anti-takeover provision in the Company Charter or Company Bylaws is applicable to the Company, the Shares, this Agreement, the Voting Agreement or the Transactions.

Section 3.13. Environmental Matters. Except for such matters that would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect: (i) each of the Company and its Subsidiaries has since the Applicable Date been in compliance with all applicable Environmental Laws, including possessing and complying with all Licenses under Environmental Laws; (ii) the environmental conditions at, or resulting from operations at, the properties currently owned, leased or operated by the Company or any of its Subsidiaries (including soils, groundwater and surface water), and to the Knowledge of the Company, any properties formerly owned, leased or operated, are not contaminated with any Hazardous Substances that has or would reasonably be expected to result in the Company or any Retained Subsidiary incurring liability or having to conduct or fund any cleanup or other remedial activity pursuant, directly or indirectly, to any applicable Environmental Law; (iii) neither the Company nor any of its Subsidiaries is subject to any Proceeding, or has otherwise received a written notice, alleging that it is liable for the release or threat of release of, or exposure to, any Hazardous Substance that has or would reasonably be expected to result in the Company or any Subsidiary incurring liability under any applicable Environmental Law; (iv) neither the Company nor any of its Subsidiaries has received any written notice, demand, letter, claim or request for information alleging that the Company or any of its Subsidiaries may be in violation of or subject to liability under any Environmental Law; and (v) neither the Company nor any of its Subsidiaries is subject to, or has assumed or retained, any outstanding obligations under any orders, decrees or injunctions, or outstanding obligations or claims under any indemnities or other contractual agreements, concerning liability or obligations relating to any Environmental Law.

Section 3.14. Taxes. (a) Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect:

(i) The Company and each of its Subsidiaries (A) has timely filed all Tax Returns required to be filed by it and all such Tax Returns are complete and accurate in all respects; (B) has paid all Taxes required to be paid by it; (C) has withheld all Taxes required to be withheld by it and timely paid such Taxes to the appropriate Governmental Entity; and (D) has not waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency, in each case that remains in effect.

(ii) All Taxes of the Company and its Subsidiaries that are not yet due and payable have been properly reserved for in the Company's financial statements.

(iii) There are no pending or threatened audits, examinations, investigations or other proceedings with respect to any Taxes of the Company or any of its Subsidiaries. There are no claims or assessments (whether or not asserted in writing) by any Governmental Entity with respect to any Taxes of the Company or any of its Subsidiaries that have not been fully paid or finally settled.

(iv) Neither the Company nor any of its Subsidiaries has been notified by any Governmental Entity in a jurisdiction in which the Company or such Subsidiary does not file a Tax Return that the Company or such Subsidiary is or may be subject to Tax by such jurisdiction.

(v) Neither the Company nor any of its Subsidiaries has any liability for the Taxes of any Person (other than the Company or any of its current or former Subsidiaries) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign Law), as a transferee or successor or by contract (other than any contract entered into in the ordinary course of business that is a commercial or employment agreement no principal purpose of which relates to Taxes).

(vi) None of the assets or properties of the Company or any of its Subsidiaries is subject to any Lien for Taxes, other than any Lien for Taxes not yet due and payable or that are being contested in good faith by appropriate proceedings and for which appropriate reserves have been recorded in the Company's financial statements.

(b) Neither the Company nor any of its Subsidiaries has been a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution intended to qualify under Section 355(a) of the Code within the past five years, other than pursuant to the Company's distribution of the stock of New Newscorp Inc. on June 28, 2013.

(c) Neither the Company nor any of its Subsidiaries has participated in a "listed transaction" (within the meaning of Treasury Regulation Section 1.6011-4(b)(2)).

Section 3.15. Intellectual Property. (a) All material registered Intellectual Property ("Registered IP") owned by the Company or any of the Retained Subsidiaries is subsisting in all material respects, and except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect in the jurisdiction(s) where such Registered IP is issued or registered, is, to the Knowledge of the Company, valid and enforceable.

(b) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, (i) to the Knowledge of the Company, the Company and the Retained Subsidiaries own, or have a valid and enforceable license or otherwise sufficient rights to use, all Intellectual Property and Information Technology used in or necessary for the Retained Business (the "Company Retained IP"), and (ii) after giving effect to the Separation and the Distribution (including the services, licenses and other rights to be provided between SpinCo and the Retained Business) but subject to the terms of the Separation Principles and the Commercial Agreements, the Company and the Retained Subsidiaries collectively own, or have a valid and enforceable license or otherwise sufficient rights to use, all Company Retained IP, in each case, free and clear of all Liens, other than licenses of Intellectual Property rights granted in the ordinary course of business consistent with past practice. To the Knowledge of the Company, neither the Company nor any of its Subsidiaries has dedicated to the public domain, or forfeited or abandoned or otherwise allowed to become public domain, any material Company Retained IP owned or purported to be owned by the Company or any of its Subsidiaries. No Person, as of the date of this Agreement, has asserted or requested in writing, or to the Knowledge of the Company, threatened in writing to assert or request, a termination or reversion of any rights in any material Company Retained IP, except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(c) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, each of the Company and its Subsidiaries (i) stores and maintains in a commercially reasonable condition (A) the Library Pictures constituting Company Retained IP, including for each major theatrical release within the past 10 years an original negative or master, or digital equivalent thereof, and (B) the Library Tangible Assets constituting Company Retained IP, in each case, in accordance with standard industry practices applied by major theatrical, television and video producers and distributors, and (ii) has the right and ability to access and Exploit such Library Pictures and Library Tangible Assets in the ordinary course of business consistent with past practice.

(d) To the Knowledge of the Company, the Company and the Retained Subsidiaries have not, and none of the current activities, products or services (including any Program and any of the visual, literary, dramatic or musical material contained therein) of the Retained Business has, since the Applicable Date, infringed, misappropriated or otherwise violated the Intellectual Property rights of, or defamed, any third party (except as would not reasonably be expected to have a Company Material Adverse Effect), and except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, to the Knowledge of the Company, as of the date of this Agreement, no third party is infringing, misappropriating or otherwise violating any Company Retained IP owned or licensed by the Company or any of its Subsidiaries. As of the date of this Agreement, there are no

pending or, to the Knowledge of the Company, threatened in writing, proceedings, administrative claims, litigation, suits, actions or investigations (i) alleging that the operation of the business of the Company or any of its Subsidiaries, infringes, misappropriates or otherwise violates the Intellectual Property rights of any Person, (ii) alleging that the Company or any of its Subsidiaries has defamed any Person or (iii) terminating or purporting to terminate copyright assignments pursuant to 17 U.S.C. §203 or §304 or their foreign equivalents relating to any Program, in each case of clauses (i), (ii) and (iii), that would reasonably be expected to have a materially adverse impact on the Retained Business.

(e) Except as would not reasonably be expected to have a materially adverse impact on the Retained Business, the Company and its Subsidiaries take and have taken commercially reasonable measures to maintain, preserve and protect (i) their respective interests in the Intellectual Property material to the Retained Business, and (ii) the confidentiality of the Trade Secrets owned or used by the Company and its Subsidiaries with respect to the Retained Business. Except as would not reasonably be expected to have a Company Material Adverse Effect, to the Knowledge of the Company, as of the date hereof, there has not been any disclosure or other compromise of any confidential or proprietary information, including Trade Secrets, of the Company or any of its Subsidiaries (including any such information of any other Person disclosed in confidence to the Company or any of its Subsidiaries) to any third party in a manner that has resulted in any liability to the Company or any of its Subsidiaries or any loss of confidentiality.

(f) To the Knowledge of the Company, it is the practice of the Company and its Subsidiaries that each employee and consultant of the Company or any of its Subsidiaries who contributes to the production or development of any material Company Retained IP owned or purported to be owned by the Company or any of its Subsidiaries, executes a written agreement with an assignment of inventions and rights provision (such as certificate of authorship or certificate of results and proceeds) or work-made-for-hire provision or otherwise assigns such Intellectual Property rights to the Company or a Retained Subsidiary by operation of law.

(g) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect: (i) the Information Technology used in the Retained Business operates and performs in all respects as required to permit the Company and its Subsidiaries to conduct the Retained Business as currently conducted and (ii) to the Knowledge of the Company, since the Applicable Date through the date of this Agreement, no Person has gained unauthorized access to the Information Technology of the Company or any of its Subsidiaries.

(h) Except as would not reasonably be expected to have a Company Material Adverse Effect, (i) the Company and its Subsidiaries have implemented commercially reasonable backup, security and disaster recovery technology and procedures in which the Company and its Subsidiaries operate in each applicable jurisdiction in which they do business, (ii) the Company and its Subsidiaries are in compliance with applicable Laws and Orders regarding the privacy and security of customer, employee and other Personal Data and are compliant with their respective published privacy policies and (iii) to the Knowledge of the Company, as of the date hereof, there have not been any incidents of, or third party claims related to, any loss, theft, unauthorized access to, or unauthorized acquisition, modification, disclosure, corruption, or other

misuse of any Personal Data in the Company's or any of its Subsidiaries' possession. Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, neither the Company nor any of its Subsidiaries has received, as of the date of this Agreement, any written notice of any claims, investigations (including investigations by any Governmental Entity), or alleged violations of any Laws and Orders with respect to Personal Data possessed by the Company or any of its Subsidiaries.

(i) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, none of the software owned by the Company or any of its Subsidiaries is subject to any obligation or condition under any license identified as an open source license by the Open Source Initiative (www.opensource.org) that conditions the distribution of such software, in the manner that such software has been distributed by the Company or any of the Retained Subsidiaries, on (i) the disclosure, licensing or distribution of any source code for any portion of such software, (ii) the granting to licensees of the right to make derivative works or other modifications to such software, (iii) the licensing under terms that allow such software or portions thereof or interfaces therefor to be reverse engineered, reverse assembled or disassembled (other than by operation of Law) or (iv) redistribution of such software at no license fee. Except as would not reasonably be expected to have a Company Material Adverse Effect, to the Knowledge of the Company, none of the Company or its Subsidiaries has disclosed, delivered, licensed or otherwise made available, and none of the Company or its Subsidiaries has a duty or obligation (whether present, contingent or otherwise) to disclose, deliver, license or otherwise make available, any source code owned by the Company or its Subsidiaries for any product or service to any third party who is not or at the applicable time was not an employee or contractor of the Company or any of its Subsidiaries.

Section 3.16. Distribution. With respect to any Affiliation Agreement with the five largest distributors for the Retained Business (based on revenue received by the Retained Business during the fiscal year ended June 30, 2017) containing a delete, re-tiering, repositioning or similar right, since June 30, 2017, no distributor has notified the Company or any of its Subsidiaries in writing of its intention to delete, negatively re-tier or negatively reposition any programming service which would result in a material deletion, negative re-tiering or negative repositioning of any programming service.

Section 3.17. Insurance. The insurance policies held by the Company provide adequate coverage for all normal risks incident to the Retained Business and the properties and assets of the Retained Business, except for any such failures to maintain such policies that would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. Each such policy is in full force and effect and all premiums due with respect to all such policies have been paid, with such exceptions that would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

Section 3.18. Title to Assets; Sufficiency. (a) As of immediately prior to the Wax Effective Time, after giving effect to the Separation Agreement, the Tax Matters Agreement and the Commercial Agreements, the Company and the Retained Subsidiaries will have, in all material respects, good, valid and marketable title to, or valid leasehold interests in or valid right to use, all material assets of the Company and its Subsidiaries other than the assets to be allocated to SpinCo pursuant to the Separation Principles, in each case as such assets are currently being used, free and clear of all Liens.

(b) The assets, properties and rights of the Company and the Retained Subsidiaries (as applicable) as of the Wax Effective Time, together with the licenses, services and other rights to be made available pursuant to this Agreement and the other Transaction Documents, will be sufficient to permit the Company and the Retained Subsidiaries to operate the Retained Business independent from SpinCo and the SpinCo Subsidiaries immediately following the Wax Effective Time (i) in compliance with all applicable Laws and Orders and (ii) in a manner consistent with the operation of the Retained Business on the date hereof and immediately prior to the Wax Effective Time, in each case, modified to give effect to the Separation Agreement and Commercial Agreements, and in each case, except where the failure to be in such compliance or to act consistently with the operation of the Retained Business would be materially adverse to the Retained Business taken as a whole.

Section 3.19. Brokers and Finders. The Company has not employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the Transactions, except that the Company has engaged Goldman, Sachs & Co. and Centerview Partners LLC as the Company's financial advisors, the financial arrangements with which have been disclosed in writing to Parent prior to the date of this Agreement.

Section 3.20. No Other Representations and Warranties. (a) Except for the representations and warranties expressly set forth in this Article III, Section 5.22(c), Section 5.25(b), Section 8.05(b) or in a certificate delivered pursuant to this Agreement, neither the Company nor any other Person on behalf of the Company or its Subsidiaries is making, and none of them has made, any express or implied representation or warranty with respect to the Company or its Subsidiaries or with respect to the accuracy or completeness of any other information provided to Parent, Holdco, the Merger Subs or any of their Affiliates or Representatives, including with respect to their business, operations, assets, liabilities, conditions (financial or otherwise) or prospects or otherwise, in connection with the Transactions.

(b) The Company acknowledges and agrees that, except for the representations and warranties of Parent, Holdco and the Merger Subs expressly set forth in Article IV, Section 5.22(b), Section 5.25(a), Section 8.05(b) or in a certificate delivered pursuant to this Agreement, (i) none of Parent, Holdco, the Merger Subs or any of their Affiliates is making, and none of them has made, any express or implied representation or warranty with respect to Parent, Holdco, the Merger Subs or their Subsidiaries or with respect to the accuracy or completeness of any other information provided to the Company or any of its Affiliates or Representatives, including with respect to their business, operations, assets, liabilities, conditions (financial or otherwise) or prospects or otherwise, in connection with the Transactions, and none of the Company, its Affiliates or its Representatives is relying on any express or implied representation or warranty of Parent, Holdco, the Merger Subs or any of their Affiliates except for those expressly set forth in Article IV, Section 5.22(b), Section 5.25(a), Section 8.05(b) or in a certificate delivered pursuant to this Agreement, and (ii) no Person has been authorized by Parent, Holdco, the Merger Subs or any of their Affiliates to make any representation or warranty relating to Parent, Holdco, the Merger Subs or any of their Affiliates or their respective businesses or otherwise in connection with the Transactions, and if made, such representation or

warranty has not been and shall not be relied upon by the Company. The representations and warranties of the Company set forth in this Section 3.20(b) shall apply *mutatis mutandis* with respect to the Original Merger Agreement and the Amended and Restated Agreement and with respect to the Original Merger Agreement shall be made as of the Original Execution Date and with respect to the Amended and Restated Agreement shall be made as of the Execution Date.

ARTICLE IV

Representations and Warranties of Parent and Merger Subs

Subject to Section 8.12(c), except as set forth in the corresponding sections or subsections of the disclosure letter delivered to the Company by Parent at the time of entering into this Agreement (the "Parent Disclosure Letter") (it being understood that any disclosure set forth in one section or subsection of the Parent Disclosure Letter shall be deemed disclosure with respect to, and shall be deemed to apply to and qualify, the section or subsection of this Agreement to which it corresponds in number and each other section or subsection of this Agreement to the extent the qualifying nature of such disclosure with respect to such other section or subsection is reasonably apparent on the face of such disclosure) or, to the extent the qualifying nature of such disclosure with respect to a specific representation and warranty is reasonably apparent therefrom, as set forth in Parent Reports filed on or after September 30, 2016 and prior to the date of this Agreement (excluding all disclosures (other than statements of historical fact) in any "Risk Factors" section and any disclosures included in any such Parent Reports that are cautionary, predictive or forward looking in nature), Parent, Holdco and the Merger Subs hereby represent and warrant to the Company as follows:

Section 4.01. Organization, Good Standing and Qualification. Each of Parent, Holdco and each of the Merger Subs is a legal entity duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and is in good standing as a foreign legal entity in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except where the failure to be so organized, qualified or in good standing, or to have such power or authority, would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect. Prior to the date of this Agreement, Parent has made available to the Company complete and correct copies of the certificates of incorporation and bylaws of Parent in each case as amended to and in effect on the date of this Agreement. Prior to the Execution Date, Parent has made available to the Company complete and correct copies of the certificate of incorporation and bylaws of Holdco and the Merger Subs, in each case as amended to and in effect on the Execution Date. The representations and warranties set forth in this Section 4.01 insofar as they relate to Holdco or the Merger Subs shall be made as of the Execution Date.

Section 4.02. Capital Structure. (a) As of the date of this Agreement, the authorized capital stock of Parent consists of (i) 4,600,000,000 shares of Parent Common Stock, of which 1,507,281,908 shares of Parent Common Stock were issued and outstanding as of the close of business on December 11, 2017 (the "Parent Measurement Date"),

and (ii) 100,000,000 shares of preferred stock, par value $0.01 per share (the "Parent Preferred Stock"), of which no shares of Parent Preferred Stock are issued and outstanding as of the date of this Agreement, and no other shares of Parent Common Stock or shares of Parent Preferred Stock were issued and outstanding on such date. All of the outstanding shares of Parent Common Stock have been duly authorized and validly issued and are fully paid and non-assessable. As of May 7, 2018, 40,000 shares of Series B Preferred Stock were authorized and no shares of Series B Preferred Stock were issued and outstanding. As of the Parent Measurement Date, 66,387,601 shares of Parent Common Stock were reserved for, and 32,595,800 shares of Parent Common Stock were subject to, issuance pursuant to Parent's compensation and benefit plans (such compensation and benefit plans, the "Parent Stock Plans"), which included (w) 23,712,674 shares of Parent Common Stock in respect of options to purchase Parent Common Stock pursuant to Parent Stock Plans ("Parent Options"), (x) restricted stock units subject solely to service based vesting conditions granted under the Parent Stock Plans entitling the holders thereof to receive 8,227,579 shares of Parent Common Stock (the "Parent RSUs") and (y) restricted stock units subject to both service and performance-based conditions granted under the Parent Stock Plans (assuming the achievement of any performance criteria at target levels) ("Parent PSUs") and deferred stock units granted under the Parent Stock Plans (the "Parent DSUs", and together with the Parent Options, the Parent RSUs and the Parent PSUs, the "Parent Common Stock Units") entitling the holders of Parent PSUs and Parent DSUs to receive an aggregate of 655,547 shares of Parent Common Stock. Except as set forth in this Section 4.02, as of the date of this Agreement, there are no preemptive or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, commitments or rights of any kind that obligate Parent or any of its Subsidiaries to issue or sell any shares of capital stock or other equity or voting securities of Parent or any of its Subsidiaries or any securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire from Parent or any of its Subsidiaries, any voting or equity securities of Parent or any of its Subsidiaries, and no securities or obligations of Parent or any of its Subsidiaries evidencing such rights are authorized, issued or outstanding. Parent does not have outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the stockholders of Parent on any matter.

(b) From the Parent Measurement Date to the date of this Agreement, Parent has not issued any shares of Parent Common Stock except pursuant to the exercise of Parent Options and the settlement of Parent Common Stock Units outstanding on the Parent Measurement Date in accordance with their terms and, since the Parent Measurement Date to the date of this Agreement, Parent has not issued any Parent Options or Parent Common Stock Units, except to directors, employees and contractors of Parent and its Subsidiaries in the ordinary course of business consistent with past practice.

(c) The authorized capital stock of Delta Sub consists of 1,000 shares of common stock, par value $0.01 per share, all of which are validly issued and outstanding. All of the issued and outstanding capital stock of Delta Sub is, and at the Delta Effective Time will be, owned, directly or indirectly, by Holdco, and there are (i) no other shares of capital stock or

voting securities of Delta Sub, (ii) no securities of Delta Sub convertible into or exchangeable for equity securities or other voting securities of Delta Sub and (iii) no options or other rights to acquire from Delta Sub, and no obligations of Delta Sub to issue, any equity securities, other voting securities or securities convertible into or exchangeable for equity securities or other voting securities of Delta Sub. Delta Sub has not conducted any business prior to the Execution Date and has no, and prior to the Delta Effective Time will have no, assets, liabilities or obligations of any nature other than those incident to its formation and pursuant to this Agreement and the Transactions. The representations and warranties set forth in this Section 4.02(c) shall be made as of the Execution Date.

(d) The authorized capital stock of Wax Sub consists of 1,000 shares of common stock, par value $0.01 per share, all of which are validly issued and outstanding. All of the issued and outstanding capital stock of Wax Sub is, and at the Wax Effective Time will be, owned, directly or indirectly, by Holdco, and there are (i) no other shares of capital stock or voting securities of Wax Sub, (ii) no securities of Wax Sub convertible into or exchangeable for equity securities or other voting securities of Wax Sub and (iii) no options or other rights to acquire from Wax Sub, and no obligations of Wax Sub to issue, any equity securities, other voting securities or securities convertible into or exchangeable for equity securities or other voting securities of Wax Sub. Wax Sub has not conducted any business prior to the Execution Date and has no, and prior to the Wax Effective Time will have no, assets, liabilities or obligations of any nature other than those incident to its formation and pursuant to this Agreement and the Transactions. The representations and warranties set forth in this Section 4.02(d) shall be made as of the Execution Date.

(e) The authorized capital stock of Holdco consists of 1,000 shares of common stock, par value $0.01 per share, all of which are validly issued and outstanding. All of the issued and outstanding capital stock of Holdco is, and at the Delta Effective Time will be, owned, directly or indirectly, by Parent, and there are (i) no other shares of capital stock or voting securities of Holdco, (ii) no securities of Holdco convertible into or exchangeable for equity securities or other voting securities of Holdco and (iii) no options or other rights to acquire from Holdco, and no obligations of Holdco to issue, any equity securities, other voting securities or securities convertible into or exchangeable for equity securities or other voting securities of Holdco. Holdco has not conducted any business prior to the Execution Date and has no, and prior to the Delta Effective Time will have no, assets, liabilities or obligations of any nature other than those incident to its formation and pursuant to this Agreement and the Transactions. The representations and warranties set forth in this Section 4.02(e) shall be made as of the Execution Date.

Section 4.03. Corporate Authority; Approval. Parent, Holdco and each of the Merger Subs have all requisite corporate power and authority and each has taken all corporate action necessary in order to execute, deliver and perform its obligations under the Transaction Documents to which it is or is contemplated to be a party and to consummate the Transactions to which it is or is contemplated to be a party, subject to obtaining (a) the approval of the issuance of Holdco Common Stock comprising the Wax Merger Consideration (the "Stock Issuance") by the holders of a majority of the shares of Parent Common Stock represented in person or by proxy at a meeting duly called and held for such purpose (the "Parent Requisite Vote") and (b) the approval contemplated by

Section 5.17 of this Agreement in the case of Holdco and the Merger Subs. This Agreement has been duly executed and delivered by Parent, Holdco and the Merger Subs and constitutes a valid and binding agreement of Parent, Holdco and the Merger Subs, enforceable against each of Parent, Holdco and the Merger Subs in accordance with its terms, subject to the Bankruptcy and Equity Exception. Upon execution and delivery by Parent, Holdco and each of the Merger Subs of each other Transaction Document to which it is or is contemplated to be a party, each other Transaction Document to which it is or is contemplated to be a party will constitute a valid and binding agreement of Parent, Holdco or the applicable Merger Sub, as applicable, enforceable against Parent, Holdco or the applicable Merger Sub, as applicable, in accordance with its terms, subject to the Bankruptcy and Equity Exception. The shares of Holdco Common Stock comprising the Wax Merger Consideration and the Delta Merger Consideration have been duly authorized and, when issued pursuant to this Agreement, will be validly issued, fully paid and non-assessable, and no stockholder of Parent or Holdco will have any preemptive right of subscription or purchase in respect thereof. As of the Execution Date, the Board of Directors of Parent has (x) (i) unanimously determined that the Transactions are fair to, and in the best interests of, Parent and its stockholders, (ii) approved the Mergers and the other Transactions, including the Stock Issuance, (iii) approved and declared advisable this Agreement and (iv) subject to Section 5.03, resolved to recommend the Stock Issuance to the holders of shares of Parent Common Stock (the "Parent Recommendation"), and (v) directed that the Stock Issuance be submitted to the holders of shares of Parent Common Stock for their approval. The representations and warranties set forth in this Section 4.03 shall apply with respect to the Amended and Restated Agreement and are made as of the Execution Date.

Section 4.04. Governmental Filings; No Violations. (a) Other than the necessary filings, notices, reports, consents, registrations, approvals, permits, expirations of waiting periods or authorizations (i) pursuant to Section 1.03, (ii) required under the HSR Act or any Foreign Competition Laws, the Exchange Act and the Securities Act, (iii) required to comply with state securities or "blue-sky" Laws, (iv) as may be required with or to the NYSE, (v) as may be required with or to the FCC under the Communications Laws and (vi) as may be required with or to the Foreign Regulators pursuant to Foreign Regulatory Laws, no filings, notices and/or reports are required to be made by Parent, Holdco, the Merger Subs or their Subsidiaries with, nor are any consents, registrations, approvals, permits, expirations of waiting periods or authorizations required to be obtained by Parent, Holdco, the Merger Subs or their Subsidiaries from, any Governmental Entity, in connection with the execution, delivery and performance by each of Parent, Holdco and the Merger Subs of the Transaction Documents to which it is or is contemplated to be a party and the consummation by Parent, Holdco and the Merger Subs of the Transactions, except, in each case, those that the failure to make or obtain would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect. The representations and warranties set forth in this Section 4.04(a) shall apply with respect to the Amended and Restated Agreement and are made as of the Execution Date.

(b) The execution, delivery and performance by each of Parent, Holdco and the Merger Subs of each Transaction Document to which it is a party does not, the execution, delivery and performance by each of Parent, Holdco and the Merger Subs of each Transaction Document to which it is contemplated to be a party will not, and the consummation by each of Parent, Holdco and the Merger Subs of the Transactions will not, constitute or result in (i) a

breach or violation of, or a default under, the certificate of incorporation or bylaws of Parent, Holdco or the Merger Subs, (ii) with or without the lapse of time or the giving of notice or both, a breach or violation of, a default or termination or modification (or right of termination or modification) under, payment of additional fees under, the creation or acceleration of any obligations under, or the creation of a Lien on any of the assets of Parent or any of its Subsidiaries pursuant to any Contract binding upon Parent or any of its Subsidiaries, or, assuming (solely with respect to performance of the Transaction Documents and consummation of the Transactions) the filings, notices, reports, consents, registrations, approvals, permits, expirations of waiting periods and authorizations referred to in Section 4.04(a) are made or obtained and receipt of the Parent Requisite Vote, under any Law, Order or License to which Parent or any of its Subsidiaries is subject or (iii) any change in the rights or obligations under any Contract to which Parent or any of its Subsidiaries is a party, except, in the case of clauses (ii) and (iii) above, for any such breach, violation, default, termination, modification, payment, acceleration, creation or change that would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect. The representations and warranties set forth in this Section 4.04(b) shall apply with respect to the Amended and Restated Agreement and are made as of the Execution Date.

Section 4.05. Parent Reports; Financial Statements. (a) Parent has filed or furnished, as applicable, on a timely basis, all forms, statements, certifications, reports and documents required to be filed or furnished by it with or to the SEC pursuant to the Exchange Act or the Securities Act since September 30, 2014 (the forms, statements, reports and documents filed with or furnished to the SEC since September 30, 2014 and those filed with or furnished to the SEC subsequent to the date of this Agreement, in each case as amended, the "Parent Reports"). Each of the Parent Reports, at the time of its filing or being furnished, complied or, if not yet filed or furnished, will comply in all material respects with the applicable requirements of the Securities Act, the Exchange Act and the Sarbanes-Oxley Act, and any rules and regulations promulgated thereunder applicable to the Parent Reports. As of their respective dates (or, if amended prior to the date of this Agreement, as of the date of such amendment), the Parent Reports did not, and any Parent Reports filed with or furnished to the SEC subsequent to the date of this Agreement will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading.

(b) Parent is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of the NYSE.

(c) Parent maintains disclosure controls and procedures required by Rule 13a-15 or 15d-15 under the Exchange Act. Such disclosure controls and procedures are designed to ensure that information required to be disclosed by Parent in its filings with the SEC under the Exchange Act is recorded and reported on a timely basis to the individuals responsible for the preparation of Parent's filings with the SEC under the Exchange Act. Parent maintains internal control over financial reporting (as defined in Rule 13a-15 or 15d-15, as applicable, under the Exchange Act). Such internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Parent has disclosed, based on the most recent evaluation of its Chief Executive Officer and its Chief Financial Officer prior to the

date of this Agreement, to Parent's auditors and the audit committee of Parent's Board of Directors (x) any significant deficiencies and material weaknesses in the design or operation of its internal controls over financial reporting that are reasonably likely to adversely affect Parent's ability to record, process, summarize and report financial information and (y) any fraud, whether or not material, that involves management or other employees who have a significant role in Parent's internal control over financial reporting. Parent has made available prior to the date of this Agreement to the Company (I) either materials relating to or a summary of any disclosure of matters described in clauses (x) or (y) in the preceding sentence made by management of Parent to its auditors and audit committee on or after the Applicable Date and prior to the date of this Agreement and (II) any material communication on or after the Applicable Date and prior to the date of this Agreement made by management of Parent or its auditors to the audit committee as required by the listing standards of the NYSE, the audit committee's charter or professional standards of the Public Company Accounting Oversight Board. Since the Applicable Date and prior to the date of this Agreement, no complaints from any source regarding a material violation of accounting procedures, internal accounting controls or auditing matters or compliance with Law, including from employees of Parent or its Subsidiaries regarding questionable accounting, auditing or legal compliance matters have, to the Knowledge of Parent, been received by Parent.

(d) Each of the consolidated balance sheets included in or incorporated by reference into the Parent Reports (including the related notes and schedules) fairly presents or, in the case of Parent Reports filed after the date of this Agreement, will fairly present, in each case, in all material respects, the consolidated financial position of Parent and its Subsidiaries, as of the date of such balance sheet, and each of the consolidated statements of income, cash flows and changes in stockholders' equity (deficit) included in or incorporated by reference into the Parent Reports (including any related notes and schedules) fairly presents, or, in the case of Parent Reports filed after the date of this Agreement, will fairly present, in each case, in all material respects, the results of operations, retained earnings (loss) and changes in financial position, as the case may be, of Parent and its Subsidiaries for the periods set forth therein (subject, in the case of unaudited statements, to notes and normal year-end audit adjustments that are not or will not be material in amount or effect), in each case in accordance with GAAP consistently applied during the periods involved, except as may be noted therein or in the notes thereto.

Section 4.06. Absence of Certain Changes. Since September 30, 2017, there has not been any change, effect, circumstance or development which has had or would, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect. Since September 30, 2017, and through the date of this Agreement, except for the Transactions, (i) Parent and its Subsidiaries have conducted their respective businesses in the ordinary course of such businesses consistent with past practice in all material respects; and (ii) except for normal semiannual cash dividends in an amount equal to $0.84 per share of Parent Common Stock, Parent has not declared, set aside or paid any dividend or distribution payable in cash, stock or property in respect of any capital stock.

Section 4.07. Litigation and Liabilities. There are no Proceedings pending or, to the Knowledge of Parent, threatened against Parent or any of its Subsidiaries, except for those that would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect. There are no obligations or liabilities of Parent or any of its Subsidiaries, whether or not accrued, contingent or otherwise, other than (i) liabilities or obligations disclosed,

reflected, reserved against or otherwise provided for in the consolidated balance sheet of Parent as of September 30, 2017 and the notes thereto set forth in Parent's annual report on Form 10-K for the fiscal year ended September 30, 2017 (the "Parent Balance Sheet"); (ii) liabilities or obligations incurred in the ordinary course of business consistent with past practice since September 30, 2017; (iii) liabilities or obligations arising out of the Transaction Documents (and which do not arise out of a breach by Parent, Holdco or the Merger Subs of any representation or warranty in the Transaction Documents); or (iv) liabilities or obligations that would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect. Neither Parent, Holdco, the Merger Subs nor any of their Subsidiaries is a party to or subject to the provisions of any judgment, order, writ, injunction, decree, award, stipulation or settlement of or with any Governmental Entity that would, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect.

Section 4.08. Employee Benefits. All contributions required to be made under each Parent Pension Plan, as of the date of this Agreement, have been timely made and all obligations in respect of each Parent Pension Plan have been properly accrued and reflected in the most recent consolidated balance sheet filed or incorporated by reference in the Parent Reports prior to the date of this Agreement, except as would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect. For purposes of this Agreement, "Parent Pension Plan" means any benefit plan maintained, sponsored or contributed to by Parent or any of its Subsidiaries, which is subject to ERISA, and is an "employee pension benefit plan" within the meaning of Section 3(2) of ERISA.

Section 4.09. Compliance with Laws. The businesses of each of Parent and its Subsidiaries since September 30, 2014 have not been, and are not being, conducted in violation of any applicable Law or Order, except for such violations that would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect. To the Knowledge of Parent, no investigation or review by any Governmental Entity with respect to Parent or any of its Subsidiaries is pending or, as of the date of this Agreement, threatened, nor has any Governmental Entity indicated an intention to conduct the same, except for such investigations or reviews the outcome of which would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect.

Section 4.10. Takeover Statutes. No Takeover Statute or any anti-takeover provision in Parent's restated certificate of incorporation or bylaws is, or at the Delta Effective Time will be, applicable to the Parent Stock or the Transactions.

Section 4.11. Brokers and Finders. Parent has not employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the Transactions, except that Parent has engaged J.P. Morgan Securities LLC and Guggenheim Securities, LLC as its financial advisors.

Section 4.12. Available Funds. Holdco will have at the Closing funds sufficient to (i) pay the cash portion of the Wax Merger Consideration, (ii) pay any and all fees and expenses required to be paid by Holdco or Parent in connection with the Transactions and (iii) satisfy all of the other payment obligations of Holdco or Parent contemplated hereunder. Parent has delivered to the Company true and complete copies of (i) an executed commitment letter, from

the Committed Financing Sources (such commitment letter or any replacement commitment letter as contemplated by Section 5.16(h), including all exhibits, schedules, annexes and amendments thereto, collectively, the "Commitment Letter") pursuant to which the Committed Financing Sources have agreed, subject to the terms and conditions therein, to provide the debt financing for the Wax Merger and the other Transactions that require payment by Holdco or Parent (the debt financing pursuant to the Commitment Letter shall be referred to herein as the "Committed Financing"), and (ii) any fee letters associated with the Commitment Letter (collectively, the "Fee Letter") (it being understood that such fee letters have been redacted to remove the fee amounts and the terms of the "market flex", but that no terms have been redacted that could adversely effect the conditionality, enforceability, termination, or aggregate principal amount of the Committed Financing). As of the Execution Date, the Commitment Letter is in full force and effect and is the legal, valid, binding and enforceable obligation of Parent, Holdco and, to the knowledge of Parent, each of the other parties thereto, subject to the Bankruptcy and Equity Exception. The Commitment Letter has not been amended or modified on or prior to the Execution Date and as of the Execution Date, no such amendment or modification is contemplated by Parent or Holdco (except as described in the Fee Letter), and as of the Execution Date, the respective commitments contained in the Commitment Letter have not been withdrawn, terminated or rescinded in any respect. As of the Execution Date, no event has occurred or circumstance exists which, with or without notice, lapse of time or both, would reasonably be expected to constitute a default or breach on the part of Parent, Holdco or, to the knowledge of Parent, any of the other parties thereto, under the Commitment Letter. As of the Execution Date, Parent and Holdco have no reason to believe that any of the conditions to the Committed Financing contemplated in the Commitment Letter will not be satisfied or that the Committed Financing will not be made available to Parent and Holdco on the Closing Date. As of the Execution Date, Parent and Holdco have fully paid, or caused to be fully paid, any and all commitment or other fees which are due and payable on or prior to the Execution Date pursuant to the terms of the Commitment Letter and the Fee Letter. There are no conditions precedent related to the funding of the full amount of the Committed Financing pursuant to the Commitment Letter, other than as expressly set forth in the Commitment Letter. As of the date hereof, there are no side letters or other agreements, contracts or arrangements related to the funding of the Committed Financing. The obligations of Holdco and Parent hereunder are not subject to any condition regarding Holdco's, Parent's or any other Person's ability to obtain financing for the Wax Merger Consideration and the other transactions contemplated by this Agreement. The representations and warranties set forth in this Section 4.12 shall be made as of the Execution Date.

Section 4.13. Signing Date Tax Opinion. Parent has received the Signing Date Tax Opinion and has provided a copy thereof to the Company. The representation set forth in this Section 4.13 is made as of the Execution Date.

Section 4.14. No Other Representations and Warranties. (a) Except for the representations and warranties of Parent, Holdco and the Merger Subs expressly set forth in this Article IV, Section 5.22(b), Section 5.25(a), Section 8.05(b) or in a certificate delivered pursuant to this Agreement, none of Parent, Holdco, the Merger Subs or any other Person on behalf of Parent, Holdco or the Merger Subs is making, and none of them has made, any express or implied representation or warranty with respect to Parent, Holdco, the Merger Subs or their Subsidiaries or with respect to the accuracy or completeness of any other information provided to the Company or any of its Affiliates or Representatives, including with respect to their business, operations, assets, liabilities, conditions (financial or otherwise) or prospects or otherwise, in connection with the Transactions.

(b) Parent, Holdco and the Merger Subs acknowledge and agree that, except for the representations and warranties expressly set forth in Article III, Section 5.22(c), Section 5.25(b), Section 8.05(b) or in a certificate delivered pursuant to this Agreement, (i) none of the Company or any of its Affiliates is making, and none of them has made, any express or implied representation or warranty with respect to the Company or its Subsidiaries or with respect to the accuracy or completeness of any other information provided to Parent, Holdco, the Merger Subs or any of their Affiliates or Representatives, including with respect to their business, operations, assets, liabilities, conditions (financial or otherwise) or prospects or otherwise, in connection with the Transactions, and none of Parent, Holdco, the Merger Subs or their respective Affiliates or Representatives is relying on any express or implied representation or warranty of the Company or any of its Affiliates except for those expressly set forth in Article III, Section 5.22(c), Section 5.25(b), Section 8.05(b) or in a certificate delivered pursuant to this Agreement and (ii) no Person has been authorized by the Company or any of its Affiliates to make any representation or warranty relating to the Company or any of its Affiliates or their respective businesses or otherwise in connection with the Transactions, and if made, such representation or warranty has not been and shall not be relied upon by Parent, Holdco or the Merger Subs. The representations and warranties of Parent, Holdco and the Merger Subs set forth in this Section 4.14(b) shall apply *mutatis mutandis* with respect to the Original Merger Agreement and the Amended and Restated Agreement and with respect to the Original Merger Agreement shall be made as of the Original Execution Date and with respect to the Amended and Restated Agreement shall be made as of the Execution Date.

ARTICLE V

Covenants

Section 5.01. Interim Operations. (a) The Company covenants and agrees as to itself and its Subsidiaries that, from and after the date of this Agreement and prior to the Wax Effective Time (unless Parent shall otherwise approve in writing, which approval shall not be unreasonably withheld, conditioned or delayed, and except as (1) required by applicable Law, (2) expressly required by the Transaction Documents (including in connection with the Separation and the Distribution or as contemplated by the Final Step Plan) or (3) otherwise expressly disclosed in Section 5.01(a) of the Company Disclosure Letter), the Company shall, and shall cause each of its Subsidiaries to, use its reasonable best efforts to conduct the Retained Business in the ordinary course of business consistent with past practice, and the Company shall, and shall cause each of its Subsidiaries to, solely to the extent related to the Retained Business, subject to compliance with the specific matters set forth below, use commercially reasonable efforts to preserve the Retained Business' organization intact and maintain the Retained Business' existing relations and goodwill with Governmental Entities, customers, suppliers, distributors, licensors, creditors, lessors, employees and business associates and others having material business dealings with the Retained Business (including material content providers, studios, authors, producers, directors, actors, performers, guilds, announcers and advertisers) and keep available the services of the Company and its Subsidiaries' present employees and agents.

(b) Without limiting the generality of, and in furtherance of, the foregoing, the Company covenants and agrees as to itself and its Subsidiaries that, from and after the date of this Agreement and prior to the Wax Effective Time (unless Parent shall otherwise approve in writing, which approval shall not be unreasonably withheld, conditioned or delayed, and which determination shall take into account the Company Overview Presentation, and except as (1) required by applicable Law, (2) expressly required by the Transaction Documents (including in connection with the Separation and the Distribution) or (3) otherwise expressly disclosed in Section 5.01(b) of the Company Disclosure Letter), the Company shall not and shall not permit any of its Subsidiaries to:

(i) except with respect to SpinCo and the SpinCo Subsidiaries (other than in the case of clause (A)), (A) amend its certificate of incorporation or bylaws (or comparable governing documents) (other than amendments to the governing documents of any Subsidiary of the Company that would not prevent, delay or impair the Wax Merger or the other Transactions), (B) split, combine, subdivide or reclassify its outstanding shares of capital stock (except for any such transaction by a wholly owned subsidiary of the Company which remains a wholly owned Subsidiary after consummation of such transaction), (C) declare, set aside or pay any dividend or distribution payable in cash, stock or property (or any combination thereof) in respect of any shares of its capital stock (except for (1) any dividends or distributions paid by a direct or indirect wholly owned Subsidiary of the Company to another direct or indirect wholly owned Subsidiary of the Company or to the Company or (2) normal semiannual cash dividends on the Common Stock as described in Section 5.01(b)(i) of the Company Disclosure Letter), (D) enter into any agreement with respect to the voting of its capital stock, or (E) purchase, repurchase, redeem or otherwise acquire any shares of its capital stock or any securities convertible or exchangeable into or exercisable for any shares of its capital stock (other than (1) pursuant to the forfeiture of, or withholding of Taxes with respect to, Company Restricted Stock Units, Company Deferred Stock Units or Company Performance Stock Units, in each case in accordance with past practice and with the terms of the Company Stock Plans as in effect on the date of this Agreement (or as modified after the date of this Agreement in accordance with the terms of this Agreement) or (2) purchases, repurchases, redemptions or other acquisitions of securities of any wholly owned Subsidiary of the Company by the Company or any other wholly owned Subsidiary of the Company);

(ii) merge or consolidate with any other Person, or restructure, reorganize or completely or partially liquidate (other than transactions of the type contemplated by Section 5.01(b)(vii) or Section 5.01(b)(ix) which are not restricted thereby and other than mergers or consolidations of a Subsidiary of the Company in which such Subsidiary is the surviving entity in connection with an acquisition not otherwise prohibited by this Agreement and other than mergers among, or the restructuring, reorganization or liquidation of, any wholly owned Subsidiaries of the Company that would not prevent, materially delay or materially impair the Transactions);

(iii) except as expressly required by any Company Plan as in effect on the date hereof: (A) establish, adopt, amend or terminate any material Company Plan or amend the terms of any outstanding equity-based awards other than any such action taken for purposes of replacing, renewing or extending a broadly applicable material Company Plan in the ordinary course of business consistent with past practice that does not materially increase the cost of such Company Plan or benefits provided under such Company Plan based on the cost on the date hereof, (B) grant or provide any transaction or retention bonuses to any director, officer, employee or other service provider of the Company or any of its Subsidiaries, (C) increase the compensation, bonus or pension, welfare or other benefits of any director, officer or employee of the Company or any of its Subsidiaries, except in the ordinary course of business consistent with past practice with respect to (1) employees below the level of Executive Vice President and (2) employees at or above the level of Executive Vice President in respect of increases of less than 7.5% of compensation relative to their compensation, bonus or pension, welfare or other benefits prior to such change, (D) increase the severance or termination payments or benefits payable to any director, officer, employee or other service provider of the Company or any of its Subsidiaries, (E) take any action to accelerate the vesting or payment of compensation or benefits under any Company Plan (including any equity-based awards), (F) change any actuarial or other assumptions used to calculate funding obligations with respect to any Company Plan or to change the manner in which contributions to such plans are made or the basis on which such contributions are determined or (G) forgive any loans to directors, officers or employees of the Company or any of its Subsidiaries;

(iv) incur any Indebtedness or issue any warrants or other rights to acquire any Indebtedness, except (A) in the ordinary course of business consistent with past practice in a principal amount not to exceed $400,000,000 in the aggregate at any time outstanding on prevailing market terms or on terms substantially consistent with or more beneficial to the Company and its Subsidiaries, taken as a whole, than existing Indebtedness, and with a maturity date no more than 10 years after the date of the Contract evidencing such Indebtedness, (B) except with respect to the Bridge Facility, in replacement of, or to refinance, existing Indebtedness on then prevailing market terms or on terms substantially consistent with or more beneficial to the Company and its Subsidiaries, taken as a whole, than the Indebtedness being replaced or refinanced, and in each case with a maturity date no more than 10 years after the date of the Contract evidencing such Indebtedness, (C) intercompany Indebtedness among the Company and its wholly owned Subsidiaries, (D) (1) to the extent not drawn upon and payments are not triggered thereby, letters of credit, bank guarantees, security or performance bonds or similar credit support instruments and (2) overdraft facilities or cash management programs, in each case issued, made or entered into in the ordinary course of business consistent with past practice, (E) commercial paper issued in the ordinary course of business consistent with past practice in a principal amount not to exceed $250,000,000 in the aggregate at any time outstanding, (F) Indebtedness, the proceeds of which will be used to finance all or any portion of the Dividend (and fees and expenses in connection therewith) or for general corporate purposes; provided that the aggregate principal amount of Indebtedness at any time outstanding under this clause (F) shall not exceed $9,000,000,000; provided, further, that the Separation Agreement shall provide that

SpinCo shall assume the obligations of the Company or any of its Subsidiaries with respect to such Indebtedness (and Holdco, Parent and their Subsidiaries, including, following the Distribution, the Retained Subsidiaries, shall not have any obligations in respect thereof), (G) Indebtedness under the Bridge Facility, refinancings or replacements thereof and of commitments thereunder, and any refinancings or replacements of any such refinancing or replacement Indebtedness; provided that the aggregate principal amount of Indebtedness at any time outstanding under this clause (G) shall not exceed the amount permitted in Section 5.01 of the Company Disclosure Letter; provided, further, that the Company shall consult with Parent prior to incurring Indebtedness under this clause (G), (H) Indebtedness assumed in connection with a Sky Acquisition and refinancings or replacements thereof on then prevailing market terms or on terms substantially consistent with or more beneficial to the Company and its Subsidiaries, taken as a whole, than the Indebtedness being replaced or refinanced; provided, further, that the Company shall consult with Parent prior to incurring Indebtedness under this clause (H), (I) any amendment, refinancing or renewal of the existing revolving and term loan facilities of the YES Facility and any refinancing thereof, in each case, so long as the aggregate principal amount thereof does not exceed $2,500,000,000, (J) hedging in compliance with the hedging strategy of the Company as of the date of this Agreement in the ordinary course of business consistent with past practice or in connection with a Sky Acquisition and not for speculative purposes; provided that the Company shall consult with Parent prior to entering into hedging activities in connection with Indebtedness of the type described in clauses (G) or (H) above, (K) Indebtedness and replacements and refinancings thereof incurred in connection with the funding of Star India Private Limited and its Subsidiaries; provided that the aggregate principal amount of such Indebtedness, replacements and refinancings does not exceed $400,000,000 outstanding at any time, and (L) purchase money indebtedness and lease financing in the ordinary course of business consistent with past practice;

(v) with respect to the Retained Business, other than with respect to acquisitions of businesses, which is subject to Section 5.01(b)(ix), and other than with respect to film and television production and programming (including sports rights) with third parties or video game production, which is subject to Section 5.01(b)(x), make or commit to any capital expenditures other than (A) in connection with the repair or replacement of facilities, properties or assets destroyed or damaged due to casualty or accident (if covered by insurance or if the portion of which that is not covered by insurance is less than $100,000,000) or (B) in the ordinary course of business consistent with past practice and in the aggregate not in excess of 120% of the amounts reflected in the Company's capital expenditure budget for each of 2017, 2018 and 2019 set forth in Section 5.01(b)(v) of the Company Disclosure Letter;

(vi) with respect to the Retained Business, transfer, lease, license, sell, assign, let lapse, abandon, cancel, mortgage, pledge, place a Lien upon or otherwise dispose of any material Intellectual Property; provided that this clause (vi) shall not restrict (A) ordinary course non-exclusive licenses or ordinary course security interests in connection with the production or financing of film and television programming or video game production, letting lapse, abandonment, and cancellations, and Liens that are ordinary course non-exclusive licenses, in each case, of Intellectual Property, (B) the granting of

any licenses of Intellectual Property where the aggregate payments under such license do not exceed $125,000,000 annually per license, (C) sales of Intellectual Property with a fair market value less than $35,000,000 individually if the transaction is not in the ordinary course or $75,000,000 individually in any event (other than transactions among the Company and its wholly owned Retained Subsidiaries), (D) licenses, sales, letting lapse, abandonment and cancellations of Intellectual Property that is used or held for use exclusively in the SpinCo Business and (E) Affiliation Agreements;

(vii) with respect to the Retained Business, transfer, lease, license, sell, assign, let lapse, abandon, cancel, mortgage, pledge, place a Lien upon or otherwise dispose of any properties or assets (including capital stock of any of its Retained Subsidiaries but not including any Intellectual Property, which is governed by Section 5.01(b)(vi)), except for (A) sales, leases, licenses or other dispositions of any properties or assets (excluding capital stock of the Retained Subsidiaries) with a fair market value not in excess of $50,000,000 individually if the transaction is not in the ordinary course or $100,000,000 individually in any event or (B) transactions among the Company and the Retained Subsidiaries;

(viii) except with respect to SpinCo and the SpinCo Subsidiaries, issue, deliver, sell, grant, transfer, or encumber, or authorize the issuance, delivery, sale, grant, transfer or encumbrance of, any shares of its capital stock or any securities convertible or exchangeable into or exercisable for, or any options, warrants or other rights to acquire, any such shares, except (A) for any Shares issued pursuant to Company Restricted Stock Units, Company Performance Stock Units and Company Deferred Stock Units outstanding on the date of this Agreement in accordance with the existing terms of such awards and the Company Stock Plans, (B) Investment Preferred Stock (as defined in the Bridge Facility) or (C) by wholly owned Subsidiaries to the Company or to any other wholly owned Subsidiary of the Company; provided that, for the avoidance of doubt, granting customary profit participation rights or entering into customary film or television financing partnerships or contractual arrangements for film or television financing shall be deemed not to be an issuance, sale or grant of any shares of capital stock or any securities convertible or exchangeable into or exercisable for, or any options, warrants or other rights to acquire, any such shares for purposes of this Section 5.01(b)(viii);

(ix) with respect to the Retained Business, other than capital expenditures made in accordance with Section 5.01(b)(v) and other than with respect to film and television production and programming or video game production, which is subject to Section 5.01(b)(x), spend or commit to spend in excess of (A) $25,000,000 if the transaction is not in the ordinary course and $50,000,000 in any event or (B) $50,000,000 individually or $200,000,000 in the aggregate in any year, in each case to acquire any business, whether by merger, consolidation, purchase of property or assets, licenses or otherwise (valuing any non-cash consideration at its fair market value as of the date of the agreement for such acquisition); provided that neither the Company nor any of its Retained Subsidiaries shall enter into any such transaction that would, or would reasonably be expected to, prevent, materially delay or materially impair the consummation of the Transactions;

(x) other than capital expenditures made in accordance with Section 5.01(b)(v) and other than purchases and licenses of film and television and production programming (including sports rights) exclusively in respect of the SpinCo Business, spend or commit to spend on purchases and licensing of film and television production and programming (including sports rights) from third parties or video game production in excess of $350,000,000 if the transaction is not in the ordinary course and $750,000,000 in any event;

(xi) make any material change with respect to its financial accounting policies or procedures, except as required by changes in GAAP (or any interpretation thereof) or by applicable Law;

(xii) except as required by applicable Law, (A) make or change any material Tax election, (B) make any material change with respect to any method of Tax accounting, (C) amend any material or U.S. federal income Tax Return or (D) settle or resolve any controversy that relates to a material amount of Taxes;

(xiii) (A) (1) enter into any new line of business other than any line of business that is reasonably ancillary to and a reasonably foreseeable extension of any line of business as of the date of this Agreement, or (2) start to conduct a line of business of the Company or any of its Retained Subsidiaries in any geographic area where it is not conducted as of the date of this Agreement, other than starting to conduct a line of business of the Company or any of its Retained Subsidiaries in geographic areas that are reasonable extensions to geographic areas where such business line is conducted as of the date of this Agreement (provided that in the case of each of clauses (1) and (2), such entry or expansion would not require the receipt or transfer of any License that would constitute a RemainCo Communications License if issued or granted prior to the date hereof and would not reasonably be expected to prevent, materially delay or materially impair the ability of the Company, Parent, Holdco and the Merger Subs to complete the Transactions on a timely basis) or (B) except as currently conducted, engage in the conduct of any business in any state which would require the receipt or transfer of a RemainCo Communications License or License that would constitute a RemainCo Communications License if issued or granted prior to the date hereof or in any foreign country that would require the receipt or transfer of a material License;

(xiv) except with respect to SpinCo and any SpinCo Subsidiary, other than with respect to film and television production and programming (including sports rights) with third parties or video game production, which is subject to Section 5.01(b)(x), make any loans, advances or capital contributions to, or investments in, any Person (other than loans, advances or capital contributions to the Company or any direct or indirect wholly owned Subsidiary of the Company) in excess of $25,000,000 if the transaction is not in the ordinary course and $150,000,000 in any event;

(xv) (A) amend or modify in any material respect, or terminate (where the determination is unilateral by the Company or its Subsidiary) any Material Contract (other than amendments or modifications that are substantially consistent with past practice or that are not adverse to the Company and its Subsidiaries in any material respect and terminations upon the expiration of the term thereof in accordance with the terms thereof) or waive, release or assign any material rights, claims or benefits under any Material Contract, (B) enter into any Contract that would have been a Material Contract had it been entered into prior to the date of this Agreement (other than Material Contracts of the type described in Section 3.11(a)(iii)(y), (vii), (viii) or (ix)) unless it (1) is on terms substantially consistent with, or on terms more favorable to the Company and/or its Subsidiaries (and to Holdco and its Subsidiaries following the Closing) than, either a Contract it is replacing or a form of such Material Contract made available to Parent prior to the date hereof or (2) relates exclusively to the SpinCo Business or (C) enter into any Contract that would have been a Material Contract had it been entered into prior to the date of this Agreement, or renew or extend any Material Contract, in each case of the type described in Section 3.11(a)(iii)(y), (vii), (viii) or (ix) unless it relates exclusively to the SpinCo Business; provided that in the case of each of (A), (B) or (C) no such agreement shall purport to bind Parent or its Affiliates (other than the Company and the Retained Subsidiaries); provided, further, that, (x) this Section 5.01(b)(xv) shall not prohibit or restrict the Company or any of the Retained Subsidiaries from entering into a Contract to the extent that such Contract implements an act or failure to act that is not otherwise expressly prohibited by any of Section 5.01(b)(i) through (xxi) or (y) for the avoidance of doubt, this Section 5.01(b)(xv) shall not prohibit or restrict any Company Plans;

(xvi) with respect to the Retained Business, settle any action, suit, case, litigation, claim, hearing, arbitration, investigation or other proceedings before or threatened to be brought before a Governmental Entity, other than settlements (A) if the amount of any such settlement is not in excess of $25,000,000 individually or $75,000,000 in the aggregate; provided that such settlements do not involve any non-*de minimis* injunctive or equitable relief or impose non-*de minimis* restrictions on the business activities of the Company and the Retained Subsidiaries or Parent and its Subsidiaries or (B) relating to Taxes (which shall be governed by Section 5.01(b)(xii));

(xvii) with respect to the Retained Business, enter into any collective bargaining agreement, other than renewals of any collective bargaining agreements in the ordinary course of business consistent with best practice;

(xviii) enter into any Contract that, after the Wax Effective Time, obligates or purports to obligate Holdco, Parent or any of their Subsidiaries (other than the Company and the Retained Subsidiaries) to grant licenses to any Intellectual Property;

(xix) with respect to the Retained Business, enter into any Affiliation Agreement inconsistent with Section 5.01(b)(xix) of the Company Disclosure Letter;

(xx) enter into any Contract that involves the Company or any Retained Subsidiary, on the one hand, and any SpinCo Subsidiary, on the other hand (whether or not involving any other third party) that is not on arms-length terms with respect to the Retained Business, other than (A) Contracts that will not survive after the Wax Effective Time and (B) Contracts for which the underlying economics are contemplated by the Company Overview Presentation; or

(xxi) agree, resolve or commit to do any of the foregoing.

(c) All notices, requests, instructions, communications or other documents to be given in connection with any approval required pursuant to this Section 5.01 shall be in writing to such individuals as the parties shall designate as set forth in Section 5.01(c) of the Company Disclosure Letter. If Parent's designated individual fails to respond to a request from the Company for approval required pursuant to this Section 5.01 within 10 business days after receipt of the Company's written request, Parent's approval of such action shall be deemed granted.

(d) Parent covenants and agrees, from and after the execution of this Agreement and prior to the Wax Effective Time (unless the Company shall otherwise approve in writing, which approval will not be unreasonably withheld, conditioned or delayed and except as (i) required by applicable Law, (ii) expressly required by the Transaction Documents or (iii) otherwise expressly disclosed in Section 5.01(d) of the Parent Disclosure Letter): (A) Parent shall not (1) amend Parent's certificate of incorporation or bylaws in any manner that would prohibit or hinder, impede or delay in any material respect the Transactions; provided that any amendment to its certificate of incorporation to increase the authorized number of shares of any class or series of the capital stock of Parent or to create a new series of capital stock of Parent shall in no way be restricted by the foregoing, or (2) declare, set aside or pay any dividend or distribution payable in cash, stock or property in respect of any capital stock, other than normal semiannual cash dividends on the Parent Common Stock consistent with past practice (including increases consistent with past practice) and other than dividends or distributions with a record date after the Wax Effective Time; (B) Parent shall not, and shall not permit any of its Subsidiaries to, acquire another business or merge or consolidate with any other Person or enter into any binding share exchange, business combination or similar transaction with another Person or restructure, reorganize or completely or partially liquidate, in each case, to the extent that such action would, or would reasonably be expected to, prevent, materially delay or materially impair the consummation of the Transactions and (C) Parent shall not agree, resolve or commit to do any of the foregoing.

(e) Notwithstanding anything to the contrary contained in Section 5.01(a), the Company and its Subsidiaries (i) shall not, without the prior written consent of Parent, exercise any buy-sell rights with respect to any joint venture or partnership that has a fair market value in excess of $25,000,000 and (ii) shall consult in good faith with Parent prior to taking any material action in response to the exercise of any buy/sell rights with respect to any joint venture or partnership with a fair market value in excess of $25,000,000.

Section 5.02. Company Acquisition Proposals. (a) No Solicitation or Negotiation. The Company agrees that, except as expressly permitted by this Section 5.02, neither it nor any of its Subsidiaries nor any of its or its Subsidiaries' officers, directors and employees shall, and it shall instruct and use reasonable best efforts to cause its and its Subsidiaries' investment bankers, attorneys, accountants and other advisors, agents and representatives (a Person's directors, officers, employees, investment bankers, attorneys, accountants and other advisors, agents and representatives are hereinafter referred to as its "Representatives") not to, directly or indirectly:

(i) initiate, solicit, knowingly encourage or otherwise knowingly facilitate any inquiries or the making of any proposal or offer that constitutes, or would reasonably be expected to lead to, any Company Acquisition Proposal;

(ii) engage or otherwise participate in any discussions or negotiations relating to any Company Acquisition Proposal or any inquiry, proposal or offer that would reasonably be expected to lead to a Company Acquisition Proposal; or

(iii) provide any information or data to any Person in connection with any Company Acquisition Proposal or any inquiry, proposal or offer that would reasonably be expected to lead to a Company Acquisition Proposal; or

(iv) otherwise knowingly facilitate any effort or attempt to make a Company Acquisition Proposal.

The Company shall, and the Company shall cause its Subsidiaries and use its reasonable best efforts to cause its Representatives to, immediately cease and cause to be terminated any discussions and negotiations with any Person conducted heretofore with respect to any Company Acquisition Proposal, or proposal that would reasonably be expected to lead to a Company Acquisition Proposal. The Company will promptly inform the Persons referred to in the preceding sentence of the obligations undertaken in this Section 5.02. The Company will promptly request from each Person that has executed a confidentiality agreement in connection with its consideration of making a Company Acquisition Proposal to return or destroy (as provided in the terms of such confidentiality agreement) all confidential information concerning the Company or any of its Subsidiaries and promptly terminate all physical and electronic data access previously granted to such Person.

(b) Fiduciary Exception to No Solicitation Provision. Notwithstanding anything to the contrary in Section 5.02(a), prior to the time, but not after, the Company Requisite Vote is obtained, the Company and its Representatives may, in response to an unsolicited, bona fide written Company Acquisition Proposal made after the date of this Agreement, (i) contact the Person who made such Company Acquisition Proposal and its Representatives solely to clarify the terms and conditions thereof, and (ii) provide access to information regarding the Company or any of its Subsidiaries in response to a request therefor to the Person who made such Company Acquisition Proposal and such Person's Representatives; provided that such information has previously been, or is substantially concurrently, made available to Parent and that, prior to furnishing any such non-public information, the Company receives from the Person making such Company Acquisition Proposal an executed confidentiality agreement with terms at least as restrictive in all material respects on such Person as the Confidentiality Agreement (it being understood that such confidentiality agreement need not contain a "standstill" or similar obligations to the extent that Parent is, concurrently with the entry by the Company or its Subsidiaries into such confidentiality agreement, released from any "standstill" or other similar obligations in the Confidentiality Agreement); provided, however, that if the Person making such Company Acquisition Proposal is a competitor of the Company and its Subsidiaries, the Company shall not provide any information that in the good faith determination of the Company constitutes commercially sensitive non-public information to such Person in connection with any actions permitted by this Section 5.02(b) other than in accordance

with "clean room" or other similar procedures designed to limit any potential adverse effect on the Company from sharing such information; (iii) participate in any discussions or negotiations with any such Person and its Representatives regarding such Company Acquisition Proposal, if, and only if, prior to taking any action described in clause (ii) or (iii) above, the Board of Directors of the Company determines in good faith after consultation with outside legal counsel that (A) failure to take such action would be inconsistent with the directors' fiduciary duties under applicable Law and (B) based on the information then available and after consultation with outside legal counsel and a financial advisor of nationally recognized reputation, such Company Acquisition Proposal either constitutes a Company Superior Proposal or could reasonably be expected to result in a Company Superior Proposal; and (iv) refer any inquiring Person to this Section 5.02.

(c) Notice. The Company shall promptly notify Parent if (i) any inquiries, proposals or offers with respect to a Company Acquisition Proposal are received by, (ii) any non-public information is requested in connection with any Company Acquisition Proposal from, or (iii) any discussions or negotiations with respect to a Company Acquisition Proposal are sought to be initiated or continued with, it, its Subsidiaries or any of their respective Representatives, indicating, in connection with such notice, the name of such Person and the material terms and conditions of any proposals or offers (including, if applicable, copies of any written requests, proposals or offers, including proposed agreements) and thereafter shall keep Parent informed, on a reasonably current basis, of the status and terms of any such proposals or offers (including any amendments thereto) and the status of any such discussions or negotiations, including any change in the Company's intentions as previously notified.

(d) Definitions. For purposes of this Agreement:

"Company Acquisition Proposal" means (i) any proposal or offer from any Person or group of Persons, other than Parent and its Subsidiaries, with respect to a merger, joint venture, partnership, consolidation, dissolution, liquidation, tender offer, recapitalization, reorganization, spin-off, extraordinary dividend, share exchange, business combination or similar transaction involving the Company or any of its Subsidiaries which is structured to result in such Person or group of Persons (or their stockholders), directly or indirectly, acquiring beneficial ownership of 20% or more of the Company's consolidated total assets (including equity securities of the Company's Subsidiaries) (using the consolidated total assets of the Retained Business as the denominator for purposes of calculating such percentage) or 20% or more of any class of the Company's equity interests and (ii) any acquisition by any Person or group of Persons (or their stockholders) (other than Parent and its Subsidiaries) resulting in, or proposal or offer, which if consummated would result in, any Person or group of Persons (or their stockholders) (other than Parent and its Subsidiaries) obtaining control (through Contract or otherwise) over or becoming the beneficial owner of, directly or indirectly, in one or a series of related transactions, 20% or more of the total voting power of any class of equity securities of the Company or 20% or more of the Company's consolidated total assets (including equity securities of the Company's Subsidiaries) (using the consolidated total assets of the Retained Business as the denominator for purposes of calculating such percentage), in each case other than the Transactions.

"Company Superior Proposal" means an unsolicited bona fide Company Acquisition Proposal made after the date of this Agreement that would result in a Person or group (or their stockholders) becoming, directly or indirectly, the beneficial owner of, 60% or more of the Company's consolidated total assets or more than 50% of the total voting power of the equity securities of the Company or the successor Person of the Company, that the Board of Directors of the Company has determined in its good faith judgment, after consultation with outside counsel and a financial advisor of nationally recognized reputation, would reasonably be expected to be consummated in accordance with its terms, taking into account all legal, financial and regulatory aspects of the proposal and the Person or group of Persons making the proposal, and, if consummated, would result in a transaction more favorable to the Company's stockholders from a financial point of view than the Transactions (after taking into account any revisions to the terms of the transactions contemplated by this Agreement pursuant to Section 5.02(f) of this Agreement and the time likely to be required to consummate such Company Acquisition Proposal).

(e) No Company Change in Recommendation or Alternative Company Acquisition Agreement. Except as permitted by Section 5.02(f), the Board of Directors of the Company and each committee of the Board of Directors shall not (i) withhold, withdraw, qualify or modify (or publicly propose or resolve to withhold, withdraw, qualify or modify), in a manner adverse to Parent, the Company Recommendation (it being understood that if any Company Acquisition Proposal structured as a tender or exchange offer is commenced, the Board of Directors of the Company failing to recommend against acceptance of such tender or exchange offer by the Company's stockholders within 10 business days of commencement thereof pursuant to Rule 14d-2 of the Exchange Act shall be considered a modification adverse to Parent); (ii) approve or recommend, or publicly declare advisable or publicly propose to enter into, any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement, lease agreement or other agreement (other than a confidentiality agreement referred to in Section 5.02(b) entered into in compliance with Section 5.02(b)) relating to any Company Acquisition Proposal (an "Alternative Company Acquisition Agreement"); or (iii) cause or permit the Company or any of its Subsidiaries to enter into an Alternative Company Acquisition Agreement.

(f) Fiduciary Exception to Company Change in Recommendation Provision. Notwithstanding anything to the contrary set forth in this Agreement, prior to the time, but not after, the Company Requisite Vote is obtained, (x) the Board of Directors of the Company may withhold, withdraw, qualify or modify the Company Recommendation or recommend or otherwise declare advisable any Company Acquisition Proposal made after the date of this Agreement that did not result from or in connection with a material breach of this Agreement, if (A) in the case of such an action taken in connection with a Company Acquisition Proposal, the Company Acquisition Proposal is not withdrawn and the Board of Directors of the Company determines in good faith, after consultation with outside counsel and a financial advisor of nationally recognized reputation, that such Company Acquisition Proposal constitutes a Company Superior Proposal; and (B) in all cases, the Board of Directors of the Company determines in good faith, after consultation with outside counsel and a financial advisor of nationally recognized reputation, that the failure to take such action would be inconsistent with the directors' fiduciary duties under applicable Law (a "Company Change in Recommendation",

it being understood that (1) a customary "stop, look and listen" disclosure in compliance with Rule 14d-9(f) of the Exchange Act shall not, in and of itself, constitute a Company Change in Recommendation and (2) in no event shall a Sky Event be taken into consideration in such determination) and/or (y) the Company may terminate this Agreement in accordance with Section 7.03(c) and concurrently with such termination cause the Company to enter into an Alternative Company Acquisition Agreement providing for a Company Superior Proposal that did not result from or in connection with a material breach of this Agreement (a "Company Superior Proposal Termination"); provided that no Company Change in Recommendation and/or Company Superior Proposal Termination may be made until after at least five business days following Parent's receipt of written notice from the Company advising that the Company's Board of Directors intends to take such action and the basis therefor (which notice shall include a copy of any such Company Superior Proposal and a copy of any relevant proposed transaction agreements, the identity of the party making such Company Superior Proposal and the material terms thereof or, in the case of notice given other than in connection with a Company Superior Proposal, a reasonably detailed description of the development or change in connection with which the Company's Board of Directors has given such notice). After providing such notice and prior to effecting such Company Change in Recommendation and/or Company Superior Proposal Termination, (x) the Company shall, during such five business day period, negotiate in good faith with Parent and its Representatives, to the extent Parent wishes to negotiate, with respect to any revisions to the terms of the transaction contemplated by this Agreement proposed by Parent, and (y) in determining whether it may still under the terms of this Agreement make a Company Change in Recommendation and/or effect a Company Superior Proposal Termination, the Board of Directors of the Company shall take into account any changes to the terms of this Agreement proposed by Parent and any other information provided by Parent in response to such notice during such five business day period. Any amendment to the financial terms or conditions or other material terms of any Company Acquisition Proposal will be deemed to be a new Company Acquisition Proposal for purposes of this Section 5.02(f), including with respect to the notice period referred to in this Section 5.02(f), except that the five business day period shall be three business days for such purposes in any such case.

(g) Limits on Release of Standstill and Confidentiality. From the date of this Agreement until the Wax Effective Time, the Company shall not terminate, amend, modify or waive any provision of any "standstill" or similar obligation to which the Company or any of its Subsidiaries is a party and shall enforce, to the fullest extent permitted under applicable Law, the provisions of any such agreement, including by seeking injunctions to prevent any breaches of such agreements and to enforce specifically the terms and provisions thereof. Notwithstanding anything to the contrary contained in this Agreement, the Company shall be permitted to terminate, amend, modify or waive any provision of any "standstill" or similar obligation of any Person if the Board of Directors of the Company determines in good faith, after consultation with its outside legal counsel, that the failure to take such action would be inconsistent with its fiduciary duties under applicable Law; provided that the Company promptly advises Parent that it is taking such action and the identity of the party or parties with respect to which it is taking such action; provided, further, that the foregoing shall not restrict the Company from permitting a Person to orally request the waiver of a "standstill" or similar obligation.

(h) Certain Permitted Disclosure. Nothing contained in this Section 5.02 shall be deemed to prohibit the Company from complying with its disclosure obligations under applicable U.S. federal or state Law with regard to a Company Acquisition Proposal; provided that this paragraph (h) shall not be deemed to permit the Company or the Company's Board of Directors to effect a Company Change in Recommendation except in accordance with Section 5.02(f).

Section 5.03. Parent Acquisition Proposals . (a) No Solicitation or Negotiation. Parent agrees that, except as expressly permitted by this Section 5.03, neither it nor any of its Subsidiaries nor any of its or its Subsidiaries' officers, directors and employees shall, and it shall instruct and use reasonable best efforts to cause its and its Subsidiaries' other Representatives not to, directly or indirectly:

(i) initiate, solicit, knowingly encourage or otherwise knowingly facilitate any inquiries or the making of any proposal or offer that constitutes, or would reasonably be expected to lead to, any Parent Acquisition Proposal;

(ii) engage or otherwise participate in any discussions or negotiations relating to any Parent Acquisition Proposal or any inquiry, proposal or offer that would reasonably be expected to lead to a Parent Acquisition Proposal; or

(iii) provide any information or data to any Person in connection with any Parent Acquisition Proposal or any inquiry, proposal or offer that would reasonably be expected to lead to a Parent Acquisition Proposal; or

(iv) otherwise knowingly facilitate any effort or attempt to make a Parent Acquisition Proposal.

Parent shall, and Parent shall cause its Subsidiaries and use its reasonable best efforts to cause its Representatives to, immediately cease and cause to be terminated any discussions and negotiations with any Person conducted heretofore with respect to any Parent Acquisition Proposal, or proposal that would reasonably be expected to lead to a Parent Acquisition Proposal. Parent will promptly inform the Persons referred to in the preceding sentence of the obligations undertaken in this Section 5.03. Parent will promptly request from each Person that has executed a confidentiality agreement in connection with its consideration of making a Parent Acquisition Proposal to return or destroy (as provided in the terms of such confidentiality agreement) all confidential information concerning Parent or any of its Subsidiaries and promptly terminate all physical and electronic data access previously granted to such Person.

(b) Fiduciary Exception to No Solicitation Provision. Notwithstanding anything to the contrary in Section 5.03(a), prior to the time, but not after, the Parent Requisite Vote is obtained, Parent and its Representatives may, in response to an unsolicited, bona fide written Parent Acquisition Proposal made after the date of this Agreement, (i) contact the Person who made such Parent Acquisition Proposal and its Representatives solely to clarify the terms and conditions thereof, and (ii) provide access to information regarding Parent or any of its Subsidiaries in response to a request therefor to the Person who made such Parent Acquisition Proposal and such Person's Representatives; provided that such information has previously been,

or is substantially concurrently, made available to the Company and that, prior to furnishing any such non-public information, Parent receives from the Person making such Parent Acquisition Proposal an executed confidentiality agreement with terms at least as restrictive in all material respects on such Person as the Confidentiality Agreement (it being understood that such confidentiality agreement need not contain a "standstill" or similar obligations to the extent that the Company is, concurrently with the entry by Parent or its Subsidiaries into such confidentiality agreement, released from any "standstill" or other similar obligations in the Confidentiality Agreement); provided, however, that if the Person making such Parent Acquisition Proposal is a competitor of Parent and its Subsidiaries, Parent shall not provide any information that in the good faith determination of Parent constitutes commercially sensitive non-public information to such Person in connection with any actions permitted by this Section 5.03(b) other than in accordance with "clean room" or other similar procedures designed to limit any potential adverse effect on Parent from sharing such information; (iii) participate in any discussions or negotiations with any such Person and its Representatives regarding such Parent Acquisition Proposal, if, and only if, prior to taking any action described in clause (ii) or (iii) above, the Board of Directors of Parent determines in good faith after consultation with outside legal counsel that (A) failure to take such action would be inconsistent with the directors' fiduciary duties under applicable Law and (B) based on the information then available and after consultation with outside legal counsel and a financial advisor of nationally recognized reputation, such Parent Acquisition Proposal either constitutes a Parent Superior Proposal or could reasonably be expected to result in a Parent Superior Proposal; and (iv) refer any inquiring Person to the terms of this Section 5.03.

(c) Notice. Parent shall promptly notify the Company if (i) any inquiries, proposals or offers with respect to a Parent Acquisition Proposal are received by, (ii) any non-public information is requested in connection with any Parent Acquisition Proposal from, or (iii) any discussions or negotiations with respect to a Parent Acquisition Proposal are sought to be initiated or continued with, it, its Subsidiaries or any of their respective Representatives, indicating, in connection with such notice, the name of such Person and the material terms and conditions of any proposals or offers (including, if applicable, copies of any written requests, proposals or offers, including proposed agreements) and thereafter shall keep the Company informed, on a reasonably current basis, of the status and terms of any such proposals or offers (including any amendments thereto) and the status of any such discussions or negotiations, including any change in Parent's intentions as previously notified.

(d) Definitions. For purposes of this Agreement:

"Parent Acquisition Proposal" means (i) any proposal or offer from any Person or group of Persons, other than the Company and its Subsidiaries, with respect to a merger, joint venture, partnership, consolidation, dissolution, liquidation, tender offer, recapitalization, reorganization, spin-off, extraordinary dividend, share exchange, business combination or similar transaction involving Parent or any of its Subsidiaries which (1) is structured to result in such Person or group of Persons (or their stockholders), directly or indirectly, acquiring beneficial ownership of 20% or more of Parent's consolidated total assets (including equity securities of its Subsidiaries) or any class of Parent's equity interests and (2) is expressly conditioned on the Transactions not being consummated, and (ii) any acquisition by any Person or group of Persons (or their stockholders) (other than the

Company and its Subsidiaries) resulting in, or proposal or offer, which (1) if consummated would result in, any Person or group of Persons (or their stockholders) (other than the Company and its Subsidiaries) obtaining control (through Contract or otherwise) over or becoming the beneficial owner of, directly or indirectly, in one or a series of related transactions, 20% or more of the total voting power of any class of equity securities of Parent, or 20% or more of the consolidated total assets (including equity securities of its Subsidiaries) of Parent, in each case other than the Transactions and (2) is expressly conditioned on the Transactions not being consummated.

"Parent Superior Proposal" means an unsolicited bona fide Parent Acquisition Proposal made after the date of this Agreement that would result in a Person or group (or their stockholders) becoming, directly or indirectly, the beneficial owner of, 60% or more of Parent's consolidated total assets or more than 50% of the total voting power of the equity securities of Parent or the successor Person of Parent, that the Board of Directors of Parent has determined in its good faith judgment, after consultation with outside counsel and a financial advisor of nationally recognized reputation, would reasonably be expected to be consummated in accordance with its terms, taking into account all legal, financial and regulatory aspects of the proposal and the Person or group of Persons making the proposal, and, if consummated, would result in a transaction more favorable to Parent's stockholders from a financial point of view than the Transactions (after taking into account any revisions to the terms of the transactions contemplated by this Agreement pursuant to Section 5.03(f) of this Agreement and the time likely to be required to consummate such Parent Acquisition Proposal).

(e) No Parent Change in Recommendation or Alternative Parent Acquisition Agreement. Except as permitted by Section 5.03(f), the Board of Directors of Parent and each committee of the Board of Directors of Parent shall not (i) withhold, withdraw, qualify or modify (or publicly propose or resolve to withhold, withdraw, qualify or modify), in a manner adverse to the Company, the Parent Recommendation (it being understood that if any Parent Acquisition Proposal structured as a tender or exchange offer is commenced, the Board of Directors of Parent failing to recommend against acceptance of such tender or exchange offer by Parent's stockholders within 10 business days of commencement thereof pursuant to Rule 14d-2 of the Exchange Act shall be considered a modification adverse to the Company); (ii) approve or recommend, or publicly declare advisable or publicly propose to enter into, any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement, lease agreement or other agreement (other than a confidentiality agreement referred to in Section 5.03(b) entered into in compliance with Section 5.03(b)) relating to any Parent Acquisition Proposal (an "Alternative Parent Acquisition Agreement"); or (iii) cause or permit Parent or any of its Subsidiaries to enter into an Alternative Parent Acquisition Agreement.

(f) Fiduciary Exception to Parent Change in Recommendation Provision. Notwithstanding anything to the contrary set forth in this Agreement, prior to the time the Parent Requisite Vote is obtained, (x) the Board of Directors of Parent may withhold, withdraw, qualify or modify the Parent Recommendation or recommend or otherwise declare advisable any Parent Acquisition Proposal made after the date of this Agreement that did not result from or in connection with a material breach of this Agreement, if (A) in the case of such an action taken in

connection with a Parent Acquisition Proposal, the Parent Acquisition Proposal is not withdrawn and the Board of Directors of Parent determines in good faith, after consultation with outside counsel and a financial advisor of nationally recognized reputation, that such Parent Acquisition Proposal constitutes a Parent Superior Proposal; and (B) in all cases, the Board of Directors of Parent determines in good faith, after consultation with outside counsel and a financial advisor of nationally recognized reputation, that the failure to take such action would be inconsistent with the directors' fiduciary duties under applicable Law (a "Parent Change in Recommendation", it being understood that (1) a customary "stop, look and listen" disclosure in compliance with Rule 14d-9(f) of the Exchange Act shall not, in and of itself, constitute a Parent Change in Recommendation and (2) in no event shall a Sky Event be taken into consideration in such determination) and/or (y) Parent may terminate this Agreement in accordance with Section 7.04(c) and concurrently with such termination cause Parent to enter into an Alternative Parent Acquisition Agreement providing for a Parent Superior Proposal that did not result from or in connection with a material breach of this Agreement (a "Parent Superior Proposal Termination"); provided that no Parent Change in Recommendation and/or Parent Superior Proposal Termination may be made until after at least five business days following the Company's receipt of written notice from the Parent advising that Parent's Board of Directors intends to take such action and the basis therefor (which notice shall include a copy of any such Parent Superior Proposal and a copy of any relevant proposed transaction agreements, the identity of the party making such Parent Superior Proposal and the material terms thereof or, in the case of notice given other than in connection with a Parent Superior Proposal, a reasonably detailed description of the development or change in connection with which Parent's Board of Directors has given such notice). After providing such notice and prior to effecting such Parent Change in Recommendation and/or Parent Superior Proposal Termination, (x) Parent shall, during such five business day period, negotiate in good faith with the Company and its Representatives, to the extent the Company wishes to negotiate, with respect to any revisions to the terms of the transaction contemplated by this Agreement proposed by the Company, and (y) in determining whether it may still under the terms of this Agreement make a Parent Change in Recommendation and/or effect a Parent Superior Proposal Termination, the Board of Directors of Parent shall take into account any changes to the terms of this Agreement proposed by the Company and any other information provided by the Company in response to such notice during such five business day period. Any amendment to the financial terms or conditions or other material terms of any Parent Acquisition Proposal will be deemed to be a new Parent Acquisition Proposal for purposes of this Section 5.03(f), including with respect to the notice period referred to in this Section 5.03(f), except that the five business day period shall be three business days for such purposes in any such case.

(g) Limits on Release of Standstill and Confidentiality. From the date of this Agreement until the Parent Requisite Vote is obtained, Parent shall not terminate, amend, modify or waive any provision of any "standstill" or similar obligation to which Parent or any of its Subsidiaries is a party and shall enforce, to the fullest extent permitted under applicable Law, the provisions of any such agreement, including by seeking injunctions to prevent any breaches of such agreements and to enforce specifically the terms and provisions thereof. Notwithstanding anything to the contrary contained in this Agreement, Parent shall be permitted to terminate, amend, modify or waive any provision of any "standstill" or similar obligation of any Person if the Board of Directors of Parent determines in good faith, after consultation with its outside legal

counsel, that the failure to take such action would be inconsistent with its directors' fiduciary duties under applicable Law; provided that Parent promptly advises the Company that it is taking such action and the identity of the party or parties with respect to which it is taking such action; provided, further, that the foregoing shall not restrict Parent from permitting a Person to orally request the waiver of a "standstill" or similar obligation.

(h) Certain Permitted Disclosure. Nothing contained in this Section 5.03 shall be deemed to prohibit Parent from complying with its disclosure obligations under applicable U.S. federal or state Law with regard to a Parent Acquisition Proposal; provided that this paragraph (h) shall not be deemed to permit Parent or Parent's Board of Directors to effect a Parent Change in Recommendation except in accordance with Section 5.02(f).

Section 5.04. Information Supplied. (a) As promptly as reasonably practicable following the Execution Date, (i) the Company, Parent and Holdco shall jointly prepare and file with the SEC a joint proxy statement and prospectus to be sent to the stockholders of the Company relating to the Company Stockholders Meeting and to the stockholders of Parent relating to the Parent Stockholders Meeting (the "Joint Proxy Statement"), and Holdco shall prepare and file with the SEC the Registration Statement on Form S-4 to register under the Securities Act the issuance of shares of Holdco Common Stock in connection with the Mergers (including the Joint Proxy Statement constituting a part thereof, the "S-4 Registration Statement") and (ii) the Company shall promptly prepare and file with the SEC a registration statement to register under the Securities Act or the Exchange Act, as applicable, the SpinCo Common Stock to be distributed in the Distribution (the "SpinCo Registration Statement" and, together with the S-4 Registration Statement, the "Registration Statements"). Holdco, Parent and the Company each shall use its reasonable best efforts to have the Registration Statements declared effective under the Securities Act and the Exchange Act, as applicable, as promptly as practicable after such filing, including by taking the actions set forth on Schedule 5.04 of the Parent Disclosure Letter. Promptly after the S-4 Registration Statement is declared effective under the Securities Act, the Company and Parent shall mail the Joint Proxy Statement to their respective stockholders. The Company, Holdco and Parent shall also use their respective reasonable best efforts to satisfy prior to the effective date of the S-4 Registration Statement all necessary state securities Law or "blue sky" notice requirements (if any) in connection with the Transactions and pay all expenses incident thereto.

(b) No filing of, or amendment or supplement to, the S-4 Registration Statement will be made by Holdco, no filing of, or amendment or supplement to, the Joint Proxy Statement will be made by the Company or Parent and no filing of, or amendment or supplement to, the SpinCo Registration Statement will be made by the Company, in each case without providing the other parties a reasonable opportunity to review and comment thereon (other than, in the case of the Joint Proxy Statement and the S-4 Registration Statement, any filing, amendment or supplement in connection with a Company Change in Recommendation or Parent Change in Recommendation). Each of the Company, Holdco and Parent shall promptly provide the other with copies of all such filings, amendments or supplements to the extent not readily publicly available. Each of the Company, Holdco and Parent shall furnish all information concerning such Person and its Affiliates to the other and provide such other assistance as may

be reasonably requested by such other party to be included therein and shall otherwise reasonably assist and cooperate with the other in the preparation of the Joint Proxy Statement, the S-4 Registration Statement, the SpinCo Registration Statement and the resolution of any comments to either received from the SEC. If at any time prior to the receipt of the Company Requisite Vote or the Parent Requisite Vote, any information relating to the Company, Holdco or Parent, or any of their respective Affiliates, directors or officers, should be discovered by the Company, Holdco or Parent which is required to be set forth in an amendment or supplement to the S-4 Registration Statement, the SpinCo Registration Statement or the Joint Proxy Statement, so that such document would not include any misstatement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party which discovers such information shall promptly notify the other parties and an appropriate amendment or supplement describing such information shall be promptly filed with the SEC and, to the extent required by applicable Law, disseminated to the stockholders of the Company and the stockholders of Parent. The parties shall notify each other promptly of the receipt of any comments from the SEC or the staff of the SEC and of any request by the SEC or the staff of the SEC for amendments or supplements to the Joint Proxy Statement, the S-4 Registration Statement, the SpinCo Registration Statement or for additional information and shall supply each other with copies of (i) all correspondence between it or any of its Representatives, on the one hand, and the SEC or the staff of the SEC, on the other hand, with respect to the Joint Proxy Statement, the S-4 Registration Statement, the SpinCo Registration Statement or the Transactions and (ii) all orders of the SEC relating to the S-4 Registration Statement or the SpinCo Registration Statement. No response to any comments from the SEC or the staff of the SEC relating to the Joint Proxy Statement, the S-4 Registration Statement or the SpinCo Registration Statement will be made by the Company, Holdco or Parent, in each case without providing the other parties a reasonable opportunity to review and comment thereon unless pursuant to a telephone call initiated by the SEC. The Company, Holdco and Parent will cause the Joint Proxy Statement and the S-4 Registration Statement, and the Company will cause the SpinCo Registration Statement, to comply as to form in all material respects with the applicable provisions of the Securities Act and the Exchange Act and the rules and regulations thereunder.

Section 5.05. Stockholders Meetings. (a) The Company will use, in accordance with applicable Law and the Company Charter and Company Bylaws, its reasonable best efforts to convene and hold a meeting of holders of Shares to consider and vote upon the adoption of this Agreement, the Distribution Merger Agreement and the Charter Amendment (the "Company Stockholders Meeting") not more than 45 days after the date the S-4 Registration Statement is declared effective. Subject to the provisions of Section 5.02, the Company's Board of Directors shall include the Company Recommendation in the Joint Proxy Statement and recommend at the Company Stockholders Meeting that the holders of Shares adopt this Agreement, the Distribution Merger Agreement and the Charter Amendment and shall use its reasonable best efforts to obtain and solicit such adoption. Notwithstanding the foregoing, if on a date preceding the date on which or the date on which the Company Stockholders Meeting is scheduled, the Company reasonably believes that (i) it will not receive proxies representing the Company Requisite Vote, whether or not a quorum is present, or (ii) it will not have enough Shares represented to constitute a quorum necessary to conduct the business of the Company Stockholders Meeting, the Company may postpone or adjourn, or make one or more successive postponements or adjournments of, the Company

Stockholders Meeting as long as the date of the Company Stockholders Meeting is not postponed or adjourned more than an aggregate of 15 calendar days in connection with any postponements or adjournments in reliance on the preceding sentence. In addition, notwithstanding the first sentence of this Section 5.05(a), the Company may postpone or adjourn the Company Stockholders Meeting to allow reasonable additional time for the filing or mailing of any supplemental or amended disclosure that the Company has determined, after consultation with outside legal counsel, is reasonably likely to be required under applicable Law and for such supplemental or amended disclosure to be disseminated and reviewed by stockholders of the Company prior to the Company Stockholders Meeting.

(b) Notwithstanding any Company Change in Recommendation, the Company shall nonetheless submit this Agreement, the Distribution Merger Agreement and the Charter Amendment to the holders of Shares for adoption at the Company Stockholders Meeting unless this Agreement is terminated in accordance with Article VII prior to the Company Stockholders Meeting. Without the prior written consent of Parent, the adoption of the Charter Amendment, the Distribution Merger Agreement and this Agreement shall be the only matters (other than matters of procedure and matters required by Law to be voted on by the Company's stockholders in connection therewith and the Transactions) that the Company shall propose to be acted on by the stockholders of the Company at the Company Stockholders Meeting.

(c) Parent will use, in accordance with applicable Law and the certificate of incorporation and bylaws of Parent, its reasonable best efforts to convene and hold a meeting of stockholders to consider and vote upon the approval of the Stock Issuance (the "Parent Stockholders Meeting") not more than 45 days after the date the S-4 Registration Statement is declared effective. Subject to the provisions of Section 5.03, Parent's Board of Directors shall include the Parent Recommendation in the Joint Proxy Statement and recommend at the Parent Stockholders Meeting that the stockholders of Parent approve the Stock Issuance and shall use its reasonable best efforts to obtain and solicit such approval. Notwithstanding the foregoing, if on a date preceding the date on which or the date on which the Parent Stockholders Meeting is scheduled, Parent reasonably believes that (i) it will not receive proxies representing the Parent Requisite Vote, whether or not a quorum is present, or (ii) it will not have enough shares of Parent Common Stock represented to constitute a quorum necessary to conduct the business of the Parent Stockholders Meeting, Parent may postpone or adjourn, or make one or more successive postponements or adjournments of, the Parent Stockholders Meeting as long as the date of the Parent Stockholders Meeting is not postponed or adjourned more than an aggregate of 15 calendar days in connection with any postponements or adjournments in reliance on the preceding sentence. In addition, notwithstanding the first sentence of this Section 5.05(c), Parent may postpone or adjourn the Parent Stockholders Meeting to allow reasonable additional time for the filing or mailing of any supplemental or amended disclosure that Parent has determined, after consultation with outside legal counsel, is reasonably likely to be required under applicable Law and for such supplemental or amended disclosure to be disseminated and reviewed by stockholders of Parent prior to the Parent Stockholders Meeting.

(d) Notwithstanding any Parent Change in Recommendation, Parent shall nonetheless submit the approval of the Stock Issuance to its stockholders at the Parent Stockholders Meeting unless this Agreement is terminated in accordance with Article VII prior to the Parent Stockholders Meeting. Without the prior written consent of the Company, the approval of the Stock Issuance shall be the only matter (other than matters of procedure and matters required by Law to be voted on by Parent's stockholders in connection with the approval of the Stock Issuance and the transactions contemplated hereby) that Parent shall propose to be acted on by the stockholders of Parent at the Parent Stockholders Meeting.

(e) Each of the Company and Parent shall use their reasonable best efforts to hold the Company Stockholders Meeting and the Parent Stockholders Meeting, respectively, at the same time and on the same date as the other party.

Section 5.06. Filings; Other Actions; Notification. (a) Cooperation. (i) The Company and Parent shall, subject to Sections 5.02 and 5.03, cooperate with each other and use, and shall cause their respective Subsidiaries to use, their respective reasonable best efforts to take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable on its part under this Agreement and applicable Laws and Orders to consummate and make effective the Mergers and the other Transactions prior to the Termination Date, including preparing and filing as promptly as reasonably practicable all documentation to effect all necessary notices, reports and other filings (including by filing as soon as reasonably practicable after the date of this Agreement the notifications, filings and other information required to be filed under the HSR Act or any Foreign Competition Laws with respect to the Transactions) and to obtain prior to the Termination Date all consents, registrations, approvals, permits, expirations of waiting periods and authorizations necessary or advisable to be obtained from any third party and/or any Governmental Entity in order to consummate the Mergers or any of the other Transactions. In furtherance and not in limitation of the covenants of the parties contained in this Section 5.06 (but subject to Section 5.06(b) below), each of the parties hereto shall use its reasonable best efforts to resolve prior to the Termination Date such objections, if any, as may be asserted by any Governmental Entity in connection with the HSR Act, any other applicable Antitrust Laws or any Communications Laws with respect to the Transactions and effect the dissolution of, any decree, order, judgment, injunction, temporary restraining order or other order in any suit or proceeding, that would otherwise have the effect of preventing the consummation of the Transactions (including by defending any lawsuits or other legal proceedings by Governmental Entities, whether judicial or administrative, challenging this Agreement or the Transactions). Subject to applicable Laws relating to the exchange of information, each of Parent and the Company shall have the right to review in advance, and to the extent practicable each will consult the other on, all of the information relating to Parent or the Company, as the case may be, and any of their respective Subsidiaries, that appears in any filing made with, or written materials submitted to, any third party and/or any Governmental Entity in connection with the Mergers and the other Transactions. To the extent permitted by applicable Law, each party shall provide the other with copies of all material written correspondence between it (or its advisors) and any Governmental Entity relating to the Mergers and the other Transactions and, to the extent reasonably practicable, all telephone calls and meetings with a Governmental Entity regarding the Transactions shall include representatives of Parent and the Company. Parent and the Company shall coordinate with respect to Antitrust Laws and Communications Laws and with respect to the appropriate course of action with respect to obtaining the consents, approvals, permits, waiting period expirations or authorizations of any Governmental Entity required to consummate the Transactions prior to the Termination Date. In addition, the parties shall jointly develop, and each of the parties shall consult and reasonably cooperate with one another, and

consider in good faith the views of one another, in connection with the form and content of any analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any party hereto in connection with proceedings under or relating to any Antitrust Law prior to their submission. In furtherance of the foregoing and to the extent permitted by applicable Law, (A) each party shall notify the other, as far in advance as reasonably practicable, of any filing or material or substantive communication or inquiry it or any of its Subsidiaries intends to make with any Governmental Entity relating to the matters that are the subject of this Section 5.06(a), (B) prior to submitting any such filing or making any such communication or inquiry, such party shall provide the other party and its counsel a reasonable opportunity to review, and shall consider in good faith the comments of the other party in connection with, any such filing, communication or inquiry, (C) promptly following the submission of such filing or making such communication or inquiry, provide the other party with a copy of any such filing or, if in written form, communication or inquiry, and (D) consult with the other party in connection with any inquiry, hearing, investigation or litigation by, or negotiations with, any Governmental Entity relating to the Transactions, including the scheduling of, and strategic planning for, any meetings with any Governmental Entity relating thereto; provided that materials furnished pursuant to this Section 5.06 may be redacted as necessary to address reasonable attorney-client or other privilege or confidentiality concerns. In exercising the foregoing rights, the Company and Parent each shall act reasonably and as promptly as reasonably practicable. Notwithstanding the foregoing, in the event of any dispute between the parties relating to the strategy or appropriate course of action or content of any submission made in connection with obtaining any clearances under applicable Antitrust Laws or Communications Laws with respect to the Transactions, the parties shall escalate such dispute to the general counsels of the Company and Parent for resolution. If such dispute is not resolved pursuant to the preceding sentence, Parent shall have the right, in its sole discretion, to make the final determination with respect to such matter. The parties shall work in good faith, and each of the parties shall consult and reasonably cooperate in all respects with one another, to ensure the continued operation of any facilities or services made available by means of the RemainCo Communications Licenses.

(b) Notwithstanding anything to the contrary in this Section 5.06(a) or any other provision of this Agreement, in no event shall Parent or its Subsidiaries (including, for purposes of this sentence, the Company and the Retained Subsidiaries, after giving effect to the Transactions) be required to agree to or accept (i) any prohibition of or limitation on its or their ownership of any portion of their respective businesses or assets, including after giving effect to the Transactions, (ii) any requirement to divest, hold separate or otherwise dispose of any portion of its or their respective businesses or assets, including after giving effect to the Transactions, (iii) any limitation on its or their ability to acquire or hold or exercise full rights of ownership of any capital stock of the Company or its Subsidiaries, including after giving effect to the Transactions, or (iv) any other limitation on its or their ability to, or the manner in which they, operate, conduct or exercise decision-making over their respective businesses, assets or operations, including after giving effect to the Transactions (any such action or limitation described in clauses (i) through (iv), a "Restriction"), other than Permitted Restrictions, which Permitted Restrictions Parent or its Subsidiaries shall be required to agree to (and if required in any jurisdiction, to offer to agree to) if and to the extent necessary to obtain, prior to the Termination Date, the Required Governmental Consents. For purposes of this Agreement, "Permitted Restrictions" shall mean

(x) Restrictions of the type described in clauses (i), (ii) and (iii) of the definition thereof solely involving the business or assets described in Section 5.06(b)(i) of the Company Disclosure Letter (the "Specified Assets"), (y) Restrictions of the type described in clauses (i), (ii) and (iii) of the definition thereof solely involving the businesses or assets comprising the Retained Business, which, in the case of any businesses or assets of the Retained Business other than the Specified Assets, generated, in the aggregate, no more than (A) $1,000,000,000 of EBITDA less (B) the lesser of (1) the aggregate amount of EBITDA (including, if applicable, $0) attributable to any Specified Assets with respect to which Restrictions of the type described in clause (i), (ii) or (iii) of the definition thereof are being agreed to or accepted in obtaining the Required Governmental Consents and (2) $500,000,000 of EBITDA (any such Restrictions described in clauses (x) and (y), "Required Divestitures") and (z) Restrictions of the type described in clause (iv) of the definition thereof which are applied solely against and solely involve and impact the operations, businesses and assets of the Retained Business (subject to Section 5.06(b) of the Parent Disclosure Letter) and the non-U.S. operations, businesses and assets of Parent and its Subsidiaries which Restrictions would not, individually or in the aggregate, including when taken together with the net incremental financial impact of Restrictions imposed with respect to a Sky Acquisition (other than any such Restrictions contemplated by the Secretary of State Undertakings, together with any impact or consequence thereof), have or reasonably be expected to have a Regulatory Adverse Impact. For the avoidance of doubt, except as provided in clause (z) of the definition of Permitted Restrictions, Parent is not required to agree to or accept any Restriction that involves, applies to or impacts the operations, businesses or assets of Parent or any of its Affiliates other than Permitted Restrictions with respect to the Retained Business. The Company and its Subsidiaries shall not agree to any such actions without the prior written consent of Parent which, subject to and without limiting Parent's obligations under this Section 5.06, may be granted or withheld in Parent's sole discretion. For the purposes of this Section 5.06, "EBITDA" means (x) with respect to any business or asset set forth in Section 5.06(b)(ii) of the Company Disclosure Letter, the amount set forth therein with respect to such business or asset and (y) with respect to any other business or asset, the portion of the Company EBITDA generated by such business or asset. "Company EBITDA" means the Company's fiscal year ended June 30, 2017 revenues less operating expenses and selling, general and administrative expenses, as set forth in the Company's Annual Report on Form 10-K for such fiscal year, including all allocations consistent with past Company operating and accounting practices, but excluding allocations of any items contained in the line item titled "Other, Corporate and Eliminations" as set forth in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2017. For the avoidance of doubt, the definition of Company EBITDA does not include amortization of cable distribution investments; depreciation and amortization; impairment and restructuring charges; equity (losses) earnings of affiliates; interest expense, net; interest income; other, net; income tax expense; loss from discontinued operations, net of tax; and net income attributable to noncontrolling interests, in each case, as set forth in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2017. For purposes of this Section 5.06, "Regulatory Adverse Impact" means an impact on the financial condition, properties, assets, business or results of operations of the Retained Business and the non-U.S. operations, businesses and assets of Parent and its Subsidiaries, taken as a whole, that is both significant and adverse, measured on a scale relative to the size of the Retained Business, which determination may, in Parent's sole

discretion, take into account any reduction in revenue and/or cost synergies anticipated from the Mergers that results from the applicable Restrictions; provided that "the size of the Retained Business" shall be measured (i) if the Sky Acquisition is consummated, after giving effect to such consummation, (ii) to the extent that any revenue synergies are taken into account by Parent for purposes of determining whether a Regulatory Adverse Impact has occurred, after the inclusion of all revenue synergies anticipated from the Mergers and (iii) to the extent that any cost synergies are taken into account by Parent for purposes of determining whether a Regulatory Adverse Impact has occurred, after the inclusion of all cost synergies anticipated from the Mergers; provided, further, that any Restriction of the type described in clause (iv) of the definition thereof which prohibits Parent or any of its Subsidiaries (other than the Company or any of the Retained Subsidiaries) from licensing their content on an exclusive basis to any over-the-top streaming video on demand services owned or operated by Parent or any of its Subsidiaries in any market, other than a market that is de minimis, shall be deemed to be a Regulatory Adverse Impact.

(c) Information. The Company and Parent each shall, upon request by the other, promptly furnish the other with all information concerning itself, its Subsidiaries, directors, officers and stockholders and such other matters as may be reasonably necessary or advisable in connection with the Joint Proxy Statement, the S-4 Registration Statement, the SpinCo Registration Statement and any other statement, filing, notice or application made by or on behalf of Parent, Holdco, the Company or any of their respective Subsidiaries to any third party and/or any Governmental Entity in connection with the Mergers and the other Transactions.

(d) Status. The Company and Parent each shall keep the other reasonably apprised of the status of matters relating to completion of the Transactions, including promptly furnishing the other with copies of notices or other communications received by the Company or Parent, as the case may be, or any of their respective Subsidiaries from any third party and/or any Governmental Entity with respect to the Mergers and the other Transactions, other than immaterial communications.

Section 5.07. Access; Consultation. (a) Upon reasonable notice, and except as may otherwise be required by applicable Law, the Company shall, and shall cause its Subsidiaries to, afford Parent's Representatives reasonable access, during normal business hours during the period prior to the Wax Effective Time, to the Company's and its Subsidiaries' employees, properties, assets, books, records and contracts to the extent related to the Retained Business or the Transactions and, during such period, the Company and Parent shall, and shall cause their respective Subsidiaries to, (I) in the case of Parent, furnish promptly to the Company information concerning the Transactions as may be reasonably requested by Company, and (II) in the case of the Company, furnish promptly to Parent all information concerning the Retained Business or the Transactions as may reasonably be requested by Parent; provided that no investigation pursuant to this Section 5.07 shall affect or be deemed to modify any representation or warranty made by the Company or Parent; and provided, further, that the foregoing shall require neither the Company nor Parent to permit any invasive environmental sampling or any inspection or to disclose any information pursuant to this Section 5.07 to the extent that, in the reasonable good faith judgment of such party, (i) any applicable Law requires the Company or its Subsidiaries to restrict or prohibit access to any such properties or information, (ii) in the reasonable good faith

judgment of such party, the information is subject to confidentiality obligations to a third party or (iii) disclosure of any such information or document would result in the loss of attorney-client privilege; provided, further, that with respect to clauses (i) through (iii) of this Section 5.07(a), Parent or the Company, as applicable, shall use its commercially reasonable efforts to (1) obtain the required consent of any such third party to provide such inspection or disclosure, (2) develop an alternative to providing such information so as to address such matters that is reasonably acceptable to Parent and the Company and (3) in the case of clauses (i) and (iii), implement appropriate and mutually agreeable measures to permit the disclosure of such information in a manner to remove the basis for the objection, including by arrangement of appropriate clean room procedures, redaction or entry into a customary joint defense agreement with respect to any information to be so provided, if the parties determine that doing so would reasonably permit the disclosure of such information without violating applicable Law or jeopardizing such privilege. Any investigation pursuant to this Section 5.07 shall be conducted in such a manner as not to interfere unreasonably with the conduct of the business of the other party. All requests for information made pursuant to this Section 5.07 shall be directed to (x) in the case of a request to the Company, an executive officer of the Company or such Person as may be designated by any such executive officer or (y) in the case of a request to Parent, an executive officer of Parent or such Person as may be designated by any such executive officer.

(b) Each of Parent and the Company, as it deems advisable and necessary, may reasonably designate competitively sensitive material provided to the other as “Outside Counsel Only Material” or with similar restrictions. Such material and the information contained therein shall be given only to the outside counsel of the recipient, or otherwise as the restriction indicates, and be subject to any additional confidentiality or joint defense agreement between the parties. All information exchanged pursuant to this Section 5.07 shall be subject to the Confidentiality Agreement. To the extent that any of the information or material furnished pursuant to this Section 5.07 or otherwise in accordance with the terms of this Agreement may include material subject to the attorney-client privilege, work product doctrine or any other applicable privilege concerning pending or threatened legal proceedings or governmental investigations, the parties understand and agree that they have a commonality of interest with respect to such matters and it is their desire, intention and mutual understanding that the sharing of such material is not intended to, and shall not, waive or diminish in any way the confidentiality of such material or its continued protection under the attorney-client privilege, work product doctrine or other applicable privilege. All such information that is entitled to protection under the attorney-client privilege, work product doctrine or other applicable privilege shall remain entitled to such protection under these privileges, this Agreement, and under the joint defense doctrine.

(c) (i) Each of the Company and Parent shall give prompt notice to one another of any change, effect, circumstance or development that would reasonably be expected to result in a Company Material Adverse Effect or Parent Material Adverse Effect (as applicable), or of any reasonably likely failure of any condition to Parent’s or the Company’s obligations to effect the Mergers (as applicable) and (ii) the Company shall give reasonably prompt notice to Parent upon the receipt of any notice alleging a material breach or default under any Material Contract or Additional Contract; provided that any failure to give notice in accordance with the foregoing shall not in and of itself be deemed to constitute the failure of any condition set forth in Section 6.02(b) or Section 6.03(b) to be satisfied.

Section 5.08. Stock Exchange Listing, De-listing and De-registration. Holdco and Parent shall use its reasonable best efforts to cause the shares of Holdco Common Stock to be issued in the Mergers to be approved for listing on the NYSE, subject to official notice of issuance, prior to the Delta Effective Time. The Company shall take all actions necessary to permit the Shares and any other security issued by the Company or one of its Subsidiaries and listed on Nasdaq to be de-listed from Nasdaq and de-registered under the Exchange Act as soon as possible following the Wax Effective Time. The Company shall use its reasonable best efforts to cause the shares of SpinCo Common Stock to be distributed in the Distribution to be approved for listing on Nasdaq, subject to official notice of issuance, prior to the Closing.

Section 5.09. Publicity. The initial press release following the Execution Date with respect to the Transactions shall be a joint press release and thereafter the Company and Parent shall consult with each other prior to issuing or making, and provide each other the opportunity to review and comment on, any press releases or other public announcements with respect to the Transactions and any filings with any third party and/or any Governmental Entity (including any national securities exchange) with respect thereto, except (i) as may be required by applicable Law or by obligations pursuant to any listing agreement with or rules of any national securities exchange, (ii) any consultation that would not be reasonably practicable as a result of requirements of applicable Law, (iii) any press release or public statement that in the good faith judgment of the applicable party is consistent with prior press releases issued or public statements made in compliance with this Section 5.09, (iv) a public announcement of information contained in a public announcement previously consented to hereunder, (v) with respect to any Company Change in Recommendation made in accordance with this Agreement or Parent's response thereto, (vi) with respect to any Parent Change in Recommendation made in accordance with this Agreement or the Company's response thereto and (vii) any press release or public statement by the Company solely with respect to SpinCo or the SpinCo Business.

Section 5.10. Employee Benefits. (a) Holdco agrees that each Company Employee who continues to remain employed with the Company or its Subsidiaries (each such employee, a "Continuing Employee") shall, during the period commencing at the Wax Effective Time and ending at the end of the calendar year following the year in which the Wax Effective Time occurs (the "Continuation Period"), be provided with (i) a base salary or base wage that is no less favorable than the base salary or base wage provided to such Continuing Employee by the Company and its Subsidiaries immediately prior to the Wax Effective Time, (ii) target annual cash bonus opportunities and target long-term incentive compensation opportunities that are no less favorable in the aggregate than the target annual cash bonus opportunities and target long-term incentive compensation opportunities provided to such Continuing Employee by the Company and its Subsidiaries immediately prior to the Wax Effective Time and (iii) other compensation and benefits (including retirement benefits) that are substantially comparable in the aggregate to the compensation and benefits (including retirement benefits) provided to such Continuing Employee by the Company and its Subsidiaries immediately prior to the Wax Effective Time. Additionally, Holdco agrees that each Continuing Employee shall, during the Continuation Period, be provided with severance benefits that are no less favorable than the severance benefits provided by the Company and its Subsidiaries to such Continuing Employee immediately prior to the Wax Effective Time; provided, however, that the Severance Plan (as defined in Section 5.01 of the Company Disclosure Letter) shall only remain in effect with respect to terminations that occur within the period specified in Section 5.01 of the Company Disclosure Letter.

(b) Holdco shall or shall cause the Wax Surviving Company to provide that no pre-existing conditions, exclusions or waiting periods shall apply to Company Employees under the benefit plans provided for those employees except to the extent such condition or exclusion was applicable to an individual Company Employee prior to the Wax Effective Time. With respect to the plan year during which the Wax Effective Time occurs, Holdco shall provide each Company Employee with credit for deductibles and out-of-pocket requirements paid prior to the Closing Date in satisfying any applicable deductible or out-of-pocket requirements under any Holdco plan in which such Company Employee is eligible to participate following the Closing Date.

(c) From and after the Closing Date, Holdco shall or shall cause the Wax Surviving Company to, provide credit (without duplication) to Company Employees for their service recognized by the Company and its Subsidiaries as of the Wax Effective Time for purposes of eligibility, vesting, continuous service, determination of service awards, vacation, paid time off, and severance entitlements to the same extent and for the same purposes as such service was credited under the Company Plans, provided that such service shall not be recognized to the extent that such recognition would result in a duplication of benefits for the same period of service for purposes of any frozen or discontinued Holdco plan or any frozen or discontinued portion of a Holdco plan or for purposes of benefit accrual under any defined benefit pension plan or retiree medical plan.

(d) In the event that the Closing occurs prior to the Company paying annual incentives in respect of the fiscal year in which the Closing occurs, each participant in a Company Plan that is an annual cash incentive plan shall receive a cash bonus based on the achievement of the target level of performance, which bonus shall be prorated based on the number of days in the applicable performance period that have elapsed as of the Closing. Any such bonus shall be paid, less any required withholding Taxes, as soon as practicable after the Closing Date.

(e) Prior to making any written or material oral communications to the directors, officers or employees of the Company or any of its Subsidiaries pertaining to the treatment of compensation or benefits in connection with the transactions contemplated by this Agreement, the Company shall provide Parent with a copy of the intended communication, and Parent shall have a reasonable period of time to review and comment on the communication.

(f) Notwithstanding the foregoing, with respect to any Company Employee who is, or becomes, subject to a collective bargaining or similar agreement, all compensation and benefits treatment and terms and conditions of employment afforded to such Company Employee shall be provided in accordance with such collective bargaining agreement or other agreement with a labor union or like organization and the terms of this Section 5.10 shall not apply.

(g) From and after the Wax Effective Time, Holdco and its Subsidiaries (including the Wax Surviving Company and its Subsidiaries) shall honor all Company Plans in accordance with their terms as in effect immediately prior to the Wax Effective Time, including the Company's Supplemental Executive Retirement Plan. Notwithstanding the foregoing, no provision of this Agreement shall limit the ability of Holdco and its Subsidiaries (including the Wax Surviving Company and its Subsidiaries) to provide compensation and benefits to Continuing Employees in accordance with this Agreement through plans of Holdco or its Subsidiaries after the Wax Effective Time.

(h) The provisions of this Section 5.10 are solely for the benefit of the parties to this Agreement, and neither any union nor any current or former employee, nor any other individual associated therewith, is or shall be regarded for any purpose as a third party beneficiary to this Agreement. Notwithstanding anything to the contrary in this Agreement (except to the extent provided in Section 8.08), no provision of this Agreement is intended to, or does, (i) constitute the establishment of, or an amendment to, any Company Plan or any employee benefit plan of Holdco, Parent, the Wax Surviving Company or any of their Affiliates, (ii) alter or limit the ability of Holdco or Parent to amend, modify or terminate any Company Plan or any other benefit plan, program, agreement or arrangement, (iii) give any third party any right to enforce the provisions of this Section 5.10, (iv) prevent Holdco, Parent, the Wax Surviving Company or any of their Affiliates, after the Wax Effective Time, from terminating the employment of any Company Employee or (v) be deemed to confer upon any such individual or legal representative any rights under or with respect to any plan, program or arrangement described in or contemplated by this Agreement, and each such individual or legal representative shall be entitled to look only to the express terms of any such plan, program or arrangement for his or her rights thereunder.

Section 5.11. Expenses. Except as otherwise provided in Section 5.16 or in the Separation Principles, whether or not the Transactions are consummated, all costs and expenses incurred in connection with this Agreement and the Transactions shall be paid by the party incurring such expense, except that expenses incurred in connection with the filing fee for the Registration Statements and printing and mailing the Joint Proxy Statement and the Registration Statements shall be shared equally by Parent and the Company.

Section 5.12. Indemnification; Directors' and Officers' Insurance. (a) From and after the Wax Effective Time, Holdco shall, to the extent the Wax Surviving Company is permitted to by applicable Law, and shall cause, the Wax Surviving Company to, indemnify and hold harmless each present and former director and officer of the Company determined as of the Wax Effective Time (the "Indemnified Parties") against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative (including with respect to matters existing or occurring at or prior to the Wax Effective Time (including this Agreement and the Transactions)), arising out of the fact that such Indemnified Party is or was a director, officer, employee or agent of the Company or any of its Subsidiaries, or is or was serving at the request of the Company as a director, officer, employee or agent of another Person prior to the Wax Effective Time, in each case, whether asserted or claimed prior to, at or after the Wax Effective Time, to the fullest extent permitted under Delaware Law, the Company Charter or Company Bylaws or comparable organizational or governing documents of a Company Subsidiary, in effect on the date of this Agreement to indemnify such Person and Holdco (to the extent it would be permitted if Holdco were the Wax Surviving Company) and the Wax

Surviving Company shall also advance expenses of such Persons as incurred to the fullest extent permitted under, and subject to the limitations in, applicable Law, the Company Charter or Company Bylaws or comparable organizational or governing documents of a Company Subsidiary. Holdco shall ensure that the organizational documents of the Wax Surviving Company shall, for a period of six years from and after the Wax Effective Time, contain provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of present and former directors, officers, employees and agents of the Company and its Subsidiaries than are presently set forth in the Company Charter and Company Bylaws. Any right of indemnification of an Indemnified Party pursuant to this Section 5.12 shall not be amended, repealed or otherwise modified at any time in a manner that would adversely affect the rights of such Indemnified Party as provided herein.

(b) Prior to the Wax Effective Time, Parent and the Company shall and, if Parent or the Company is unable to, Holdco shall cause the Wax Surviving Company as of the Wax Effective Time to obtain and fully pay for "tail" insurance policies with a claims period of at least six years from and after the Wax Effective Time from an insurance carrier with the same or better credit rating as the Company's current insurance carrier with respect to directors' and officers' liability insurance and fiduciary liability insurance (collectively, "D&O Insurance") with benefits and levels of coverage at least as favorable as the Company's existing policies with respect to matters existing or occurring at or prior to the Wax Effective Time (including in connection with this Agreement or the Transactions); provided, however, that in no event shall the Company expend for such policies a premium amount in excess of 300% of the annual premiums currently paid by the Company for such insurance. If the Company and the Wax Surviving Company for any reason fail to obtain such "tail" insurance policies as of the Wax Effective Time, the Wax Surviving Company shall, and Holdco shall cause the Wax Surviving Company to, continue to maintain in effect for a period of at least six years from and after the Wax Effective Time the D&O Insurance in place as of the date of this Agreement with benefits and levels of coverage at least as favorable as provided in the Company's existing policies as of the date of this Agreement, or the Wax Surviving Company shall, and Holdco shall cause the Wax Surviving Company to, purchase comparable D&O Insurance for such six-year period with benefits and levels of coverage at least as favorable as provided in the Company's existing policies as of the date of this Agreement; provided, however, that in no event shall the Company expend, or Holdco or the Wax Surviving Company be required to expend, for such policies an amount in excess of 300% of the annual premiums currently paid by the Company for such insurance; and, provided further that if the premium for such insurance coverage exceeds such amount, Holdco shall, or shall cause the Wax Surviving Company to, obtain a policy with the greatest coverage available for a cost not exceeding such amount.

(c) If Holdco or the Wax Surviving Company or any of their successors or assigns (i) shall consolidate with or merge into any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any individual, corporation or other entity, then, and in each such case, proper provisions shall be made so that the successors and assigns of Holdco, or the Wax Surviving Company shall assume all of the obligations of Holdco or the Wax Surviving Company set forth in this Section 5.12, as applicable.

(d) The provisions of this Section 5.12 are intended to be for the benefit of, and shall be enforceable by, each of the Indemnified Parties, their heirs and their representatives. The rights of each Indemnified Party under this Section 5.12 shall be in addition to any rights such individual may have under Delaware Law, any applicable indemnification agreement to which such Person is a party, the Company Charter or the Company Bylaws.

(e) Neither Holdco nor the Wax Surviving Company shall settle, compromise or consent to the entry of any judgment in any threatened or actual Proceeding for which indemnification could be sought by an Indemnified Party hereunder, unless such settlement, compromise or consent includes an unconditional release of such Indemnified Party from all liability arising out of such Proceeding or such Indemnified Party otherwise consents in writing (such consent not to be unreasonably withheld or delayed) to such settlement, compromise or consent. Holdco shall, and shall cause its Subsidiaries to, cooperate in the defense of any such Proceeding for which indemnification could be sought by an Indemnified Party pursuant to this Agreement, the Company Charter, the Company Bylaws and any comparable organizational or governing documents of any of the Company's Subsidiaries.

(f) Nothing in this Agreement is intended to, shall be construed to or shall release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to the Company or any of its Subsidiaries for any of their respective directors, officers or other employees, it being understood and agreed that the indemnification provided for in this Section 5.12 is not prior to or in substitution for any such claims under such policies.

Section 5.13. Takeover Statute. If any Takeover Statute is or may become applicable to any of the Transactions, each party and its Board of Directors shall grant such approvals and take such actions as are necessary so that the Transactions may be consummated as promptly as practicable on the terms contemplated by the Transaction Documents and otherwise use reasonable best efforts to act to eliminate or minimize the effects of such statute or regulation on such transactions.

Section 5.14. Control of the Company's or Parent's Operations. Nothing contained in this Agreement shall give Parent or the Company, directly or indirectly, rights to control or direct the operations of the other prior to the Wax Effective Time. Prior to the Wax Effective Time, each of Parent and the Company shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision of its operations.

Section 5.15. Section 16(b). The Board of Directors of each of the Company and Parent (or, in each case, a duly authorized committee thereof) shall, prior to the Delta Effective Time or the Wax Effective Time, as applicable, take all such actions as may be necessary or appropriate to cause the Transactions and any other dispositions of equity securities of the Company or Parent (including derivative securities) or acquisitions of Holdco Common Stock (including derivative securities) in connection with the Transactions by each individual who is currently, or who will be immediately prior to the Delta Effective Time or the Wax Effective Time, as applicable, a director or officer of the Company or Parent, as applicable, to be exempt under Rule 16b-3 promulgated under the Exchange Act.

Section 5.16. Financing. (a) Upon the written request of Parent or Holdco, the Company and its Subsidiaries (i) shall execute and deliver, or shall use reasonable best efforts to cause to be executed and delivered, at the Closing, such documents or instruments required for the due assumption of, and succession to, the Company's and/or its Subsidiaries' obligations under the Company Indentures to the extent required by the terms of the Company Indentures, (ii) provide all assistance reasonably required by Parent or Holdco in connection with obtaining the execution of such instruments by the other parties required to execute such instruments and take any actions reasonably requested by Parent or Holdco (which shall not require any payment by the Company or its Subsidiaries) that are customary or necessary to facilitate the assumption, succession, satisfaction, discharge and/or defeasance of any of the Company's and/or its Subsidiaries' obligations under the Company Indentures pursuant to the applicable section of the applicable Company Indenture; provided that any such action described above shall not be required unless it can be and is conditioned on the occurrence of the Closing.

(b) The Company shall, and shall cause each of its Subsidiaries to, use its commercially reasonable efforts to commence, as promptly as reasonably practicable, at Parent's expense, after the receipt of a written request from Parent or Holdco to do so, tender or exchange offers, and any related consent solicitations with respect to, any or all of the outstanding notes, debentures or other debt securities of the Company and/or its Subsidiaries outstanding under the Company Indentures on such terms and conditions as specified and reasonably requested by Parent or Holdco following consultation with the Company and its legal counsel, and in compliance with all applicable terms and conditions of the Company Indentures and applicable Law (the "Debt Offers"); provided that (i) Parent or Holdco shall have provided the Company with the offer to purchase, related letter of transmittal, and other related documents (collectively, the "Offer Documents") and (ii) the closing of the Debt Offers shall be conditioned on the occurrence of the Closing. The Company shall, and shall cause its Subsidiaries to, use reasonable best efforts to, and to cause their respective Representatives to, provide customary cooperation reasonably requested by Parent or Holdco in connection with the Debt Offers and any related consent solicitations. Parent and Holdco shall only request the Company and its Subsidiaries to conduct any Debt Offer in compliance with the applicable rules and regulations of the SEC, including Rule 14e-1 under the Exchange Act, any other Law to the extent applicable in connection with the Debt Offers and the applicable Company Indenture. Parent and Holdco shall ensure that, at the Wax Effective Time, the Wax Surviving Company shall have all funds necessary to pay any consideration required to be paid in connection with the Debt Offers on the Closing Date. Holdco shall cause the Wax Surviving Company to comply with all of its obligations under the Company Indentures.

(c) In the event that the Company commences a Debt Offer, the Company covenants and agrees that, promptly following any related consent solicitation expiration date, assuming the requisite consents are received, each of the Company and its Subsidiaries as is necessary shall (and shall use their reasonable best efforts to cause the applicable trustee or agent to) execute a supplemental indenture or amendment to the applicable Company Indenture, which shall implement the amendments described in the Offer Documents, subject to the terms and conditions of this Agreement (including the conditions to the Debt Offers) and the applicable Company Indenture; provided that the effectiveness of any such supplemental indenture, amendment or other agreement shall be conditioned on the occurrence of the Closing. Subject to

the terms and conditions of the Debt Offer, concurrently with the Closing, Holdco shall cause the Wax Surviving Company to accept for payment and thereafter promptly pay for, any Indebtedness that has been validly tendered pursuant to and in accordance with the Debt Offers and not properly withdrawn using funds provided by Holdco.

(d) Parent or Holdco shall prepare all necessary and appropriate documentation in connection with any Debt Offers, including the Offer Documents, and the Company shall have a reasonable opportunity to review and comment upon such documents. The parties hereto shall, and shall cause their respective Subsidiaries to, reasonably cooperate with each other in the preparation of any Offer Documents or other appropriate documents; provided, however, that in no event shall the Company or its legal counsel be required to deliver an opinion with respect to a Debt Offer following the Closing or otherwise that in the reasonable opinion of the Company or its legal counsel does not comply with applicable Laws. The Company shall, to the extent requested, keep Parent and Holdco reasonably informed regarding the status, results and timing of the Debt Offers. If, at any time prior to the completion of the Debt Offers, the Company or any of its Subsidiaries, on the one hand, or Parent, Holdco or any of their respective Subsidiaries, on the other hand, discovers any information that should be set forth in an amendment or supplement to the Offer Documents, so that the Offer Documents shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of circumstances under which they are made, not misleading, such party that discovers such information shall use commercially reasonable efforts to promptly notify the other party, and an appropriate amendment or supplement prepared by Parent or Holdco describing such information shall be disseminated by or on behalf of the Company or its Subsidiaries to the holders of the applicable notes, debentures or other debt securities of the Company and/or its Subsidiaries outstanding under the applicable Company Indenture. Notwithstanding anything to the contrary in this Section 5.16(d), the Company shall, and shall cause its Subsidiaries to, use reasonable best efforts to comply with the requirements of Rule 14e-1 under the Exchange Act and any other Law to the extent applicable in connection with the Debt Offers and such compliance will not be deemed a breach hereof.

(e) In connection with any Debt Offer, Parent or Holdco may select one or more dealer managers, information agents, depositaries and other agents, in each case as shall be reasonably acceptable to the Company, to provide assistance in connection therewith and the Company shall, and shall cause its Subsidiaries to, use reasonable best efforts to enter into customary agreements with such parties so selected; provided that neither the Company nor any of its Subsidiaries shall be required to indemnify, defend or hold harmless, or pay the fees or reimburse the costs and expenses of, any such party, which indemnification, fee and reimbursement obligations shall be borne by Parent pursuant to separate agreements with such parties to which neither the Company nor any of its Subsidiaries shall be a party or have any obligations under.

(f) If requested by Parent or Holdco in writing, the Company and its Subsidiaries shall use reasonable best efforts to obtain customary payoff letters to be delivered at Closing and take any other actions reasonably requested by Parent or Holdco that are reasonably necessary for the payoff and termination in full (with customary exceptions for contingent obligations thereunder that are not yet due and payable) of the Bridge Facility (if still effective)

and the Revolving Facility (the payoff of such facilities, together, the "Debt Payoff"); provided that (i) any such action described above shall not be required unless it can be and is conditioned on the occurrence of the Closing and (ii) at Closing Parent or Holdco shall pay, or cause to be paid, any outstanding Indebtedness under the Bridge Facility and the Revolving Facility (subject to customary arrangements for any outstanding letters of credit). The Company shall, and shall cause its applicable Subsidiaries to, use their respective reasonable best efforts to, and to cause their respective Representatives to, provide cooperation reasonably requested by Parent or Holdco in connection with any Debt Payoff.

(g) Parent or Holdco shall use its reasonable best efforts to take, or cause to be taken, all actions and do, or cause to be done, all things necessary, proper or advisable to arrange and obtain the Committed Financing on the terms and conditions set forth in the Commitment Letter as promptly as practicable after the date hereof, including using its reasonable best efforts to (i) maintain in effect the Commitment Letter until the Mergers and the other Transactions contemplated by this Agreement are consummated (it being acknowledged that the commitments under the Commitment Letter may be reduced to the extent that Parent or Holdco receives cash proceeds from any other Financing (as defined below) on or prior to the Closing Date) and (ii) unless Parent or Holdco shall have reduced the commitments under the Commitment Letter to zero in accordance with the immediately preceding clause (i), (x) timely negotiate definitive agreements with respect to the facilities contemplated by the Commitment Letter on the terms and conditions set forth therein (or other terms agreed to by Parent, Holdco and the lenders, subject to the restrictions on amendments to the Commitment Letter set forth below), (y) satisfy or cause to be waived on a timely basis all conditions applicable to Parent or Holdco set forth in the Commitment Letter or such definitive agreements that are within its control and otherwise comply with its obligations thereunder and (z) upon the satisfaction or waiver of such conditions, consummate the Committed Financing. In the event that all conditions set forth in Section 6.01 and Section 6.02 have been satisfied or waived or, upon funding of the Committed Financing, shall have been satisfied or waived, Parent and Holdco shall, and shall cause their Subsidiaries to, use reasonable best efforts to cause the Committed Financing Sources providing the Committed Financing to fund on the Closing Date the Committed Financing. Parent and/or Holdco shall pay, or cause to be paid, as the same shall become due and payable, all fees and other amounts under the Commitment Letter. Notwithstanding the foregoing, Parent may replace all or any portion of the Committed Financing provided for in the Commitment Letter with one or more commitments from financial institutions to provide an equal or greater amount of debt financing to be made available on or prior to the Closing Date without the prior written approval of the Company, provided, that Parent shall not, without the Company's prior written consent, permit any such replacement which would (A) except as provided for in clause (i) of this paragraph (g) above, reduce the aggregate cash amounts of the Committed Financing (including by increasing the amount of fees to be paid or original issue discount) unless the aggregate amount of the Committed Financing following such reduction is sufficient to consummate the cash portion of the Wax Merger Consideration and the payment of any other amounts required to be paid by Holdco or Parent pursuant to this Agreement and any other fees and expenses required to be paid by Holdco or Parent in connection with the Transactions, (B) impose new or additional conditions to the Committed Financing or otherwise expand, amend, modify or waive any conditions to the Committed Financing or (C) otherwise expand, amend, modify or waive any provision of the Commitment Letter, in a manner that in any such case would reasonably be expected to (1) materially delay or make less likely the funding of the Committed Financing (or

satisfaction of the conditions to the Committed Financing) on the Closing Date, (2) materially adversely impact the ability of Parent or Holdco to enforce its rights against the Committed Financing Sources or any other parties to the Commitment Letter or (3) materially adversely affect the ability of Parent, Holdco or any of their Subsidiaries to timely consummate the Transactions. Upon any such replacement, (i) the definition of "Commitment Letter" set forth in this Agreement shall be deemed to have been modified as appropriate to reflect such replacement debt financing and any related commitment letter, (ii) any reference in this Agreement to the "Committed Financing" shall mean financing contemplated by the Commitment Letter as modified pursuant to clause (i) above and (iii) any reference in this Agreement to the "Fee Letter" shall be deemed to include any fee or other letter relating to the Commitment Letter as modified pursuant to clause (i) above to the extent then in effect. Parent and Holdco shall not amend, modify or agree to any waiver under the Commitment Letter without the prior written approval of the Company if such amendment, modification or waiver would have any of the effects described in clauses (A) through (C) above; provided, that Parent and Holdco may modify, supplement or amend the Commitment Letter to (x) add lenders, lead arrangers, bookrunners, syndication agents or similar entities that have not executed the Commitment Letter as of the date of this Agreement and (y) implement or exercise any "market flex" provisions contained in the Fee Letter.

(h) If the Committed Financing in an aggregate principal amount (together with cash and marketable securities on hand) at least equal to the cash portion of the Wax Merger Consideration to be deposited with the Exchange Agent and all other amounts required to be paid pursuant to Article II, the Wax Merger and the other Transactions contemplated by this Agreement, including the payment of any other fees and expenses required to be paid by Holdco or Parent in connection with the Transactions, becomes unavailable on the terms and conditions contemplated by the Commitment Letter, and such unavailable amount is reasonably required to make the payment to the Exchange Agent of the cash portion of the Wax Merger Consideration and all other amounts required to be paid by Holdco or Parent pursuant to this Agreement (such event, an "Original Financing Failure"), Parent shall promptly notify the Company in writing of the Original Financing Failure and Parent or Holdco shall use its reasonable best efforts to arrange and obtain, as promptly as reasonably practicable, alternative financing from alternative sources on terms and conditions not materially less favorable, taken as a whole, to Parent or Holdco than those contained in the Commitment Letter and the Fee Letter and in an amount, when added with cash and marketable securities of Parent and Delta Sub, at least equal to the aggregate principal amount of the Committed Financing or such unavailable portion thereof, as the case may be (the "Alternate Financing"), and to obtain a new financing commitment letter with respect to such Alternate Financing (the "New Commitment Letter"), which shall replace the existing Commitment Letter; provided that any such Alternate Financing shall not obligate the Company prior to the Closing as a surety, guarantor or indemnitor or to extend credit to any person. Parent or Holdco shall promptly provide a true and complete copy of such New Commitment Letter to the Company. In the event a New Commitment Letter is obtained, (i) any reference in this Agreement to the "Commitment Letter" shall be deemed to mean the New Commitment Letter, (ii) any reference in this Agreement to the "Committed Financing" shall mean the financing contemplated by the New Commitment Letter and (iii) any reference in this Agreement to the "Fee Letter" shall be deemed to include any fee or other letter relating to the New Commitment Letter to the extent then in effect.

(i) Parent and Holdco shall keep the Company reasonably informed on a timely basis of the status of Parent's and Holdco's efforts to obtain the Committed Financing and to satisfy the conditions thereof, including providing copies of any amendment, modification or replacement of the Commitment Letter (provided, that any fee letter may be redacted to remove the fee amounts and the terms of the "market flex" in a manner that could not adversely affect the conditionality, enforceability, termination or aggregate principal amount of the Committed Financing) and shall give the Company prompt notice of any fact, change, event or circumstance that is reasonably likely to have, individually or in the aggregate, a material adverse impact on the Committed Financing necessary for the satisfaction of all of Parent's and Holdco's obligations under this Agreement. Without limiting the generality of the foregoing, Parent and Holdco shall give the Company prompt notice of (x) any material breach or material default by any party to the Commitment Letter, or any definitive agreements related to the Committed Financing, in each case of which Parent or Holdco becomes aware and (y) the receipt of any written notice or other written communication, in each case received from any Committed Financing Source with respect to any (1) material breach of Parent's or Holdco's obligations under the Commitment Letter or definitive agreements related to the Committed Financing, or actual or threatened default, termination, withdrawal or repudiation by any party to the Commitment Letter or definitive agreements related to the Committed Financing or (2) material dispute between or among any parties to the Commitment Letter or definitive agreements related to the Committed Financing or any provisions of the Commitment Letter, in each case, with respect to the obligation to fund the amount of the Committed Financing to be funded at Closing; provided that in no event shall Parent or Holdco be under any obligation to disclose any information pursuant to clauses (1) or (2) that would waive the protection of attorney-client or similar privilege to the extent such privilege is asserted in good faith, but such party shall use reasonable best efforts to disclose such information in a way that would not jeopardize such privilege.

(j) From and after the date of this Agreement, and through the earlier of the Closing and the date on which this Agreement is terminated in accordance with Article VII, the Company shall, and the Company shall cause each of its Subsidiaries and use reasonable best efforts to cause its and their Representatives (including their auditors) to, (x) use their respective reasonable best efforts to provide such customary cooperation as is reasonably required by Parent or Holdco in the arrangement and consummation of the Committed Financing or other bank financing or capital markets financing entered into to provide funds for the cash portion of the Wax Merger Consideration, and all other amounts required to be paid pursuant to Article II, the Wax Merger and the other Transactions contemplated by this Agreement (except any financing by SpinCo or the SpinCo Subsidiaries) (the "Financing"), including using reasonable best efforts to (A) cause the management team of the Company to participate in a reasonable number of requested meetings (including customary one-on-one meetings and conference calls with the parties acting as lead arrangers, agents, underwriters or initial purchasers and prospective lenders or investors and the Company's senior management and Representatives), presentations, road shows, due diligence sessions, drafting sessions and sessions with rating agencies in connection with the Financing, in each case upon reasonable notices and at mutually agreed upon dates and times, (B) provide reasonable assistance with the

preparation of (1) materials for rating agency presentations and investor and road show presentations, (2) bank information memoranda (including a public-side version thereof), registration statements, prospectuses, offering memoranda and private placement memoranda and (3) similar documents, in each case required or customary in connection with the Financing or otherwise reasonably requested by Parent or Holdco and limited to information to be contained therein with respect to the Company and its Subsidiaries, (C) provide customary authorization letters to the Committed Financing Sources authorizing the distribution of information to prospective lenders and containing a customary representation that such information does not contain a material misstatement or omission and containing a representation to the Committed Financing Sources that the public side versions of such documents, if any, do not include material non-public information about the Company or its Subsidiaries or their respective securities, but only to the extent such authorization letters contain customary disclaimers to the Company, its Affiliates, and their respective Representatives with respect to the responsibility for the use or misuse of the content thereof, (D) provide the lead arrangers, agents, underwriters and initial purchasers for, and prospective lenders of, the Financing, at least three Business Days prior to the Closing Date (to the extent requested in writing at least 10 Business Days prior to the Closing Date) with all documentation and other information required with respect to the Company and its Subsidiaries in connection with applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act, Title III of Pub. L. 107-56 (the "PATRIOT Act"), the Office of Foreign Assets Control and the Foreign Corrupt Practices Act, (E) following written request therefor, provide reasonable assistance to provide Parent with information related to the Company and its Subsidiaries necessary for the preparation of the documents governing or relating to the Financing (which may include customary financial and other available information relating to the Company and its Subsidiaries as Parent or Holdco shall reasonably request in order to market, syndicate and consummate the Financing), (F) cause its independent accountants to provide assistance and cooperation with any offering of securities, including (i) providing any necessary written consents to use their audit reports relating to the Company and its Subsidiaries and to be named as an "Expert" in any document related to any Financing and (ii) providing any customary "comfort" letters (including customary "negative assurance" comfort) and (G) cooperate with the due diligence of the Committed Financing Sources and any underwriters, initial purchasers, lenders or investors for any Financing, to the extent customary and reasonable) and (y) use reasonable best efforts to furnish Parent, as promptly as reasonably practicable, with (I) the Required Financial Information and (II) selected or other financial data reasonably requested by Parent or Holdco of the type required to be presented in a Parent or Holdco registration statement filed with the SEC.

(k) Subject to Parent's indemnification obligations under Section 5.16(l) below, the Company hereby consents to the customary use of its and its Subsidiaries' names, logos and trademarks in connection with the Financing; provided that such names, trademarks and logos are used solely in a manner that does not, is not intended to and is not reasonably likely to harm or disparage the Company or any of its Subsidiaries, such names, trademarks and logos or the reputation or goodwill of the Company or any of its Subsidiaries.

(l) Parent shall indemnify and hold harmless the Company and each of its Subsidiaries and their respective Representatives (the "Section 5.16 Indemnitees") from and against any and all liabilities, losses, damages, claims, costs, expenses (including reasonable attorney's fees) interest, awards, judgments and penalties suffered or incurred in connection with any and all of the matters contemplated by this Section 5.16 (other than arising from fraud or intentional misrepresentation on the part of the Company or its Subsidiaries and other than Section 5.16(g), Section 5.16(h) and Section 5.16(n)), whether or not the Transactions are consummated or this Agreement is terminated. Parent shall, promptly upon request by the Company, reimburse the Company for all reasonable out-of-pocket costs (including reasonable attorneys' fees) incurred by the Company or its Subsidiaries in connection with this Section 5.16 (other than Section 5.16(g), Section 5.16(h) and Section 5.16(n)), whether or not the Transactions are consummated or this Agreement is terminated.

(m) The Company agrees that, from and after January 1, 2018 and prior to the Wax Effective Time, the Company and each of its Subsidiaries shall not file any registration statement (other than (i) registration statements on Form S-8, (ii) prospectus supplements to existing registration statements, (iii) the Registration Statements and (iv) registration statements with respect to Indebtedness incurred in compliance with Section 5.01(b)(iv) (including the Bridge Facility)) or consummate any unregistered offering of securities that by the terms of such offering requires subsequent registration under the Securities Act; provided that, a reasonable amount of time prior to the offering of any securities (other than on Form S-8) expected to be issued in a registered transaction or which require registration, the Company will consult with Parent and consider in good faith the suggestions of Parent that are designed to permit such offering to be completed without registration under the Securities Act.

(n) From and after the date of this Agreement, and through the earlier of the Closing and the date on which this Agreement is terminated in accordance with Article VII, Parent shall, and Parent shall cause each of its Subsidiaries and use reasonable best efforts to cause its and their Representatives to, use their respective reasonable best efforts to provide such customary cooperation as reasonably required by the Company in the arrangement of any capital markets debt financing (including providing reasonably available financial and other information regarding Holdco, Parent and its Subsidiaries customarily included in marketing and offering documents and to enable the Company to prepare customary pro forma financial statements and, in respect of such pro forma financial statements, only to the extent reasonably required by the applicable underwriters, initial purchasers or placement agents in such financing) for the purposes of financing any repayment, replacement or refinancing of the Bridge Facility, including commitments thereunder, or other Indebtedness in connection with a Sky Acquisition. The Company shall indemnify and hold harmless Parent and each of its Subsidiaries and their respective Representatives from and against any and all liabilities, losses, damages, claims, costs, expenses (including reasonable attorney's fees) interest, awards, judgments and penalties suffered or incurred in connection with any and all of the matters contemplated by this Section 5.16(n) (other than arising from fraud or intentional misrepresentation on the part of Parent or its Subsidiaries) whether or not the Transactions are consummated or this Agreement is terminated. The Company shall, promptly upon request by Parent, reimburse Parent for all reasonable out-of-pocket costs (including reasonable attorneys' fees) incurred by Parent or its Subsidiaries in connection with this Section 5.16(n), whether or not the Transactions are consummated or this Agreement is terminated.

(o) Notwithstanding the foregoing, nothing in this Section 5.16 shall require cooperation by any party to the extent it would (i) unreasonably disrupt the ordinary conduct of the business or operations of such party or its Subsidiaries, (ii) require such party to agree to pay any fees, reimburse any expenses or otherwise incur any actual or potential liability or give any indemnities prior to the Closing (unless the other party reimburses or is required to reimburse or indemnify such party pursuant to this Agreement or otherwise agrees to do so), (iii) require such party or its Subsidiaries to take any action that would reasonably be expected, in the reasonable judgment of such party, after consultation with its legal counsel, to conflict with, or result in any violation or breach of, any applicable Laws or Orders binding on such party or its Subsidiaries or (iv) require such party to (A) pass resolutions or consents, approve or authorize the execution of, or execute, any document, agreement, certificate or instrument or take any other corporate action with respect to any financing, and, in the case of the Company and its Subsidiaries, that is not contingent on the Closing or that would be effective prior to the Wax Effective Time (other than customary documents or certificates solely relating to the Company or its Subsidiaries, including the authorization letters and representation referred to in Section 5.16(j)(D)) or (B) provide or cause its legal counsel to provide any legal opinions that are not required in connection with any financing.

(p) Each of the parties hereto acknowledges and agrees that any access or information contemplated to be provided by the other party or any of its Subsidiaries pursuant to this Section 5.16 shall, to the extent such information constitutes material non-public information of such other party, only be provided to another Person if such other Person affirmatively agrees to maintain the confidentiality of such information and to comply with all federal and state securities Laws applicable to such information.

(q) The Company shall use its reasonable best efforts to take, or cause to be taken, all actions and do, or cause to be done, all things necessary, proper or advisable to cause SpinCo to arrange and obtain Indebtedness in a principal amount sufficient to finance the Dividend; provided that the Company and SpinCo shall not be required to incur such Indebtedness unless the incurrence thereof is concurrent with and subject to the Closing.

(r) The parties hereto acknowledge and agree that the provisions of this Section 5.16 shall not create any independent conditions to Closing.

Section 5.17. Approval by Sole Stockholder of the Merger Subs. Immediately following the execution and delivery of this Agreement by the parties hereto, Holdco, as sole stockholder of each of the Merger Subs, shall adopt this Agreement and approve the Mergers, in accordance with Delaware Law, by written consent.

Section 5.18. Dividends. The Company shall coordinate with Parent the declaration, setting of record dates and payment dates of cash dividends on Shares so that holders of Shares do not receive regular dividends on both Shares and Holdco Common Stock received in the Wax Merger in respect of the same portion of any calendar year or fail to receive a regular dividend on either Shares or Holdco Common Stock received in the Wax Merger in respect of a portion of any calendar year for which a regular dividend would have otherwise been paid.

Section 5.19. Voting of Shares. Parent shall vote, or cause to be voted, any Shares owned by it or any of its Subsidiaries (other than, for the avoidance of doubt, any such Shares held by any employee benefit plan of Parent or any of its Subsidiaries or any trustee or other fiduciary in such capacity under any employee benefit plan) in favor of adoption of this Agreement at the Company Stockholders Meeting. The Company shall vote, or cause to be voted, any shares of Parent Common Stock owned by it or any of its Subsidiaries (other than, for the avoidance of doubt, any such shares of Parent Common Stock held by any employee benefit plan of the Company or any of its Subsidiaries or any trustee or other fiduciary in such capacity under any employee benefit plan) in favor of approval of the Stock Issuance at the Parent Stockholders Meeting.

Section 5.20. Voting Agreement. The Company shall instruct its transfer agent not to register the transfer of any Covered Shares (as defined in the Voting Agreement) made or attempted to be made in violation of the Voting Agreement.

Section 5.21. Further Definitive Agreements. (a) Separation Agreements.

(i) Promptly following execution of this Agreement, the Company and Parent and their respective counsel will prepare a definitive Separation Agreement and Tax Matters Agreement (A) on terms that are as provided in the Separation Principles, the Tax Matters Agreement Principles and this Agreement and (B) with respect to terms that are not provided in the Separation Principles, the Tax Matters Principles or this Agreement, on terms that are customary for agreements of this nature. The Company agrees to, and shall cause SpinCo to, execute the Separation Agreement and the Tax Matters Agreement on the terms mutually agreed with Parent or on the terms finally decided pursuant to an arbitration proceeding in accordance with this Section 5.21(a).

(ii) The Company and Parent shall use reasonable best efforts and shall cooperate in good faith to finalize the terms of the Separation Agreement and the Tax Matters Agreement by 11:59 p.m. New York City time on September 30, 2018 (the "Target Completion Date").

(iii) If the terms of the Separation Agreement or the Tax Matters Agreement are not finalized and mutually agreed with Parent by the Target Completion Date, the finalization of such terms shall be escalated to appropriate senior executive officers of each of the Company and Parent for resolution.

(iv) If the terms of the Separation Agreement or the Tax Matters Agreement are not finalized and mutually agreed with Parent within 30 days of the Target Completion Date, the Company and Parent shall, within 60 days of the Target Completion Date, each select one arbitrator to resolve any remaining disputed terms. The two arbitrators so selected shall select a third arbitrator, who will chair the panel. If the two selected arbitrators fail to agree upon the selection of a third arbitrator, the two selected arbitrators will agree to a list of no less than three and no more than five candidates to chair the panel, and JAMS will select an arbitrator from such list to chair the panel. Each such arbitrator must be an attorney with significant experience in negotiating complex commercial transactions or a judge seated on, or retired from, a Federal Court of the United States of America sitting in the State of New York, the commercial division of the New York State Supreme Court or the Court of Chancery for the State of Delaware. Each arbitrator will be neutral and independent of each party. The seat of the arbitration will be New York, New York.

(v) Within 15 days of the selection of an arbitration panel in accordance with Section 5.21(a)(iv), the Company and Parent will submit to the arbitrators the most recent drafts of the Separation Agreement and/or Tax Matters Agreement reflecting the status of the parties' negotiations and a list of open issues and written descriptions of each party's position with respect to each open issue. The arbitrators will also hold a telephone or in-person one-day hearing promptly after submission of such materials. The arbitrators shall within 15 days of the receipt of such material render a decision with respect to each point of disagreement between the parties. Such decision will be binding and nonappealable and sufficiently clear to allow the parties to draft the disputed provisions of the applicable agreement. The parties will, and the Company will cause SpinCo to, finalize any remaining such agreement and execute the Separation Agreement and/or Tax Matters Agreement as promptly as practicable following the arbitrator's decision but in no event later than the Separation.

(vi) The selected arbitrators will be bound by the rules of JAMS (to the extent not inconsistent with this Section 5.21(a)) and agree to abide by the provisions of this Section 5.21(a). Each arbitrator will render his or her decision based primarily on the terms set forth in the Separation Principles and this Agreement and secondarily on customary provisions for agreements of this nature.

(b) Commercial Agreements.

(i) Promptly following execution of this Agreement, the Company and its counsel will prepare initial drafts of the definitive Commercial Agreements (A) on terms that are as provided in the Commercial Term Sheets and (B) with respect to terms that are not provided in the Commercial Term Sheets or this Agreement, on economic terms consistent with the Company Overview Presentation and otherwise on terms that are customary in the industry for arrangements of a similar nature. The Company agrees to, and shall cause SpinCo to, execute the Commercial Agreements on the terms mutually agreed with Parent or on the terms finally decided pursuant to an arbitration proceeding in accordance with this Section 5.21(b).

(ii) The Company and Parent shall use reasonable best efforts and shall cooperate in good faith to finalize the terms of the Commercial Agreements by the Target Completion Date.

(iii) If the terms of the Commercial Agreements are not finalized and mutually agreed with Parent by the Target Completion Date, the finalization of such terms shall be escalated to appropriate senior executive officers of each of the Company and Parent for resolution.

(iv) If the terms of any Commercial Agreement are not finalized and mutually agreed with Parent within 30 days of the Target Completion Date, each of the parties shall, within 60 days of the Target Completion Date, select one arbitrator to resolve any remaining disputed terms. The two arbitrators so selected shall select a third arbitrator, who will chair the panel. If the two selected arbitrators fail to agree upon the selection a third arbitrator, the two selected arbitrators will agree to a list of no less than three and no more than five candidates to chair the panel, and JAMS will select an arbitrator from such list to chair the panel. The chair will be neutral and independent of each party. The seat of the arbitration will be Los Angeles, California.

(v) Within 15 days of the selection of an arbitration panel in accordance with Section 5.21(b)(iv), the parties will submit to the arbitrators their proposed version of each Commercial Agreement in dispute and a written briefing of no more than 20 pages. The arbitrators will also hold a telephonic or in-person one-day hearing promptly after submission of such materials. The arbitration panel shall take into account contractual obligations to third parties, if any. With respect to each such Commercial Agreement, the arbitrators shall within 15 days of the hearing render a decision selecting either the version submitted by Parent or the version submitted by the Company as the final agreement to be executed by the parties thereto. Such decision will be binding and nonappealable. The parties will, and the Company will cause SpinCo to, execute the Commercial Agreements selected by the arbitrators as promptly as practicable following the arbitrator's decision but in no event later than the Separation.

(vi) The selected arbitrators will be bound by the rules of JAMS (to the extent not inconsistent with this Section 5.21(b) and agree to abide by the provisions of this Section 5.21. Each arbitrator will render his or her decision based primarily on the terms set forth in the Commercial Term Sheets and secondarily on the basis of what is reasonable and customary in the relevant industries for agreements of the same type as the relevant Commercial Agreement. The arbitrators shall apply the substantive law of the State of California.

(vii) Any further disputes under a Commercial Agreement that was the subject of such arbitration shall be subject to further arbitration consistent with the principles set forth herein, including, to the extent practicable, with the same arbitration panel.

(c) Step Plan.

(i) The parties shall, and shall cause their respective representatives to, work together in good faith to (A) develop a step plan that sets forth, in reasonable detail, the restructuring steps proposed to be taken in connection with or in anticipation of the Separation and the intended U.S. federal income tax consequences of such restructuring steps (the "Preliminary Step Plan") and (B) modify the Preliminary Step Plan from time to time as mutually agreed by the parties, until Parent and the Company agree in writing to no further modifications to the Preliminary Step Plan, at which time the Preliminary Step Plan shall become final (the "Final Step Plan"). During the last week of each month (or at such other time as mutually

agreed by the parties) until the Preliminary Step Plan becomes final or one of the parties elects to apply the procedures set forth in Section 5.21(c)(ii), the parties shall review the progress made on the Preliminary Step Plan and make any changes to the process set forth in this Section 5.21(c)(i) as mutually agreed by the parties. The procedures set forth in this Section 5.21(c)(i) may be terminated by either party at any time for any reason with written notice to the other party (a "Step Plan Notice"), in which case, the procedures set forth in Section 5.21(c)(ii) will apply in lieu of the procedures set forth in this Section 5.21(c)(i).

(ii) If either party provides a Step Plan Notice pursuant to Section 5.21(c)(i), then, within 30 days of the date of the Step Plan Notice, the Company shall deliver to Parent a revised draft of the Preliminary Step Plan (the "Amended Step Plan"). Parent shall promptly, and in no event later than 30 days following its receipt of the Amended Step Plan, notify the Company in writing of any dispute in connection with the Amended Step Plan, which dispute the parties hereto shall promptly resolve in accordance with Section 5.21(c)(v). In the event that (1) Parent timely delivers such notice, any disputed matter reflected in the Amended Step Plan shall be determined in accordance with Section 5.21(c)(v) or (2) Parent does not timely deliver such notice, the Amended Step Plan shall be deemed acceptable to Parent and shall be deemed to be the Final Step Plan.

(iii) The Company and Parent shall work together in good faith to update the Final Step Plan from time to time to reflect any agreed-upon modifications thereto and promptly resolve in accordance with Section 5.21(c)(v) any dispute in connection with any update to the Final Step Plan. The Company shall, and shall cause its Subsidiaries to, effect the Separation in accordance with the Final Step Plan (as updated pursuant to the immediately preceding sentence).

(iv) The Company agrees to (1) furnish Parent, in a timely manner, with any information, documents, work papers and other materials as Parent may reasonably request for purposes of reviewing the restructuring steps, intended Tax treatment and other items in the Preliminary Step Plan, the Amended Step Plan or the Final Step Plan, (2) make its employees, representatives and advisors available during normal business hours to provide explanations of such information, documents, work papers and other materials as may be requested in connection with clause (1) hereof and (3) reasonably cooperate in connection with any such matter.

(v) The parties hereto agree to cooperate in good faith to resolve any dispute involving any matter with respect to the Amended Step Plan or the Final Step Plan (a "Step Plan Dispute"). If any Step Plan Dispute relates to the proper application of Tax Law, the Company shall be permitted to resolve such dispute with the delivery of, and in accordance with, an opinion, at a "should" level or higher, from Skadden. If any Step Plan Dispute relates to a non-Tax matter, such dispute shall be decided pursuant to an arbitration proceeding in accordance with Section 5.21(a). The Company shall reflect in the Amended Step Plan or the Final Step Plan, as applicable, the resolution of any dispute in accordance with this Section 5.21(c)(v) or Section 5.21(a) as applicable.

Section 5.22. Hook Stock. (a) It is the intention of the parties hereto that none of Parent, the Company, Holdco or any Subsidiary of Parent, the Company or Holdco incur any Tax liability, whether current or deferred, arising from or with respect to the Shares owned by Subsidiaries of the Company (the "Hook Stock") as a result of or in connection with the Transactions (a "Hook Stock Tax").

(b) Neither Parent nor any of its Subsidiaries has taken any action or knows of any fact (taking into account the terms contained in the Commercial Term Sheets, this Agreement and the terms of any other agreements or arrangements as described in the Separation Principles) that could reasonably be expected to prevent the condition in Section 6.02(d)(i) from being satisfied. Parent is making the foregoing representation and warranty after consultation with its Tax counsel and with full knowledge of the terms of this Agreement, the Commercial Term Sheets and the Separation Principles. The representations and warranties set forth in this Section 5.22(b) are made as of the Execution Date.

(c) Neither the Company nor any of its Subsidiaries has taken any action or knows of any fact (taking into account the terms contained in the Commercial Term Sheets, this Agreement and the terms of any other agreements or arrangements as described in the Separation Principles) that could reasonably be expected to prevent the condition in Section 6.02(d)(i) from being satisfied. The Company is making the foregoing representation and warranty after consultation with its Tax counsel and with full knowledge of the terms of this Agreement, the Commercial Term Sheets and the Separation Principles. The representations and warranties set forth in this Section 5.22(c) are made as of the Execution Date.

(d) The Company shall cooperate with Parent and use its reasonable best efforts, in connection with the Separation, to minimize the amount of any Hook Stock Tax and to consider in good faith potential transactions to eliminate all or a portion of the Hook Stock (such potential transactions, the "Hook Stock Elimination"). Such cooperation and reasonable best efforts shall include:

(i) providing Parent with reasonable access to the Company's and its Subsidiaries' employees, Tax advisors, books and records, in each case to the extent relevant to matters relating to the Hook Stock;

(ii) promptly responding to and evaluating such proposals and alternative structures as Parent and its Tax advisors may from time to time develop for accomplishing the Hook Stock Elimination;

(iii) requesting such approvals or rulings from Governmental Entities as Parent may reasonably request in connection with the Hook Stock Elimination (except to the extent submitting such request would reasonably be expected to subject the Company or an applicable Subsidiary thereof to legal sanctions); and

(iv) cooperating with Parent in such approvals or rulings from Governmental Entities or opinions from Tax advisors as Parent may itself seek in connection with the Hook Stock Elimination, including by executing such certificates and letters of representation as Parent or Parent's Tax counsel may reasonably request (except to the extent the Company in good faith believes it is unable to make truthfully the certifications or representations contained therein).

(e) The Company shall take any action reasonably requested by Parent in writing to effect the Hook Stock Elimination. The Company shall not effect the Hook Stock Elimination or otherwise transfer, dispose of, redeem, convert, alter the terms of or take any action that would reasonably be expected to cause any taxable event with respect to the Hook Stock without the prior written consent of Parent (which may be granted or withheld at Parent's sole discretion).

(f) If the Company undertakes any action pursuant to the written direction or request of Parent in accordance with Section 5.22(e), then Parent shall indemnify, defend and hold harmless each of the Company, SpinCo and their respective Subsidiaries (the "Hook Stock Indemnitees") for the excess, if any, of (i) the amount of Taxes incurred by such Hook Stock Indemnitee in any taxable period, including as a result of the receipt of any indemnification payment pursuant to this Section 5.22(f), over (ii) the amount of Taxes that would have been incurred by such Hook Stock Indemnitee in such taxable period assuming no such action had been taken (such excess, a "Hook Stock Restructuring Tax").

(g) Each of the parties shall use its reasonable best efforts to cause Parent to receive the Hook Stock Legal Comfort and, if Parent and the Company jointly choose to seek any Australian Private Rulings, to obtain such Australian Private Rulings. Such reasonable best efforts shall include delivering letters of representation and other certifications and other documents reasonably requested in connection with the Hook Stock Legal Comfort and the Australian Private Rulings and refraining from taking action that could reasonably be expected to prevent Parent from receiving the Hook Stock Legal Comfort or the Australian Private Rulings. If either party discovers, after the date of this Agreement, any fact that could reasonably be expected to prevent Parent from receiving the Hook Stock Legal Comfort (other than the Hook Stock Elimination), then (i) such party shall, as soon as possible, notify and consult the other party and (ii) the parties shall cooperate in good faith and exercise their reasonable best efforts to effect the Transactions using an alternative structure, which the parties acknowledge may require amending the terms of this Agreement, that would permit Parent's receipt of the Hook Stock Legal Comfort or result in the Hook Stock Elimination. Beginning on the date that is 90 days following the date on which the S-4 Registration Statement becomes effective, and every 90 days thereafter until the earlier of the consummation of the Hook Stock Elimination or the Mergers, Parent shall deliver to the Company, and the Company shall deliver to Parent, a certificate, in form and substance reasonably satisfactory to the recipient, stating (i) in the case of the certificate of the Company, that the representation set forth in Section 5.22(c) is true and correct as if made on the date of such certificate and (ii) in the case of the certificate of the Parent, (1) that the representation set forth in Section 5.22(b) is true and correct as if made on the date of such certificate and (2) that it has consulted with Greenwoods & Herbert Smith Freehills Pty Limited ("Greenwoods") and Cravath, Swaine & Moore LLP ("Cravath") and each of Greenwoods and Cravath has indicated that it expects the condition set forth in Section 6.02(d)(i) to be satisfied as it relates to the opinion it will deliver.

Section 5.23. Tax Calculation Principles; Tax Cooperation.

(a) Prior to the Execution Date, the Company has delivered to Parent a schedule that sets forth, in reasonable detail, the tax basis of the stock of (i) NWCG Holdings Corporation and (ii) New World Communications Group Incorporated, in each case owned by Fox Television Holdings LLC (such basis, collectively, the "NW Stock Tax Basis", and such schedule, the "NW Stock Tax Basis Schedule"). The parties shall, and shall cause their respective representatives to, work together in good faith to modify the NW Stock Tax Basis Schedule from time to time as mutually agreed by the parties, until Parent and the Company agree in writing to no further modifications to the NW Stock Tax Basis Schedule, at which time the NW Stock Tax Basis Schedule shall become final (the "Final NW Stock Tax Basis"). During the last week of each month (or at such other time as mutually agreed by the parties) until the NW Stock Tax Basis Schedule becomes final or one of the parties elects to apply the procedures set forth in Section 5.23(b), the parties shall review the progress made on the NW Stock Tax Basis Schedule and make any changes to the process set forth in this Section 5.23(a) as mutually agreed by the parties. The procedures set forth in this Section 5.23(a) may be terminated by either party at any time for any reason with written notice to the other party (a "NW Stock Basis Notice"), in which case, the procedures set forth in Section 5.23(b) will apply in lieu of the procedures set forth in this Section 5.23(a).

(b) If either party provides a NW Stock Basis Notice pursuant to Section 5.23(a), then, within 30 days of the date of the NW Stock Basis Notice, Parent shall notify the Company in writing of any dispute in connection with such NW Stock Tax Basis Schedule. In the event that (i) Parent timely delivers such notice, the amount of the NW Stock Tax Basis shall be determined in accordance with Section 5.23(e) and the NW Stock Tax Basis as so determined shall be deemed to be the Final NW Stock Tax Basis or (ii) Parent does not timely deliver such notice, the NW Stock Tax Basis set forth in the NW Stock Tax Basis Schedule shall be deemed to be the Final NW Stock Tax Basis.

(c) The parties hereto shall, and shall cause their respective representatives to, work together in good faith to develop a Projected Transaction Tax Model that computes the amount of the Transaction Tax and SpinCo Operational Tax, in each case expected to be incurred (the "Initial Tax Model"). The Initial Tax Model shall be computed in accordance with the Company's past practice with respect to items or Tax positions modeled therein and the Tax treatment set forth in the Preliminary Step Plan, the Amended Step Plan or the Final Step Plan, as applicable. During the last week of each month (or such other time as mutually agreed by the parties), the parties shall review the progress made on the Initial Tax Model and make any changes to the process set forth in this Section 5.23(c) as mutually agreed by the parties. On the date that is 60 days following the Execution Date, the Company shall deliver to Parent the Initial Tax Model as developed in accordance with the process set forth in this Section 5.23(c). Following the receipt by Parent of such Initial Tax Model, and in connection with Parent's review thereof, the Company and Parent shall (i) cooperate in accordance with Section 5.23(d) and (ii) work together in good faith to develop an amended Projected Transaction Tax Model, which shall reflect (x) the resolution of any dispute with respect to the Initial Tax Model in accordance with Sections 5.23(c) or 5.23(e), (y) any

correction of inaccuracies identified in the Initial Tax Model and (z) updated estimates and projections (such amended Projected Transaction Tax Model, the "Amended Tax Model"). The Company shall deliver a draft of the Amended Tax Model to Parent no later than 60 days following the delivery of the Initial Tax Model. Parent shall promptly, and in no event later than 30 days following its receipt of the Amended Tax Model, notify the Company in writing of any dispute in connection with the Amended Tax Model, which dispute the parties hereto shall promptly resolve in accordance with Section 5.23(e). In the event that (i) Parent timely delivers such notice, any disputed item reflected in the Amended Tax Model shall be determined in accordance with Section 5.23(e) or (ii) Parent does not timely deliver such notice, the Amended Tax Model shall be deemed acceptable to Parent (the Amended Tax Model, as finally determined, the "Closing Tax Model"). The Company and Parent shall work together in good faith to update the Closing Tax Model as appropriate in anticipation of the Closing, and any disputes with respect thereto shall be resolved by the Tax Referee in accordance with Section 5.23(e); provided, however, that all such updates must be made, and all such disputes must be resolved, no later than three business days prior to the Closing Date (the "Tax Model Cutoff Date"). The Closing Tax Model, as updated, shall include final estimates of all the items comprising the Transaction Tax (other than the SpinCo Equity Value and any tax basis attributable to the Cash Payment) no later than the Tax Model Cutoff Date and, except with respect to the SpinCo Equity Value and any tax basis attributable to the Cash Payment, shall be the basis upon which the Transaction Tax is calculated.

(d) The Company agrees to (i) furnish Parent, in a timely manner, with any information, documents, work papers (including "dynamic" versions), Tax Returns (including XML files) and other materials as Parent may reasonably request for purposes of calculating the Transaction Tax, verifying any item reflected in a Projected Transaction Tax Model or verifying the NW Stock Tax Basis, including providing Parent with any reasonably requested information or explanations of items or Tax positions reflected in the Initial Tax Model, the Amended Tax Model or the Closing Tax Model, (ii) make its employees, representatives and advisors available during normal business hours to provide explanations of documents, work papers, materials and such other information as may be requested in connection with clause (i) above, and (iii) reasonably cooperate in connection with any such matter.

(e) The parties hereto agree to cooperate and negotiate in good faith to resolve any dispute involving any item reflected in a Projected Transaction Tax Model (a "Tax Dispute"). If any Tax Dispute relates to the proper application of Law, the Company shall be permitted to resolve such dispute with the delivery of, and in accordance with, an opinion, at a "should" level or higher, from Skadden. If the parties hereto are unable to resolve any such Tax Dispute through good faith negotiations or with the delivery of an opinion in accordance with this Section 5.23(e) within 30 days (or such longer period as Parent and the Company shall mutually agree in writing) of the occurrence of such Tax Dispute, Parent and the Company shall promptly submit such Tax Dispute to Deloitte & Touche LLP (the "Tax Referee"). The Tax Referee shall promptly, and in any event within 30 days of the receipt of any Tax Dispute (or sooner as the context may require), make a determination in connection with any such Projected Transaction Tax Model item that is the subject of the Tax Dispute. The parties hereto shall respond promptly to any reasonable request made by the Tax Referee for information, documentation or other relevant materials. The decisions of the Tax Referee shall be final, conclusive and binding. The fees and expenses of the Tax Referee shall be borne equally by Parent and the Company.

(f) Each of the parties hereto shall use its reasonable best efforts to reduce the amount of any Spin Tax.

(g) As used in this Agreement, the following terms have the following meanings:

(i) Transaction Tax.

"Transaction Tax" means the sum of (i) the Spin Tax, (ii) the Closing Date Company Divestiture Tax, (iii) the Unfunded SpinCo Operational Tax and (iv) any Final Company Divestiture Tax Prepayment; provided, however, that the Transaction Tax shall be reduced by any portion of the Transaction Tax (determined without regard to this proviso) that will be imposed on SpinCo or its Subsidiaries on a separate basis following the Closing Date.

(ii) SpinCo Operational Tax.

"SpinCo Operational Tax" means the excess, if any, of the Aggregate Operational Tax over the Retained Business Operational Tax; provided, however, that the SpinCo Operational Tax shall be reduced by any portion of the SpinCo Operational Tax (determined without regard to this proviso) that will be imposed on SpinCo or its Subsidiaries on a separate basis following the Closing Date.

"Aggregate Operational Tax" means the amount of Taxes that would have been imposed on the Company and its Subsidiaries for all taxable periods or portions thereof beginning on or after January 1, 2018 and ending on the Closing Date assuming that the Transactions had not occurred.

"Retained Business Operational Tax" means the amount of Taxes that would have been imposed on the Company and its Subsidiaries for all taxable periods or portions thereof beginning on or after January 1, 2018 and ending on the Closing Date assuming that (i) the Transactions had not occurred, (ii) all operations of the SpinCo Business had ceased on the beginning of January 1, 2018 and (iii) any non-Tax cost or expense economically borne by SpinCo in accordance with the Separation Principles was not incurred.

"Unfunded SpinCo Operational Tax" has the meaning set forth in the Separation Principles.

(iii) Spin Tax.

"Spin Tax" means the excess, if any, of (i) the amount of Taxes, based on the SpinCo Enterprise Value, that would have been imposed on the Company and its Subsidiaries for all taxable periods or portions thereof beginning on or after January 1, 2018 and ending on the Closing Date assuming (A) no Required Divestitures had occurred and (B) the Cash Payment (to the extent made) increases SpinCo's tax asset basis dollar-for-dollar over (ii) the Aggregate Operational Tax; provided, however, that the Spin Tax shall not include any Hook Stock Tax or Hook Stock Restructuring Tax.

(iv) Company Divestiture Tax.

"Closing Date Company Divestiture Tax" means one-half of the excess, if any, of (i) the amount of Required Pre-Closing Divestiture Tax and Required Post-Closing Divestiture Tax over (ii) $1,500,000,000; provided, however, that the Closing Date Divestiture Tax shall not exceed $1,750,000,000.

"Required Pre-Closing Divestiture Tax" means the excess, if any, of (i) the amount of Taxes imposed on the Company and its Subsidiaries for all taxable periods or portions thereof beginning on or after January 1, 2018 and ending on the Closing Date over (ii) the amount of Taxes that would have been imposed on the Company and its Subsidiaries for all such taxable periods or portions thereof assuming that no Required Divestitures had occurred.

"Required Post-Closing Divestiture Tax" means an amount equal to (a) the gain expected to be recognized by Parent and its Subsidiaries on all Required Divestitures that are expected to occur after Closing other than Post-Closing Consent Decree Divestitures multiplied by (b) the Post-Closing Tax Rate.

"Final Company Divestiture Tax" means one-half of the excess, if any, of (i) the sum of (A) the Required Pre-Closing Divestiture Tax, (B) the Required Post-Closing Divestiture Tax and (C) the Post-Closing Consent Decree Divestiture Tax over (ii) $1,500,000,000; provided, however, that the Final Company Divestiture Tax shall not exceed $1,750,000,000.

"Post-Closing Consent Decree Divestitures" means all Required Divestitures that (a) are not subject to binding contracts that include a fixed price as of the Tax Model Cutoff Date and (b) will occur after the Closing Date pursuant to consent decrees issued by Governmental Entities.

"Post-Closing Consent Decree Divestiture Tax" is an amount equal to (a) the gain recognized by Parent and its Subsidiaries on all Post-Closing Consent Decree Divestitures multiplied by (b) the Post-Closing Tax Rate.

"Post-Closing Tax Rate" means the sum of (i) the Applicable Federal Rate and (ii) the product of (A) one minus the Applicable Federal Rate and (B) the Assumed State Rate.

"Applicable Federal Rate" means the highest marginal U.S. federal income tax rate applicable to corporations in effect, or expected to be in effect, on the date of an applicable Required Divestiture that will, or is expected to, occur after Closing.

"Assumed State Rate" means 5%.

(v) Principles and Model.

"Tax Calculation Principles" means the principles set forth in this Section 5.23

"Projected Transaction Tax Model" means a dynamic model that the parties hereto will use to calculate the Transaction Tax (and each component thereof) based on the Final NW Stock Tax Basis and reasonable projections, assumptions and estimates, including with respect to (i) the SpinCo Equity Value, (ii) the Closing Date, (iii) the accrual of income, gain, loss, deductions and credits, (iv) the rates at which the Company and its Subsidiaries would be subject to Tax with respect to the income and gain items taken into account in computing the Transaction Tax, (v) any changes to tax asset basis since the date of this Agreement, (vi) in the case of Required Post-Closing Divestiture Taxes, a good faith estimate of the amount and timing of the proceeds to be recognized in the applicable Required Divestitures, (vii) the gross liabilities of SpinCo as calculated for U.S. federal income tax purposes (including, in the case of any unaccrued liabilities, the estimated amount of such liabilities in accordance with Treasury Regulations Section 1.336-3(d)) and (viii) in the case of taxable periods or portions thereof (A) beginning before January 1, 2018 and ending after January 1, 2018 and (B) beginning on or before the Closing Date and ending after the Closing Date, apportioning items of income, gain, deduction, loss or credit based on a hypothetical closing of the books of the Company and its Subsidiaries on January 1, 2018 and on the Closing Date.

(h) The parties hereto acknowledge and agree that (1) the SpinCo Operational Tax (and each component thereof) and the Transaction Tax (and each component thereof) are each intended to represent a good faith, reasonable estimate of Tax imposed on the Company and its Subsidiaries (and with respect to the Required Post-Closing Divestiture Tax, Parent and its Subsidiaries), as agreed by Parent and the Company in accordance with the Tax Calculation Principles and determined by the Closing Tax Model, (2) the actual amount of any Tax imposed on the Company, Parent and each of their respective Subsidiaries may differ from such estimate and (3) the parties may agree to use certain simplifying assumptions about the amount of income, gain, loss, deduction or credit, and the applicable Tax rate, in the Projected Transaction Tax Model.

Section 5.24. Divestiture Tax Prepayment. If there are Post-Closing Consent Decree Divestitures, the Company shall have the option to prepay all or a portion of the Final Company Divestiture Tax by delivery of a notice to Parent on or before the Tax Model Cutoff Date that sets forth a specified amount not to exceed the excess, if any, of (i) $1,750,000,000 over (ii) the Closing Date Company Divestiture Tax (the amount specified in such notice, the "Final Company Divestiture Tax Prepayment").

Section 5.25. Additional Tax Matters. (a) Neither Parent nor any of its Subsidiaries has taken any action or knows of any fact (taking into account the terms contained in the Commercial Term Sheets and the terms of any other agreements or arrangements as described in the Separation Principles) that could reasonably be expected to prevent the Mergers from qualifying for the Intended Tax Treatment. Parent is making the foregoing representation and warranty after consultation with its Tax counsel and with full knowledge of the terms of this Agreement, the Commercial Term Sheets and the Separation Principles. The representations and warranties set forth in this Section 5.25(a) are made as of the Execution Date.

(b) Neither the Company nor any of its Subsidiaries has taken any action or knows of any fact (taking into account the terms of the Commercial Term Sheets and the terms of any other agreements or arrangements as described in the Separation Principles) that could reasonably be expected to prevent the Mergers from qualifying for the Intended Tax Treatment. The Company is making the foregoing representation and warranty after consultation with its Tax counsel and with full knowledge of the terms of this Agreement, the Commercial Term Sheets and the Separation Principles. The representations and warranties set forth in this Section 5.25(a) are made as of the Execution Date.

(c) Each of Parent and the Company shall, and shall cause its Subsidiaries to, use its reasonable best efforts to obtain the opinions set forth in Section 6.02(e) and Section 6.03(c), including by providing the certificates described in Section 6.02(e) and Section 6.03(c).

(d) Each of Parent, the Company and SpinCo shall (and shall cause its respective Subsidiaries to) use its reasonable best efforts to cause the Mergers to qualify for the Intended Tax Treatment, including by not taking any action that could reasonably be expected to prevent such qualification. If either party discovers, after the date of this Agreement, any fact that could reasonably be expected to prevent the Mergers from qualifying for the Intended Tax Treatment, then (i) such party shall, as soon as possible, notify the other party and (ii) the parties shall cooperate in good faith and exercise their reasonable best efforts to effect the Transactions using an alternative structure that would be tax-free to the same extent as would have been the case had the Mergers qualified for the Intended Tax Treatment.

(e) Beginning on the date that is 90 days following the date on which the S-4 Registration Statement becomes effective, and every 90 days thereafter until the date the Mergers are consummated, the Company shall deliver to Parent, and Parent shall deliver to the Company, a certificate, in form and substance reasonably satisfactory to the recipient, stating (i) in the case of the certificate of Parent, that (1) the representation set forth in Section 5.25(a) is true and correct as if made on the date of such certificate and (2) it has consulted with Cravath and Cravath has indicated that is expects to be able to deliver the opinion set forth in Section 6.02(e) and (ii) in the case of the certificate of the Company, that (1) the representation set forth in Section 5.25(b) is true and correct as if made on the date of such certificate and (2) it has consulted with Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden") and Skadden has indicated that it expects to be able to deliver the opinion set forth in Section 6.03(c).

(f) The Company shall reasonably consult with Parent regarding any material Tax planning strategies or transactions.

Section 5.26. Sky Acquisition. (a) None of Parent or any of its Subsidiaries shall at any time prior to the Wax Effective Time: (i) acquire any interest in shares (as such term is defined in the Takeover Code) in Sky plc; (ii) make an offer for the shares in Sky plc; or (iii) other than in respect of the transactions contemplated by this Agreement, take any action that would, or would reasonably be expected to, require Parent or any of its Subsidiaries to make an offer for Sky plc pursuant to the requirements of the Takeover Code, in each case without the prior written consent of the Company.

(b) In the event that the U.K. Panel on Takeovers and Mergers regards Parent to be acting in concert with the Company in relation to Sky plc, Parent shall not take any action or make any statement which would reasonably be expected to affect the terms, structure or timetable of the Sky Acquisition, or which otherwise would reasonably be expected to result in obligations being imposed on the Company in relation to the Sky Acquisition under the Takeover Code.

ARTICLE VI

Conditions

Section 6.01. Conditions to Each Party's Obligation to Effect the Mergers and the Company's Obligation to Effect the Separation and the Distribution. The respective obligation of each party to effect the Mergers and, except with respect to Section 6.01(a), the Company's obligation to effect the Charter Amendment, the Separation and the Distribution, is subject to the satisfaction or waiver at or prior to the Closing of each of the following conditions:

(a) Charter Amendment, Separation and Distribution. The Charter Amendment shall have become effective and the Separation and the Distribution shall have been consummated.

(b) Stockholder Consent. This Agreement and the Distribution Merger Agreement shall have been duly adopted by holders of Shares constituting the Company Requisite Vote, the Charter Amendment shall have been approved by a majority of the outstanding Class B Shares entitled to vote, and the Stock Issuance shall have been approved by holders of shares of Parent Common Stock constituting the Parent Requisite Vote.

(c) Stock Exchange Listings. (i) The shares of Holdco Common Stock issuable pursuant to the Mergers shall have been authorized for listing on the NYSE upon official notice of issuance and (ii) the shares of SpinCo Common Stock issuable to the holders of the Shares pursuant to the Distribution shall have been authorized for listing on the Nasdaq upon official notice of issuance.

(d) Governmental Consents. (i) The waiting period applicable to the consummation of the Mergers under the HSR Act shall have expired or been earlier terminated, (ii) if required in connection with the consummation of the Mergers and the issuance of shares of Holdco Stock pursuant to the Mergers, all Governmental Consents of the FCC to transfer control of, or assign, licenses and authorizations pursuant to the Communications Act shall have been obtained and (iii) the Governmental Consents applicable to the consummation of the Mergers set forth on Section 6.01(d) of the Company Disclosure Letter shall have been obtained (or the applicable waiting period shall have expired or been earlier terminated) (clauses (i)-(iii) collectively, the "Required Governmental Consents").

(e) Law; Order. No Governmental Entity of a competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or Order (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the Transactions.

(f) Registration Statements. The Registration Statements shall have become effective under the Securities Act and the Exchange Act, as applicable. No stop order suspending the effectiveness of either Registration Statement shall have been issued, and no proceedings for that purpose shall have been initiated or be threatened, by the SEC.

(g) Surplus/Solvency Opinion. The Company shall have obtained an opinion in customary form from a nationally recognized valuation or accounting firm or investment bank, as to the adequacy of surplus under Delaware law to effect the Dividend, and as to the solvency of SpinCo and the Company after giving effect to the Dividend and the Distribution.

(h) Transaction Documents. The Transaction Documents (other than those executed on or prior to the date hereof) shall have been entered into in accordance with Section 5.21.

Section 6.02. Conditions to Obligations of Holdco, Parent and Merger Subs. The obligations of Holdco, Parent and the Merger Subs to effect the Mergers are also subject to the satisfaction or waiver by Parent at or prior to the Closing of the following conditions:

(a) Representations and Warranties. (i) The representations and warranties of the Company set forth in Section 3.02(a), the first sentence of Section 3.02(b) and the fourth sentence of Section 3.02(b) (Capital Structure) (in the case of the fourth sentence, only as it relates to the Company) shall be true and correct, subject only to *de minimis* inaccuracies (A) on the date of this Agreement, or the Execution Date, as applicable, and (B) at the Closing (in each case except to the extent that any such representation and warranty speaks as of a particular date, in which case such representation and warranty shall be so true and correct as of such date), (ii) the representations and warranties of the Company set forth in (x) the first sentence of Section 3.06 (Absence of Certain Changes) shall be true and correct in all respects and (y) Section 3.03 (Corporate Authority and Approval; Financial Advisor Opinions) and Section 3.12 (Takeover Statutes) shall be true and correct in all material respects (in the case of this clause (y), without regard to any materiality qualifiers specified therein), in each case, (A) on the date of this Agreement, or the Execution Date, as applicable, and (B) at the Closing (in each case except to the extent that such representation and warranty speaks as of a particular date, in which case such representation and warranty shall be so true and correct as of such date); and (iii) the other representations and warranties of the Company set forth in Article III shall be true and correct (A) on the date of this Agreement, or the Execution Date, as applicable, and (B) at the Closing (in each case except to the extent that any such representation and warranty speaks as of a particular date, in which case such representation and warranty shall be so true and correct as of such date); provided that, notwithstanding anything herein to the contrary, the condition set forth in this Section 6.02(a)(iii) shall be deemed to have been satisfied even if any

representations and warranties of the Company are not so true and correct unless the failure of such representations and warranties of the Company to be so true and correct (read for purposes of this Section 6.02(a)(iii) without any materiality, Company Material Adverse Effect or similar qualification), individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect; and (iv) Parent shall have received at the Closing a certificate signed on behalf of the Company by the Chief Executive Officer or Chief Financial Officer of the Company to the effect that the condition set forth in this Section 6.02(a) has been satisfied.

(b) Performance of Obligations of the Company. The Company shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing, and Parent shall have received a certificate signed on behalf of the Company by an executive officer of the Company to such effect.

(c) Government Approvals. No Governmental Consents shall have imposed any Restriction, other than Permitted Restrictions.

(d) Hook Stock Legal Comfort.

(i) Parent shall have received the Hook Stock Legal Comfort. Notwithstanding the foregoing:

(A) if the Company undertakes a Hook Stock Elimination in accordance with Section 5.22(e) following Parent's written request thereto pursuant to Section 5.22(e), then the condition in Section 6.02(d)(i) shall be deemed satisfied for all purposes of this Agreement;

(B) if (1) Parent has received the opinion described in Section 6.02(d)(ii)(B) but not the opinion described in Section 6.02(d)(ii)(A) and (2) the Anticipated Hook Stock Tax is less than or equal to $750,000,000, then the condition in Section 6.02(d)(i) shall be deemed satisfied for all purposes of this Agreement (subject to the indemnity obligations in the Tax Matters Agreement); and

(C) if (1) Parent has received the opinion described in Section 6.02(d)(ii)(B) but not the opinion described in Section 6.02(d)(ii)(A) and (2) the Anticipated Hook Stock Tax is more than $750,000,000, then either (x) Parent may waive the condition in Section 6.02(d)(i) (subject to the indemnity obligations in the Tax Matters Agreement) or (y) the Company may provide written notice to Parent (in reference to this Section 6.02(d)(i)(C)) that the condition in Section 6.02(d)(i) shall be deemed to be inoperative, in which case the condition in Section 6.02(d)(i) shall be deemed satisfied for all purposes of this Agreement (subject to the indemnity obligations in the Tax Matters Agreement).

(ii) For purposes of this Agreement, "Hook Stock Legal Comfort" means all of the following:

(A) a written opinion of Greenwoods, or an Australian senior barrister of Parent's choice, in form and substance reasonably acceptable to Parent, dated as of the Closing Date, either (i) confirming that there have been no Australian Tax Law Changes that would cause any of the conclusions expressed in the Signing Date Tax Opinion to change or (ii) in the event that there have been such Australian Tax Law Changes, to the effect that, on the basis of the facts, representations and assumptions set forth or referred to in such opinion, the Charter Amendment, the Distribution and the Mergers (or any alternative transactions implemented instead of those transactions (the "Alternative Transactions")) should not result in any Hook Stock Tax under Australian Tax Law; and

(B) a written opinion of Cravath, in form and substance reasonably acceptable to Parent, dated as of the Closing Date, to the effect that, on the basis of the facts, representations and assumptions set forth or referred to in such opinion, the Distribution and the Mergers will result in no recognition of gain or loss in respect of the Hook Stock for U.S. federal income tax purposes.

(iii) In rendering the opinions described in clauses (ii)(A) and (ii)(B) above, the Person doing so may rely upon customary assumptions and representations reasonably satisfactory to it, including representations set forth in the certificates of officers of Parent, the Merger Subs, the Company and SpinCo.

(iv) For purposes of this Agreement, "Australian Tax Law" means a Law of an Australian Governmental Entity relating to Tax, including the *Income Tax Assessment Act 1936 (Cth)*, the *Income Tax Assessment Act 1997 (Cth)* and includes, for the avoidance of doubt, any anti-avoidance rule and the diverted profits tax imposed under the *Diverted Profits Tax Act 2017 (Cth)*.

(v) For purposes of this Agreement, "Anticipated Hook Stock Tax" means an estimate, as reasonably agreed by Parent and the Company, of the anticipated amount of Hook Stock Tax; provided, that if Parent and the Company are unable to agree on the Anticipated Hook Stock Tax, such amount shall be determined by an accounting firm, law firm or senior barrister, in each case that is nationally recognized in Australia, to be agreed upon by the parties within 60 days hereof.

(e) Tax Opinion. Parent shall have received a written opinion of Cravath, in form and substance reasonably acceptable to Parent, dated as of the Closing Date, to the effect that, on the basis of the facts, representations and assumptions set forth or referred to in such opinion, the Mergers, taken together, will qualify as a transaction described in Section 351 of the Code. In rendering such opinion, Cravath may rely upon customary assumptions and representations reasonably satisfactory to it, including representations set forth in certificates of officers of Parent, the Merger Subs, the Company and SpinCo.

Section 6.03. Conditions to Obligation of the Company. The obligation of the Company to effect the Separation and Distribution and the Wax Merger is also subject to the satisfaction or waiver by the Company at or prior to the Closing of the following conditions:

(a) Representations and Warranties. (i) The representations and warranties of Parent, Holdco and the Merger Subs set forth in the first three sentences of Section 4.02(a) (Capital Structure) shall be true and correct, subject only to *de minimis* inaccuracies (A) on the date of this Agreement, or the Execution Date, as applicable, and (B) at the Closing (in each case except to the extent that any such representation and warranty speaks as of a particular date, in which case such representation and warranty shall be so true and correct as of such date); (ii) the representations and warranties of Parent, Holdco and the Merger Subs set forth in (x) the first sentence of Section 4.06 (Absence of Certain Changes) shall be true and correct in all respects and (y) Section 4.03 (Corporate Authority; Approval) shall be true and correct in all material respects (in the case of this clause (y), without regard to any materiality qualifiers specified therein), in each case, (A) on the date of this Agreement, or the Execution Date, as applicable, and (B) at the Closing (in each case except to the extent that any such representation and warranty speaks as of a particular date, in which case such representation and warranty shall be so true and correct as of such date); and (iii) the other representations and warranties of Parent, Holdco and the Merger Subs set forth in Article IV shall be true and correct in all respects (A) on the date of this Agreement, or the Execution Date, as applicable, and (B) at the Closing (in each case except to the extent that any such representation and warranty speaks as of a particular date, in which case such representation and warranty shall be so true and correct as of such date); provided that notwithstanding anything herein to the contrary, the condition set forth in this Section 6.03(a)(iii) shall be deemed to have been satisfied even if any representations and warranties of Parent, Holdco and the Merger Subs are not so true and correct unless the failure of such representations and warranties of Parent, Holdco and the Merger Subs to be so true and correct (read for purposes of this Section 6.03(a)(iii) without any materiality, Parent Material Adverse Effect or similar qualification), individually or in the aggregate, has had or would reasonably be expected to have a Parent Material Adverse Effect; and (iv) the Company shall have received at the Closing a certificate signed on behalf of Parent, Holdco and the Merger Subs by executive officers of Parent, Holdco and the Merger Subs to the effect that the condition set forth in this Section 6.03(a) has been satisfied.

(b) Performance of Obligations of Parent and Merger Subs. Each of Parent, Holdco and the Merger Subs shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing, and the Company shall have received a certificate signed on behalf of Parent, Holdco and the Merger Subs by executive officers of Parent, Holdco and the Merger Subs to such effect.

(c) Tax Opinion. The Company shall have received a written opinion of Skadden, in form and substance reasonably acceptable to the Company, dated as of the Closing Date, to the effect that, on the basis of the facts, representations and assumptions set forth or referred to in such opinion, the Mergers, taken together, will qualify as a transaction described in Section 351 of the Code. In rendering such opinion, Skadden may rely upon customary assumptions and representations reasonably satisfactory to it, including representations set forth in certificates of officers of Parent, the Merger Subs, the Company and SpinCo.

ARTICLE VII

Termination

Section 7.01. Termination by Mutual Consent. This Agreement may be terminated and the Mergers may be abandoned at any time prior to the Delta Effective Time, whether before or after the adoption of this Agreement by the stockholders of the Company or the approval of the Stock Issuance by the stockholders of Parent referred to in Section 6.01(b), by mutual written consent of the Company and Parent, by action of their respective Boards of Directors.

Section 7.02. Termination by Either Parent or the Company. This Agreement may be terminated and the Mergers may be abandoned at any time prior to the Delta Effective Time by action of the Board of Directors of either Parent or the Company if:

(a) the Mergers shall not have been consummated by 11:59 p.m. (New York City time) on December 13, 2018 (the "Initial Termination Date", and as it may be extended below, the "Termination Date"), whether such date is before or after the date of adoption of this Agreement by the stockholders of the Company or the approval of the Stock Issuance by the stockholders of Parent referred to in Section 6.01(b); provided that if on such date any of the Required Governmental Consents shall not have been obtained and all of the other conditions set forth in Article VI have been satisfied or waived (except for those conditions that by their nature are to be satisfied at the Closing, provided that such conditions were then capable of being satisfied if the Closing had taken place), the Initial Termination Date may be extended by either Parent or the Company to 11:59 p.m. (New York City time) on June 13, 2019 (the "First Extended Termination Date"); provided, further, that if on such extended date any of the Required Governmental Consents shall not have been obtained and all of the other conditions set forth in Article VI have been satisfied or waived (except for those conditions that by their nature are to be satisfied at the Closing provided that such conditions were then capable of being satisfied if the Closing had taken place), the First Extended Termination Date may be extended by either Parent or the Company to 11:59 p.m. (New York City time) on December 13, 2019 (the "Second Extended Termination Date"); provided, further, that if the condition set forth in Section 6.01(e) is not satisfied as of the applicable Termination Date because a Governmental Entity of a competent jurisdiction (other than those Governmental Entities set forth on Section 6.01(d) of the Company Disclosure Letter) shall have enacted, issued, promulgated, enforced or entered any Order that is not final and non-appealable (and all of the other conditions set forth in Article VI have been satisfied or waived (except for those conditions that by their nature are to be satisfied at the Closing, provided that such conditions were then capable of being satisfied if the Closing had taken place), then the Initial Termination Date, the First Extended Termination Date or the Second Extended Termination Date, as applicable, shall be extended until the earliest of (i) six months after the applicable Termination Date , (ii) two business days following such earlier date on which the Mergers are required to occur and (iii) the date such Order becomes final and non-appealable.

(b) the adoption of this Agreement by the stockholders of the Company referred to in Section 6.01(b) shall not have occurred at a meeting duly convened therefor or at any adjournment or postponement thereof at which a vote upon the adoption of this Agreement was taken;

(c) the approval of the Stock Issuance by the stockholders of Parent referred to in Section 6.01(b) shall not have occurred at a meeting duly convened therefor or at any adjournment or postponement thereof at which a vote upon the approval of the Stock Issuance was taken; or

(d) any Law or Order enacted, issued, promulgated, enforced or entered by a Governmental Entity of a competent jurisdiction permanently restraining, enjoining or otherwise prohibiting consummation of the Mergers shall become final and non-appealable, whether before or after the adoption of this Agreement by the stockholders of the Company or the approval of the Stock Issuance by the stockholders of Parent referred to in Section 6.01(b);

provided that the right to terminate this Agreement pursuant to Section 7.02(a) or Section 7.02(d) shall not be available to any party that has breached in any material respect its obligations under this Agreement in any manner that shall have proximately contributed to the failure of the Mergers to be consummated.

Section 7.03. Termination by the Company. This Agreement may be terminated and the Mergers may be abandoned at any time prior to the Delta Effective Time by action of the Board of Directors of the Company if:

(a) the Board of Directors of Parent shall have made a Parent Change in Recommendation; provided, however, that the Company will not have the right to terminate this Agreement pursuant to this Section 7.03(a) if the Parent Requisite Vote has been obtained; or

(b) there has been a breach of any representation, warranty, covenant or agreement made by Parent, Holdco or the Merger Subs in this Agreement, or any such representation and warranty shall have become untrue after the date of this Agreement, such that Sections 6.03(a) or 6.03(b) would not be satisfied and such breach or failure to be true is not curable or, if curable, is not cured following written notice to Parent from the Company of such breach or failure by the earlier of (x) the 30th day following such written notice and (y) the Termination Date; provided that the Company shall not have the right to terminate this Agreement pursuant to this Section 7.03 if the Company is then in breach of any of its representations, warranties, covenants or agreements under this Agreement in a manner such that the conditions set forth in Sections 6.02(a) or 6.02(b) would not be satisfied (unless capable of being cured within 30 days).

(c) at any time prior to the Company Requisite Vote being obtained, (i) if the Board of Directors of the Company authorizes the Company, to the extent permitted by and subject to complying with the terms of Section 5.02, to enter into an Alternative Company Acquisition Agreement with respect to a Company Superior Proposal that did not result from a material breach of this Agreement, (ii) concurrently with the termination of this Agreement, the Company, subject to complying with the terms of Section 5.02, enters into an Alternative Company Acquisition Agreement providing for a Company Superior Proposal that did not result from a material breach of this Agreement and (iii) prior to or concurrently with such termination, the Company pays to Parent in immediately available funds any fees required to be paid pursuant to Section 7.05(b).

Section 7.04. Termination by Parent. This Agreement may be terminated and the Mergers may be abandoned at any time prior to the Delta Effective Time by action of the Board of Directors of Parent if:

(a) the Board of Directors of the Company shall have made a Company Change in Recommendation; provided, however, that Parent will not have the right to terminate this Agreement pursuant to this Section 7.04(a) if the Company Requisite Vote has been obtained; or

(b) there has been a breach of any representation, warranty, covenant or agreement made by the Company in this Agreement, or any such representation and warranty shall have become untrue after the date of this Agreement, such that Sections 6.02(a) or 6.02(b) would not be satisfied and such breach or failure to be true is not curable or, if curable, is not cured following notice to the Company from Parent of such breach or failure by the earlier of (x) the 30th day following such notice and (y) the Termination Date; provided that Parent shall not have the right to terminate this Agreement pursuant to this Section 7.04(b) if Parent is then in breach of any of its representations, warranties, covenants or agreements under this Agreement in a manner such that the conditions set forth in Section 6.03(a) or Section 6.03(b) would not be satisfied (unless capable of being cured within 30 days).

(c) at any time prior to the Parent Requisite Vote being obtained, (i) if the Board of Directors of Parent authorizes Parent, to the extent permitted by and subject to complying with the terms of Section 5.03, to enter into an Alternative Parent Acquisition Agreement with respect to a Parent Superior Proposal that did not result from a material breach of this Agreement, (ii) concurrently with the termination of this Agreement, Parent, subject to complying with the terms of Section 5.03, enters into an Alternative Parent Acquisition Agreement providing for a Parent Superior Proposal that did not result from a material breach of this Agreement and (iii) prior to or concurrently with such termination, Parent pays to the Company in immediately available funds any fees required to be paid pursuant to Section 7.05(c).

Section 7.05. Effect of Termination and Abandonment. (a) In the event this Agreement is terminated pursuant to this Article VII, written notice thereof shall be given to the other party or parties, specifying the provisions hereof pursuant to which such termination is made and the basis therefor described in reasonable detail, and, except as set forth in this Section 7.05 and as set forth in Section 8.01, shall become void and of no effect with no liability on the part of any party hereto (or of any of its respective Representatives); provided that no such termination shall relieve (i) the Company from any obligation to pay, if applicable, the Company Termination Fee pursuant to Section 7.05(b) or (ii) Parent from any obligation to pay, if applicable, the Parent Termination Fee or the Parent Regulatory Termination Fee pursuant to Section 7.05(c); provided, further, that if (x) such termination resulted, directly or indirectly, from an Intentional Breach or (y) an Intentional Breach shall cause the Closing not to occur, then, notwithstanding such termination, such breaching party shall be fully liable for any and all damages (including Derivative Damages), costs, expenses, liabilities or losses of any kind, in each case, incurred or suffered by the other party (collectively, "Damages") as a result of such breach.

(b) If this Agreement is terminated (x) by Parent pursuant to Section 7.04(a) (Company Change in Recommendation), (y) by the Company or Parent pursuant to Section 7.02(b) (Company Stockholder Vote) at a time when Parent had the right to terminate pursuant to Section 7.04(a) (Company Change in Recommendation) or (z) by the Company pursuant to Section 7.03(c) (Termination for Superior Company Proposal), then the Company shall, within two business days after such termination in the case of clause (x) or in the case of clause (y) with respect to a termination by Parent, or concurrently with such termination in the case of clause (z) or in the case of clause (y) with respect to a termination by the Company, pay Parent a fee equal to $1,525,000,000 (the "Company Termination Fee"). In addition, if (i) this Agreement is terminated (A) by Parent or the Company pursuant to Section 7.02(a) (Termination Date) or 7.02(b) (Company Stockholder Vote) or (B) by Parent pursuant to Section 7.04(b) (Company Breach) in respect of any covenant of the Company, (ii) prior to such termination referred to in clause (i) of this sentence, but after the date of this Agreement, a bona fide Company Acquisition Proposal shall have been publicly made to the Company or any of its Subsidiaries or shall have been made directly to the Company's stockholders generally or any Person shall have publicly announced an intention (whether or not conditional) to make a bona fide Company Acquisition Proposal or, in the case of termination by Parent pursuant to Section 7.04(b) (Company Breach), a Company Acquisition Proposal shall have been made publicly or privately to the Board of Directors of the Company, (iii) in the case of a termination pursuant to Section 7.02(a) (Termination Date), the conditions set forth in Sections 6.01(d) (Governmental Consents), 6.01(e) (Law; Order) and 6.02(c) (Government Approvals) shall have been satisfied, and (iv) within 12 months after the date of a termination in either of the cases referred to in clauses (i)(A) and (i)(B) of this sentence of Section 7.05(b), the Company consummates a Company Acquisition Proposal or enters into an agreement contemplating a Company Acquisition Proposal, then the Company shall pay the Company Termination Fee concurrently with the earlier of such entry or consummation; provided that solely for purposes of the second sentence of this Section 7.05(b), the term "Company Acquisition Proposal" shall have the meaning assigned to such term in Section 5.02(d), except that the references to "20% or more" shall be deemed to be references to "more than 50%" and references to "(using the consolidated total assets of the Retained Business as the denominator for purposes of calculating such percentage)" shall be deemed to be deleted. In no event shall the Company be required to pay the Company Termination Fee on more than one occasion.

(c) If this Agreement is terminated (x) by the Company pursuant to Section 7.03(a) (Parent Change in Recommendation), (y) by Parent or the Company pursuant to Section 7.02(c) (Parent Stockholder Vote) at a time when the Company had the right to terminate pursuant to Section 7.03(a) (Parent Change in Recommendation) or (z) by Parent pursuant to Section 7.04(c) (Termination for Superior Parent Proposal), then Parent shall, within two business days after such termination in the case of clause (x) or in the case of clause (y) with respect to a termination by the Company, or concurrently with such termination in the case of clause (z) or clause (y) with respect to a termination by Parent, pay the Company a fee equal to $1,525,000,000 (the "Parent Termination Fee"). In addition, if (i) this Agreement is terminated (A) by the Company or Parent pursuant to

Section 7.02(a) (Termination Date) or Section 7.02(c) (Parent Stockholder Vote) or (B) by the Company pursuant to Section 7.03(b) (Parent Breach) in respect of any covenant of Parent or a Merger Sub, (ii) prior to such termination referred to in clause (i) of this sentence, but after the date of this Agreement, a bona fide Parent Acquisition Proposal shall have been publicly made to Parent or any of its Subsidiaries or shall have been made directly to Parent's stockholders generally or any Person shall have publicly announced an intention (whether or not conditional) to make a bona fide Parent Acquisition Proposal or, in the case of termination by the Company pursuant to Section 7.03(b) (Parent Breach), a Parent Acquisition Proposal shall have been made publicly or privately to the Board of Directors of Parent, (iii) in the case of a termination pursuant to Section 7.02(a) (Termination Date), the conditions set forth in Section 6.01(d) (Governmental Consents), Section 6.01(e) (Law; Order) and Section 6.02(c) (Government Approvals) shall have been satisfied, and (iv) within 12 months after the date of a termination in either of the cases referred to in clauses (i)(A) and (i)(B) of this sentence of Section 7.05(c), Parent consummates a Parent Acquisition Proposal or enters into an agreement contemplating a Parent Acquisition Proposal, then Parent shall pay the Parent Termination Fee concurrently with the earlier of such entry or consummation; provided that solely for purposes of the second sentence of this Section 7.05(c), the term "Parent Acquisition Proposal" shall have the meaning assigned to such term in Section 5.03(d), except that (1) the references to "20% or more" shall be deemed to be references to "more than 50%" and (2) "Parent Acquisition Proposal" shall be read without giving effect to clause (i)(2) or (ii)(2) thereof. If this Agreement is terminated by the Company or Parent (i) pursuant to Section 7.02(d) (Law; Final and Non-Appealable Order) as the result of any applicable Antitrust Law, Communications Law or Foreign Regulatory Law or an Order imposed by a Governmental Entity with jurisdiction over enforcement of any applicable Antitrust Laws, Communications Laws or Foreign Regulatory Laws (each, a "Governmental Regulatory Entity") with respect to an Antitrust Law, Communications Law or Foreign Regulatory Law or (ii) pursuant to Section 7.02(a) (Termination Date) and, at the time of such termination, one or more of the conditions set forth in Section 6.01(d) or Section 6.01(e) (as the result of any applicable Antitrust Law, Communications Law or Foreign Regulatory Law or an Order imposed by a Governmental Regulatory Entity with respect to an Antitrust Law, Communications Law or Foreign Regulatory Law) or Section 6.02(c) was not satisfied and, in the case of each of (i) or (ii), at the time of such termination (A) all of the other conditions set forth in Section 6.01 and Section 6.02 have been satisfied or waived (except for those conditions that by their nature are to be satisfied at the Closing, provided that such conditions were then capable of being satisfied if the Closing had taken place) and (B) the Company is not in breach in any material respect of its obligations under this Agreement in any manner that shall have proximately contributed to the imposition of the Order referred to in clause (i) or the failure of the conditions referred to in clause (ii) above, as applicable, then Parent shall, within two business days after such termination, pay the Company a fee equal to $2,500,000,000 (the "Parent Regulatory Termination Fee"). In no event shall Parent be required to pay (I) the Parent Termination Fee on more than one occasion or (II) both the Parent Termination Fee and the Parent Regulatory Termination Fee. Notwithstanding anything to the contrary in this Section 7.05(c), if the Parent Termination Fee becomes payable at a time when Parent is in breach of its obligations pursuant to Section 5.06 such that the Company would have the right to terminate this Agreement pursuant to Section 7.03(b), Parent shall instead pay the Company the Parent Regulatory Termination Fee (or, if Parent has already paid the Parent Termination Fee, an amount equal to the Parent Regulatory Termination Fee minus the Parent Termination Fee).

(d) Each party acknowledges that the agreements contained in this Section 7.05 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, no party would have entered into this Agreement; accordingly, if the Company fails to pay promptly the Company Termination Fee, if any, or if Parent fails to pay promptly the Parent Termination Fee or the Parent Regulatory Termination Fee, if any (any such amount, a "Payment"), and, in order to obtain such Payment, the party entitled to receive such Payment (the "Recipient") commences a suit which results in a judgment against the party obligated to make such Payment (the "Payor") for the applicable Payment, or any portion thereof, the Payor shall pay to the Recipient its costs and expenses (including attorneys' fees) in connection with such suit, together with interest on the amount of the Payment at the prime rate of Citibank N.A. in effect on the date such Payment was required to be paid from such date through the date of full payment thereof.

(e) Sole and Exclusive Monetary Remedy.

(i) Notwithstanding anything to the contrary in this Agreement, but subject to Section 8.14, Parent's right to receive payment from the Company of the Company Termination Fee pursuant to Section 7.05(b), under circumstances in which such fee is payable in accordance with this Agreement, shall constitute the sole and exclusive monetary remedy of Parent, Holdco and the Merger Subs against the Company and its Subsidiaries and any of their respective former, current or future general or limited partners, stockholders, members, managers, directors, officers, employees, agents, Affiliates or assignees (collectively, the "Company Related Parties") for all Damages suffered as a result of a breach or failure to perform hereunder (whether at law, in equity, in contract, in tort or otherwise), and upon payment of such amount, none of the Company Related Parties shall have any further liability or obligation relating to or arising out of this Agreement (whether at law, in equity, in contract, in tort or otherwise) other than as contemplated by Section 5.07, 5.11, 5.16, 5.22(a) or 5.24 except that, to the extent any termination of this Agreement resulted from, directly or indirectly, an Intentional Breach of this Agreement by the Company or such Intentional Breach by the Company shall cause the Closing not to occur as provided under Section 7.05(a), Parent shall be entitled to the payment of the Company Termination Fee (to the extent owed pursuant to Section 7.05(b)) and to any Damages, to the extent proven, resulting from or arising out of such Intentional Breach (as reduced by any Company Termination Fee previously paid by the Company).

(ii) Notwithstanding anything to the contrary in this Agreement, but subject to Section 8.14, the Company's right to receive payment from Parent of the Parent Termination Fee or Parent Regulatory Termination Fee pursuant to Section 7.05(c), under circumstances in which such fee is payable in accordance with this Agreement, shall constitute the sole and exclusive monetary remedy of the Company and its stockholders against Parent and its Subsidiaries (including Holdco and the Merger Subs) and any of their respective former, current or future general or limited partners,

stockholders, members, managers, directors, officers, employees, agents, Affiliates or assignees (collectively, the "Parent Related Parties") for all Damages suffered as a result of a breach or failure to perform hereunder (whether at law, in equity, in contract, in tort or otherwise), and upon payment of such amount, none of the Parent Related Parties shall have any further liability or obligation relating to or arising out of this Agreement (whether at law, in equity, in contract, in tort or otherwise) other than as contemplated by Section 5.07, 5.11, 5.16, 5.22(a) or 5.22(f), except that to the extent any termination of this Agreement resulted from, directly or indirectly, an Intentional Breach of this Agreement by Parent, Holdco or any Merger Sub or such Intentional Breach by Parent, Holdco or any Merger Sub shall cause the Closing not to occur as provided under Section 7.05(a), the Company shall be entitled to the payment of the Parent Termination Fee or Parent Regulatory Termination Fee (to the extent owed pursuant to Section 7.05(c)) and to any Damages, to the extent proven, resulting from or arising out of such Intentional Breach (as reduced by any Parent Termination Fee or Parent Regulatory Termination Fee paid by Parent).

(iii) Notwithstanding anything herein to the contrary, the Company and its Representatives hereby waive any and all rights and claims against the Financing Source Related Parties in connection with this Agreement or the Financing, whether at law or in equity, in contract, in tort or otherwise; provided, that the foregoing waiver and release shall not apply to any rights, claims or causes of action that the Company or any of its Affiliates or their respective Representatives may have against any Financing Source Related Party for breach of any non-reliance, confidentiality or nondisclosure agreement or any other written agreement that any Financing Source Related Party may have entered into with the Company or its Affiliates or their respective Representatives.

ARTICLE VIII

Miscellaneous and General

Section 8.01. Survival. This Article VIII and the agreements of Parent, Holdco and the Merger Subs contained in Article II and Section 5.12 (Indemnification; Directors' and Officers' Insurance) shall survive the consummation of the Mergers. This Article VIII (other than Section 8.02 (Modification or Amendment), Section 8.03 (Waiver) and Section 8.13 (Assignment)) and the agreements of the Company, Parent, Holdco and the Merger Subs contained in Section 5.07(b) (Access, Consultation), Section 5.11 (Expenses), Section 5.16(h) (Company Financing Indemnification), Section 5.16(n) (Parent Financing Indemnification), Section 7.05 (Effect of Termination and Abandonment), the indemnification obligation set forth in Section 5.22(f) (Hook Stock) and the Confidentiality Agreement shall survive the termination of this Agreement. All other representations, warranties, covenants and agreements in this Agreement and in any certificate or other writing delivered pursuant hereto shall not survive the consummation of the Mergers or the termination of this Agreement. This Section 8.01 shall not limit any covenant or agreement of the parties which by its terms contemplates performance after the Delta Effective Time.

Section 8.02. Modification or Amendment. Subject to the provisions of applicable Law (including Section 251(d) of the DGCL), at any time prior to the Delta Effective Time, this Agreement (including any Schedule hereto) may only be amended, modified or supplemented in a writing signed on behalf of each of Parent and the Company.

Section 8.03. Waiver. (a) Any provision of this Agreement may be waived if, and only if, such waiver is in writing and signed by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as otherwise herein provided, the rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law. Any waiver pursuant to this Section 8.03 shall not be construed as a waiver of any subsequent breach or failure of the same term or condition, or a waiver of another term or condition of this Agreement.

Section 8.04. Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts (including by facsimile or by attachment to electronic mail in portable document format (PDF)), each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties hereto.

Section 8.05. Governing Law and Venue; Waiver of Jury Trial. (a) THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN AND IN ALL RESPECTS SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY AND IN ACCORDANCE WITH THE LAW OF THE STATE OF DELAWARE WITHOUT REGARD TO THE CONFLICT OF LAW PRINCIPLES THEREOF. Except as contemplated in Section 5.21, Section 5.23 or Section 8.05(c), in any action or proceeding between the parties arising out of or relating to this Agreement or any of the Transactions, each of the parties hereby (i) irrevocably and unconditionally consents and submits to the exclusive jurisdiction and venue of the Court of Chancery of the State of Delaware in and for New Castle County, Delaware; (ii) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from such court; and (iii) agrees that it will not bring any such action in any court other than the Court of Chancery for the State of Delaware in and for New Castle County, Delaware, or, if (and only if) such court finds it lacks subject matter jurisdiction, the Federal court of the United States of America sitting in Delaware, and appellate courts thereof. Service of process, summons, notice or document to any party's address and in the manner set forth in Section 8.06 shall be effective service of process for any such action.

(b) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS

REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (IV) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.05.

(c) Each of the parties hereto (i) agrees that (x) it will not bring or support any action, cause of action, claim, cross-claim or third-party claim of any kind or any description, whether in law or in equity, whether in contract or tort or otherwise, against the Financing Source Related Parties in any way relating to this Agreement or any of the Transactions, including but not limited to any dispute arising out of or relating in any way to the Financing, in any forum other than a court of competent jurisdiction located within the Borough of Manhattan in the City of New York, New York, whether a state or federal court, (y) all claims or causes of action (whether at law, in equity, in contract, in tort or otherwise) against any of the Financing Source Related Parties in any way relating to this Agreement, shall be exclusively governed by, and constructed in accordance with, the internal laws of the State of New York and (z) the provisions of Section 8.05(b) relating to the waiver of jury trial shall apply to any such Proceedings, (ii) submits for itself and its property with respect to any such action, cause of action, claim, cross-claim or third party claim described in clause (i)(x) to the exclusive jurisdiction of any court of competent jurisdiction located within the Borough of Manhattan in the City of New York, New York, whether a state or federal court, (iii) hereby irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of, and the defense of an inconvenient forum to the maintenance of, any such action cause of action, claim, cross-claim or third party claim described in clause (i)(x) in any such court and (iv) agrees that a final judgment in any such action, cause of action, claim, cross claim or third-party claim described in clause (i)(x) shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Section 8.06. Notices. Notices, requests, instructions or other documents to be given under this Agreement shall be in writing and shall be deemed given, (a) on the date sent by e-mail of a PDF document if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient, (b) when delivered, if delivered personally to the intended recipient, and (c) one business day later, if sent by overnight delivery via a national courier service (providing proof of delivery), and in each case, addressed to a party at the following address for such party:

(a) if to Parent, Holdco or the Merger Subs

The Walt Disney Company
500 South Buena Vista Street
Burbank, CA 91521
Attention: Chairman of Direct-to-Consumer International
Associate General Counsel
Email: kevin.mayer@disney.com
james.kapenstein@disney.com

with copies to (which shall not constitute notice):

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Attention: Faiza J. Saeed, Esq.
George F. Schoen, Esq.
Email: fsaeed@cravath.com
gschoen@cravath.com
(b) if to the Company

Twenty-First Century Fox, Inc.
1211 Avenue of the Americas
New York, NY
Attention: General Counsel
Email: gzweifach@21cf.com

with copies to (which shall not constitute notice):

Skadden, Arps, Slate, Meagher & Flom LLP and Affiliates
4 Times Square
New York, NY 10036
Attention: Howard L. Ellin, Esq.
Brandon Van Dyke, Esq.
Email: howard.ellin@skadden.com
brandon.vandyke@skadden.com

or to such other persons or addresses as may be designated in writing by the party to receive such notice as provided above.

Section 8.07. Entire Agreement. This Agreement, including the Annexes and Exhibits attached hereto, the Company Disclosure Letter, the Parent Disclosure Letter and the Confidentiality Agreement, contain all of the terms, conditions and representations and warranties agreed upon or made by the parties relating to the subject matter of this Agreement and supersede all prior and contemporaneous agreements, negotiations, correspondence, undertakings and communications of the parties or their representatives, oral or written, respecting such subject matter.

Section 8.08. No Third Party Beneficiaries. This Agreement is not intended to, and does not, confer upon any Person other than the parties hereto any rights or remedies hereunder, other than (a) as provided in Section 5.12 (Indemnification; Directors' and Officers' Insurance) (which shall be enforceable by the Indemnified Parties), (b) from and after the Wax Effective Time, the right of the Company's stockholders to receive the Wax Merger Consideration after the Wax Effective Time, (c) from and after the Wax Effective Time, the right of the holders of awards under the Company Stock Plans to receive such consideration as provided for in Section 2.08 after the Wax Effective Time, (d) the right of the Company, on behalf of the holders of the Shares and the holders of awards under the Company Stock Plans, as applicable, to pursue damages (including damages for their loss of economic benefits from the transactions contemplated by this Agreement) ("Derivative Damages") in the event of Parent's, Holdco's, Delta Sub's or Wax Sub's breach of this Agreement, which right is hereby acknowledged and agreed by Parent, Holdco and each Merger Sub (provided that this clause is not intended, and under no circumstances shall be deemed, to create any right of the holders of the Shares or the holders of awards under the Company Stock Plans to bring an action against Parent, Delta Sub or Wax Sub pursuant to this Agreement or otherwise), (e) as provided in Section 5.16 (Financing) (which shall be enforceable by the Section 5.16 Indemnitees), (f) as provided in Section 5.22(f) (Hook Stock) (which shall be enforceable by the Hook Stock Indemnitees), and (g) the Financing Source Related Parties who shall be express third party beneficiaries of, and shall be entitled to rely on Sections 7.05(e)(iii), 8.05(c) and this Section 8.08. Notwithstanding anything to the contrary contained herein, Sections 7.05(e)(iii), 8.05(c) and this Section 8.08 (and any provision in this Agreement to the extent a modification, waiver or termination of such provision would modify the substance of Sections 7.05(e)(iii), 8.05(c) and this Section 8.08) may not be modified, waived or terminated in a manner that is adverse to a Financing Source Related Party without the prior written consent of such adversely affected Financing Source Related Party.

Section 8.09. Obligations of Parent and of the Company. Whenever this Agreement requires a Subsidiary of Parent to take any action, such requirement shall be deemed to include an undertaking on the part of Parent to cause such Subsidiary to take such action and, after the Delta Effective Time on the part of the Delta Surviving Company to cause such Subsidiary to take such action. Whenever this Agreement requires a Subsidiary of the Company to take any action, such requirement shall be deemed to include an undertaking on the part of the Company to cause such Subsidiary to take such action and, after the Wax Effective Time, on the part of the Wax Surviving Company to cause such Subsidiary to take such action.

Section 8.10. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision negotiated in good faith by the parties hereto shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not, subject to clause (a) above, be affected by such invalidity or unenforceability, except as a result of such substitution, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

Section 8.11. Definitions. For purposes of this Agreement:

"Affiliate" means, when used with respect to any party, any Person who is an "affiliate" of that party within the meaning of Rule 405 promulgated under the Securities Act.

"Affiliation Agreements" means affiliation, distribution Contracts (including multiplatform video distribution Contracts) for the distribution of multichannel video programming services with a video programming distributor, including cable systems, SMATV, open video systems and MMDS, MDS and DBS systems, wireless and broadband, or a streaming or "over the top" multichannel video programming service provider, in each case, for the distribution of such programming services, and any correspondence or writings amending the foregoing.

"Antitrust Laws" means the Sherman Antitrust Act, the Clayton Antitrust Act of 1914, the HSR Act and all other federal, state and foreign statutes, rules, regulations, orders, decrees and other Laws and Orders that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or competition.

"Australian Private Rulings" means (i) a private ruling issued by the Australian Taxation Office, in effect on the Closing Date, confirming that the Charter Amendment and the Distribution or any Alternative Transactions will not result in any Hook Stock Tax under Australian Tax Law and (ii) a private ruling issued by the Australian Taxation Office, in effect on the Closing Date, confirming that no Hook Stock Tax will arise under Australian Tax Law in respect of the Mergers.

"Australian Tax Law Changes" means any commencement or introduction of, amendment to or change in, or any judicial or administrative decision, ruling or guidance interpreting, clarifying or changing the administration of, any Australian Tax Law or Order relating to Australian Tax Law, which occurs on or after the Execution Date.

"Average Parent Stock Price" means the VWAP of a share of Parent Common Stock on the NYSE over the 15 consecutive Trading Day period ending on (and including) the Trading Day that is three Trading Days prior to the date of the Delta Effective Time.

"Bridge Facility" means that certain Bridge Credit Agreement, dated as of December 15, 2016, among 21st Century Fox America, Inc., as borrower, the Company, as parent guarantor, the lenders party thereto, Goldman Sachs Bank USA, Deutsche Bank AG Cayman Islands Branch and J.P. Morgan Europe Limited, as co-administrative agents, and J.P. Morgan Europe Limited, as designated agent.

"business day" means any day of the year other than (a) a Saturday or a Sunday or (b) a day on which banks are required or authorized by Law to be closed in New York City.

"Commercial Agreements" means definitive agreements prepared pursuant to Section 5.21 memorializing the terms contained in the Commercial Term Sheets.

"Commercial Term Sheets" means the term sheets attached hereto as Exhibit III setting forth the principal terms in accordance with which the Commercial Agreements shall be prepared pursuant to Section 5.21.

"Committed Financing Sources" means the entities that have committed to provide or otherwise entered into agreements with respect to the Committed Financing and their respective Affiliates.

"Company Deferred Stock Units" means an award of Company deferred stock units held by the Company's non-employee directors.

"Company Equity Award" means each Company Deferred Stock Unit, each Company Restricted Stock Unit and each Company Performance Stock Unit.

"Company Indentures" means the Indenture, dated as of January 28, 1993, by and among 21st Century Fox America, Inc., as issuer, the guarantors named therein and U.S. Bank National Association, as trustee, as supplemented from time to time; the Amended and Restated Indenture, dated as of March 24, 1993, by and among 21st Century Fox America, Inc., as issuer, the guarantors named therein and The Bank of New York, as trustee, as supplemented from time to time; and the Indenture, dated as of August 25, 2009, as amended and restated on February 16, 2011, by and among 21st Century Fox America, Inc., as issuer, the guarantor named therein and The Bank of New York Mellon, as trustee, as supplemented from time to time; and any other indenture or similar agreement entered into by the Company or 21st Century Fox America, Inc. following the execution of this Agreement and on or prior to the Closing Date governing notes, debentures or other debt securities issued in a capital markets debt financing.

"Company Material Adverse Effect" means (A) an effect that would prevent, materially delay or materially impair the ability of the Company and its Subsidiaries to consummate the Transactions, or (B) a material adverse effect on the financial condition, properties, assets, liabilities, business or results of operations of the Retained Business, taken as a whole, excluding any such effect resulting from or arising in connection with: (1) changes in, or events generally affecting, the financial, securities or capital markets, (2) general economic or political conditions in the United States or any foreign jurisdiction in which the Retained Business operates, including any changes in currency exchange rates, interest rates, monetary policy or inflation, (3) changes in, or events generally affecting, the industries in which the Retained Business operates, (4) any acts of war, sabotage, civil disobedience or terrorism or natural disasters (including hurricanes, tornadoes, floods or earthquakes), (5) any failure by the Retained Business to meet any internal or published budgets, projections, forecasts or predictions in respect of financial performance for any period, (6) a decline in the price of the Shares, or a change in the trading volume of the Shares, on Nasdaq,

provided that the exceptions in clauses (5) and (6) shall not prevent or otherwise affect a determination that any change, effect, circumstance or development underlying such failure or decline or change (if not otherwise falling within any of the exclusions pursuant to the other clauses of this definition) has resulted in, or contributed to, a Company Material Adverse Effect, (7) changes in Law, (8) changes in GAAP (or authoritative interpretation thereof), (9) the taking of any specific action expressly required by, or the failure to take any specific action expressly prohibited by, the Transaction Documents, including the Permitted Restrictions, (10) the announcement or pendency (but, for the avoidance of doubt, not the consummation) of the Transactions, including the impact thereof on the relationships with customers, suppliers, distributors, partners or employees (provided that the exception in this clause (10) shall not apply to references to "Company Material Adverse Effect" in Section 3.04), (11) any failure of a Sky Acquisition to be consummated or any other failure of the Company to acquire any shares of Sky plc or any actions taken by the Company to comply with a remedy imposed by, or reasonably expected to be imposed by, a Governmental Entity, by order, consent decree, hold separate order, trust or otherwise with respect to a Sky Acquisition (any such event, a "Sky Event"); provided, however, that the changes, effects, circumstances or developments set forth in the foregoing clauses (1), (2), (3), (4), (7) and (8) shall be taken into account in determining whether a "Company Material Adverse Effect" has occurred to the extent such changes, effects, circumstances or developments have a materially disproportionate adverse effect on the Retained Business, taken as a whole, relative to other participants in the industries in which the Retained Business operates, but, in such event, only the incremental disproportionate impact of such changes, effects, circumstances or developments shall be taken into account in determining whether a "Company Material Adverse Effect" has occurred.

"Company Adjustment Value" means the excess of the Company Pre-Distribution Market Capitalization over the When-Issued Spinco Market Capitalization.

"Company Pre-Distribution Market Capitalization" means the sum of (i) the product of (A) the VWAP of a share of Class A Common Stock (based on regular-way trading) over the Distribution Adjustment Valuation Period and (B) the average number of shares of Class A Common Stock determined on a fully diluted basis over the Distribution Adjustment Valuation Period, and (ii) the product of (x) the VWAP of a share of Class B Common Stock (based on regular-way trading) over the Distribution Adjustment Valuation Period and (y) the average number of shares of Class B Common Stock determined on a fully diluted basis over the Distribution Adjustment Valuation Period. All Hook Stock will be ignored for purposes of this definition.

"Company Overview Presentation" means the Company Overview of the Company, dated October 2017, which has been provided to Parent prior to the date of this Agreement.

"Company Performance Stock Units" means an award of performance stock units in respect of shares of Class A Common Stock, the vesting of which is conditioned in whole or part on the satisfaction of performance criteria.

"Company Restricted Stock Units" means an award of restricted stock units in respect of shares of Class A Common Stock (other than any such units held by the Company's non-employee directors), the vesting of which is conditioned solely on the passage of time.

"Company Stock Plans" means the Company's 2013 Long-Term Incentive Plan (the "2013 Company Stock Plan") and the News Corporation 2005 Long-Term Incentive Plan, as amended.

"Confidentiality Agreement" means the Confidentiality Agreement, dated October 1, 2017, between the Company and Parent.

"Cooperation Agreement" means the Cooperation Agreement dated December 15, 2016 by and between the Company and Sky plc (as it may be amended from time to time in accordance with this Agreement).

"Distribution Adjustment Multiple" means the quotient of (i) the Company Pre-Distribution Market Capitalization, divided by (ii) the Company Adjustment Value.

"Distribution Adjustment Valuation Period" means the five-day trading period ending on and including the trading day immediately prior to the date of the Distribution (or, if the SpinCo Common Stock trades (on a when-issued basis) for fewer than five days before the date of the Distribution, the entire period during which the SpinCo Common Stock trades prior to the date of the Distribution).

"Distribution Merger Sub" means 21CF Distribution Merger Sub, Inc., or any other Subsidiary of the Company designated by the Company in accordance with Section 5.5 of the Distribution Merger Agreement.

"Environmental Law" means any Law or Order relating to the protection, investigation or restoration of the environment or natural resources or, as it relates to any exposure to any hazardous or toxic substance in the environment, to the protection of human health and safety.

"Exploitation" (including, with correlative meaning, the term "Exploit") means the release, exhibition, performance, projection, broadcast, telecast, transmission, promotion, publicizing, advertisement, rental, lease, licensing, sublicensing, sale, transfer, disposition, distribution, sub-distribution, commercializing, merchandising, creation, development, production, marketing, use, exercise, trading in, turning to account, dealing with and in and otherwise exploiting in any form and any and all media now known or hereafter devised of any asset or portions thereof, or any rights therein or relating thereto, including the right to develop, produce and distribute subsequent and/or derivative productions based thereon.

"Export and Sanctions Regulations" means the U.S. International Traffic in Arms Regulations, the Export Administration Regulations, U.S. sanctions Laws and regulations administered by the Department of the Treasury's Office of Foreign Assets Control and the anti-boycott regulations administered by the U.S. Department of Commerce and U.S. Department of Treasury.

"Financing Source Related Parties" means the Committed Financing Sources and their respective Affiliates and Representatives.

"GAAP" means U.S. generally accepted accounting principles.

"Government Official" means any official, officer, employee, or representative of, or any Person acting in an official capacity for or on behalf of, any Governmental Entity, and includes any official or employee of any directly or indirectly government-owned or -controlled entity, and any officer or employee of a public international organization, as well as any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality, or for or on behalf of any such public international organization.

"Governmental Consents" shall mean all consents, approvals, permits, expirations of waiting periods and authorizations required to be obtained prior to the Delta Effective Time by the Company or Parent or any of their respective Subsidiaries from, any Governmental Entity in connection with the execution and delivery of any Transaction Document and the consummation of the Transactions.

"Hazardous Substance" means any substance regulated under Environmental Law as being harmful or hazardous to human health or the environment including those listed, classified or regulated as "hazardous", "toxic", a "pollutant", a "contaminant", or words of similar meaning and regulatory effect pursuant to any Environmental Law and also including any petroleum product or by-product, asbestos-containing material, lead-containing paint, mold, polychlorinated biphenyls or radioactive materials.

"Indebtedness" means, with respect to any Person, without duplication, all obligations or undertakings by such Person (i) for borrowed money (including deposits or advances of any kind to such Person); (ii) evidenced by bonds, debentures, notes or similar instruments; (iii) for capitalized leases or to pay the deferred and unpaid purchase price of property or equipment; (iv) pursuant to securitization or factoring programs or arrangements; (v) pursuant to guarantees and arrangements having the economic effect of a guarantee of any Indebtedness of any other Person (other than between or among any of Parent and its wholly owned Subsidiaries or between or among the Company and its wholly owned Subsidiaries); (vi) to maintain or cause to be maintained the financing or financial position of others; (vii) net cash payment obligations of such Person under swaps, options, derivatives and other hedging Contracts or arrangements that will be payable upon termination thereof (assuming termination on the date of determination) or (viii) letters of credit, bank guarantees, and other similar Contracts or arrangements entered into by or on behalf of such Person to the extent they have been drawn upon; provided that "Indebtedness" shall not include any profit participation rights, film or television financing partnerships, contractual arrangements for film or television financing or Programming Liabilities.

"Information Technology" means computers, software, databases, firmware, middleware, servers, workstations, networks, systems, routers, hubs, switches, data communications lines, and all other information technology equipment and associated documentation.

"Intentional Breach" means, with respect to any agreement or covenant of a party in this Agreement, an action or omission taken or omitted to be taken by such party in material breach of such agreement or covenant that the breaching party intentionally takes (or fails to take) with actual knowledge that such action or omission would, or would reasonably be expected to, cause such material breach of such agreement or covenant.

"Intellectual Property" means, collectively, all U.S. and foreign intellectual property rights, including rights in (A) trademarks, service marks, brand names, certification marks, collective marks, d/b/a's, Internet domain names, logos, designs, symbols, trade dress, trade names, and other indicia of origin, all applications and registrations for the foregoing, and all goodwill associated therewith and symbolized thereby, including all renewals of the same ("Trademarks"); (B) inventions and discoveries and improvements thereto, whether patentable or not, and all patents, patent applications, and invention disclosures, including divisions, continuations, continuations-in-part, extensions, reissues, reexaminations, and any other governmental grant for the protection of inventions or industrial designs; (C) trade secrets and related confidential and proprietary know-how (including all confidential and proprietary ideas, concepts, research and development, plans, proposals and processes), schematics, business methods, formulae, technical data, specifications, operating and maintenance manuals, drawings, prototypes, models, designs, customer lists, supplier lists and all other confidential information and proprietary information ("Trade Secrets"); (D) published and unpublished copyrightable works of authorship in any media (including software, source code, object code, algorithms, databases and other compilations of information), copyrights therein and thereto, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof ("Copyrights"); and (E) all derivative, compilation and ancillary rights of every kind, related to Copyrights; and (F) moral rights, rights of publicity and rights of privacy. For the avoidance of doubt, the term "Intellectual Property", when used with respect to the Company or any of its Subsidiaries, includes all such rights of the Company and its Subsidiaries in and to the Programs and Library Tangible Assets.

"Key Affiliation Agreements" means the Affiliation Agreements of the Company and its Subsidiaries with the greatest total domestic annual revenue attributable to Retained Business channels which, in the aggregate, account for more than 80% of the total domestic annual revenue attributable to Retained Business channels, in each case measured by fiscal year 2018 revenue.

"Knowledge of the Company" means the actual knowledge of the individuals identified on Section 8.11(i) of the Company Disclosure Letter.

"Knowledge of Parent" means the actual knowledge of the individuals identified on Section 8.11 of the Parent Disclosure Letter.

"Library Pictures" means any and all completed audio, visual and/or audiovisual works which the Company or any of its Subsidiaries Exploits or has the right to Exploit, including any motion pictures, films, movies-of-the-week, television programs, shows, series, mini-series, episodes, pilots, specials, documentaries, cartoons, compilations, promotional films, clips, trailers and shorts and any other programs or audio-visual works, whether animated, live action or both, in any form or any medium, whether now known or hereafter developed (including theatrical, videocassette, videodisc and other home video, network, free, cable, pay, satellite, syndication, and/or any other television medium, pay-per-view, video-on-demand, advertising-supported-video-on-demand, subscription on-demand, subscription video-on-demand, electronic sell through, Internet, mobile device and other new media), in each case whether recorded digitally, on film, videotape, cassette, cartridge, disc or on or by any other means, method, process or device, whether now known or hereafter developed.

"Library Tangible Assets" means all physical properties of, or relating to, any Program, including prints, negatives, duplicating negatives, fine grains, music and sound effects tracks, master tapes and other duplicating materials of any kind, all various language dubbed and titled versions, prints and negatives of stills, trailers and television spots, all promotions and other advertising, marketing and publicity materials, stock footage, trims, tabs, outtakes, cells, drawings, storyboards, models, sculptures, puppets, sketches, and continuities, including any of the foregoing in the possession, custody or control of the Company or any of its Subsidiaries, or in the possession of their respective assigns or any film laboratories, storage facilities or other Persons.

"Maximum Cash Amount" means (a) if the Equity Adjustment Amount is zero or a negative number, $35,700,000,000.00 or (b) if the Equity Adjustment Amount is a positive number, the sum of (i) $35,700,000,000.00 plus (ii) fifty percent (50.0%) multiplied by the Equity Adjustment Amount.

"Nasdaq" means The Nasdaq Global Select Market.

"NYSE" means the New York Stock Exchange.

"Parent Material Adverse Effect" means (A) an effect that would prevent, materially delay or materially impair the ability of Parent, Holdco or the Merger Subs to consummate the Transactions, or (B) a material adverse effect on the financial condition, properties, assets, liabilities, business or results of operations of Parent and its Subsidiaries (excluding, after the Wax Effective Time, the Wax Surviving Company), taken as a whole, excluding any such effect resulting from or arising in connection with: (1) changes in, or events generally affecting, the financial, securities or capital markets, (2) general economic or political conditions in the United States or any foreign jurisdiction in which Parent or any of its Subsidiaries operate, including any changes in currency exchange rates, interest rates, monetary policy or inflation, (3) changes in, or events generally affecting, the industries in which Parent or any of its Subsidiaries operate, (4) any acts of war, sabotage, civil disobedience or terrorism or natural disasters (including hurricanes, tornadoes, floods or earthquakes), (5) any failure by Parent or any of its Subsidiaries to meet any internal or published budgets, projections, forecasts or predictions in respect of financial performance for any period, (6) a decline in the price of the shares of Parent Common Stock, or a change in the

trading volume of such shares, on the NYSE, provided that the exceptions in clauses (5) and (6) shall not prevent or otherwise affect a determination that any change, effect, circumstance or development underlying such failure or decline or change (if not otherwise falling within any of the exclusions pursuant to the other clauses of this definition) has resulted in, or contributed to, a Parent Material Adverse Effect, (7) changes in Law, (8) changes in GAAP (or authoritative interpretation thereof), (9) the taking of any specific action expressly required by, or the failure to take any specific action expressly prohibited by, the Transaction Documents, including the Permitted Restrictions or (10) the announcement or pendency (but, for the avoidance of doubt, not the consummation) of the Transactions, including the impact thereof on the relationships with customers, suppliers, distributors, partners or employees (provided that the exception in this clause (10) shall not apply to references to "Parent Material Adverse Effect" in Section 4.04); provided, however, that the changes, effects, circumstances or developments set forth in the foregoing clauses (1), (2), (3), (4), (7) and (8) shall be taken into account in determining whether a "Parent Material Adverse Effect" has occurred to the extent such changes, effects, circumstances or developments have a materially disproportionate adverse effect on Parent and its Subsidiaries, taken as a whole, relative to other participants in the industries in which Parent and its Subsidiaries operate, but, in such event, only the incremental disproportionate impact of such changes, effects, circumstances or developments shall be taken into account in determining whether a "Parent Material Adverse Effect" has occurred.

"Person" means any individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, Governmental Entity or other entity of any kind or nature.

"Personal Data" means any data or information in any media that can be used on its own or with other information to identify, contact or locate an individual, including any such other data or information that constitutes personal data or personal information under any applicable Law or the Company's or any of its Subsidiaries' published privacy policies (including an individual's combined first and last name, home address, telephone number, fax number, email address, Social Security number or other Governmental Entity-issued identifier (including state identification number, driver's license number, or passport number), precise geolocation information of an individual or device, credit card or other financial information (including bank account information), cookie identifiers associated with registration information, or any other browser or device-specific number or identifier and any web or mobile browsing or usage information that can be used on its own or with other information to identify, contact or locate an individual).

"Programming Liabilities" means all obligations incurred in the ordinary course of business consistent with past practice to finance, produce, distribute, acquire, market, license, syndicate, publish, transmit or otherwise Exploit print, audio, visual and other content and information available for publication, distribution, broadcast, transmission or any other form of delivery for Exploitation on any form of media or medium of communication, whether now known or hereafter discovered or created, other than any such obligations for borrowed money or guarantees of borrowed money.

"Programs" means any and all Library Pictures, Works in Progress and Unproduced Properties of the Company or any of its Subsidiaries.

"Required Financial Information" means (a) (i) the audited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Company and its Subsidiaries for the three most recently completed fiscal years ended at least 60 days before the Closing Date and (ii) the unaudited consolidated balance sheets and related statements of income and cash flows of the Company and its Subsidiaries for each subsequent fiscal quarter ended at least 40 days before the Closing Date (other than the fourth fiscal quarter) and the corresponding period of the prior fiscal year (which quarterly financial statements shall have been reviewed by the Company's independent accountants as provided in AS 4105 (formerly SAS100)); and (b) (x) unaudited pro forma consolidated income statements of the Retained Business for each of (A) the fiscal years of the Retained Business for which audited consolidated financial statements of the Company and its Subsidiaries are provided pursuant to clause (a)(i) above and (B) any interim period reasonably necessary to permit Parent or Holdco to prepare a pro forma consolidated statement of income for any interim period to the extent required by Regulation S-X under the Securities Act to be presented in a Parent or Holdco registration statement filed with the SEC and (y) the unaudited pro forma consolidated balance sheet of the Retained Business (A) as of the date of the most recent consolidated balance sheet of the Company and its Subsidiaries provided pursuant to clause (a) above and (B) as of any date reasonably necessary to permit Parent or Holdco to prepare a pro forma consolidated balance sheet for any date to the extent required by Regulation S-X under the Securities Act to be presented in a Parent or Holdco registration statement filed with the SEC.

"Retained Business" means the Company and its Subsidiaries and the respective businesses thereof, other than the SpinCo Business.

"Retained Subsidiaries" means the Subsidiaries of the Company, other than SpinCo and the SpinCo Subsidiaries.

"Revolving Facility" means that certain Amended and Restated Credit Agreement, dated as of May 21, 2015, among 21st Century Fox America, Inc., as borrower, the Company, as parent guarantor, the lenders party thereto, JPMorgan Chase Bank, N.A. and Citibank, N.A., as co-administrative agents, and JPMorgan Chase Bank, N.A., as designated agent, as amended by that certain First Amendment to Amended and Restated Credit Agreement, dated as of December 22, 2016, among 21st Century Fox America, Inc., as borrower, the Company, as parent guarantor, and the lenders party thereto.

"Secretary of State Undertakings" means the undertakings offered by 21st Century Fox, Inc. and The Walt Disney Company pursuant to para. 9 of Schedule 2 of Enterprise Act (Protection of Legitimate Interests) Order 2003, as published on June 19, 2018.

"Separation" has the meaning set forth in the Separation Principles.

"Significant Subsidiary" means any Subsidiary of a Person that constitutes a "significant subsidiary" of such person within the meaning of Rule 1-02 of Regulation S-X.

"Signing Date Tax Opinion" means a written opinion of Greenwoods, delivered to Parent and dated as of the Execution Date, to the effect that, on the basis of the facts, representations and assumptions set forth or referred to in such opinion, the Charter Amendment, the Distribution and the Mergers should not result in any Hook Stock Tax under Australian Tax Law.

"Sky Acquisition" means any proposed or actual acquisition of additional shares in Sky plc by the Company or any of its Subsidiaries, and any agreement or offer related to the foregoing, including the Company's proposed acquisition of the fully diluted share capital of Sky plc which the Company does not already own, whether through a scheme of arrangement, offer or otherwise.

"SpinCo" means a wholly owned Subsidiary of the Company, to be formed as a Delaware corporation prior to the Separation.

"SpinCo Business" has the meaning set forth in the Separation Principles.

"SpinCo Class A Common Stock" means the Class A shares of common stock of SpinCo.

"SpinCo Class B Common Stock" means the Class B shares of common stock of SpinCo.

"SpinCo Common Stock" means the SpinCo Class A Common Stock and the SpinCo Class B Common Stock.

"SpinCo Enterprise Value" means the sum of (i) the SpinCo Equity Value and (ii) the gross liabilities of SpinCo determined pursuant to the Closing Tax Model, as agreed by Parent and the Company in accordance with the Tax Calculation Principles.

"SpinCo Equity Value" means the sum of (i) the product of (A) the VWAP of a share of SpinCo Class A Common Stock on the day of the Distribution and (B) the total number of shares of SpinCo Class A Common Stock issued in the Distribution, as adjusted so that such number is determined on a fully diluted basis and (ii) the product of (A) the VWAP of a share of SpinCo Class B Common Stock on the day of the Distribution and (B) the total number of shares of SpinCo Class B Common Stock issued in the Distribution, as adjusted so that such number is determined on a fully diluted basis.

"SpinCo Subsidiaries" has the meaning set forth in the Separation Principles.

"Subsidiary" means, with respect to any Person, any other Person of which at least a majority of the securities or ownership interests having by their terms ordinary voting power to elect a majority of the Board of Directors or other persons performing similar functions is directly or indirectly owned or controlled by such Person and/or by one or more of its Subsidiaries (notwithstanding anything to the contrary contained herein, none of Sky plc nor any of its Subsidiaries shall be considered a Subsidiary of the Company for purposes of this Agreement).

"Takeover Code" means the UK City Code on Takeovers and Mergers.

"Tax" means all forms of taxation or duties imposed by any Governmental Entity, or required by any Governmental Entity to be collected or withheld, together with any related interest, penalties or additions.

"Tax Matters Agreement" means the tax matters agreement, to be entered into between the Company and SpinCo in connection with the Distribution, prepared in accordance with the Tax Matters Agreement Principles.

"Tax Matters Agreement Principles" means the principles set forth on Exhibit II hereto.

"Tax Return" means all returns and reports (including elections, declarations, disclosures, schedules, attachments, estimates and information returns) with respect to Taxes required or permitted to be supplied to any Governmental Entity.

"Trading Day" means (a) with respect to Parent Common Stock, a day on which shares of Parent Common Stock are traded on the NYSE and (b) with respect to SpinCo Common Stock, a day on which shares of SpinCo Common Stock are traded on Nasdaq.

"Transaction Documents" means this Agreement, the Separation Agreement, the Tax Matters Agreement, the Commercial Agreements and the Confidentiality Agreement.

"Transactions" means the transactions contemplated by this Agreement and the other Transaction Documents, including the Separation, the Distribution and the Mergers.

"Treasury Regulations" means the U.S. Treasury Regulations promulgated under the Code.

"Unproduced Properties" means those visual, literary, dramatic, musical or other materials in which the Company or any of its Subsidiaries Exploits or has the right to Exploit and for which development has not been abandoned as of the date hereof (A) upon which principal photography has not yet commenced on or prior to the date hereof and (B) which if produced and completed would otherwise constitute Library Pictures.

"VWAP" means the volume weighted average trading price of a publicly-traded share of equity interests in a Person as reported by Bloomberg, L.P. (which VWAP, if calculated for a multi-day period, shall be based on all trades during the primary trading session from 9:30 a.m., New York City time, to the time of the closing print on the primary exchange of that Person but in no case later than 4:10 p.m. New York City time for such period, and not an average of daily averages) or, if not reported therein, in another authoritative source mutually selected by Parent and the Company.

"When-Issued SpinCo Market Capitalization" means the sum of (i) the product of (A) the VWAP of a share of SpinCo Class A Common Stock (based on when-issued trading) over the Distribution Adjustment Valuation Period and (B) the total number of shares of SpinCo Class A Common Stock to be issued in the Distribution, as adjusted so that such number is determined on a fully diluted basis and (ii) the product of (x) the VWAP of a share of SpinCo Class B Common Stock (based on when-issued trading) over the Distribution Adjustment Valuation Period and (y) the total number of shares of SpinCo Class B Common Stock to be issued in the Distribution, as adjusted so that such number is determined on a fully diluted basis.

"Works in Progress" means all literary, dramatic, audio, visual and/or audiovisual works of any kind or character which the Company or any of its Subsidiaries Exploits or has the right to Exploit, and (A) which have been greenlighted or which are in current production or post-production and have not been abandoned, and (B) which are not complete and which, if completed, would otherwise constitute Library Pictures.

"YES Facility" means that certain Credit Agreement, dated as of November 18, 2014, among Yankees Entertainment and Sports Network, LLC, as the borrower, the guarantors party thereto, the lenders party thereto from time to time, and Bank of America, N.A., as administrative agent and collateral agent.

Section 8.12. Interpretation. (a) The table of contents and the Article, Section and paragraph headings or captions herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof. Where a reference in this Agreement is made to a Section or Exhibit, such reference shall be to a Section of or Exhibit to this Agreement unless otherwise indicated. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The words "hereof", "herein", "hereby" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "or" when used in this Agreement is not exclusive. The word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if". With respect to the determination of any period of time, the word "from" means "from and including". The terms "Dollars" and "$" mean United States Dollars. References to "written" or "in writing" include in electronic form. References herein to any Contract (including this Agreement) mean such Contract as amended, supplemented or modified from time to time in accordance with the terms thereof. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any statute defined or referred to herein means such statute as from time to time amended, modified or supplemented, including by succession of comparable successor statutes. References herein to any Law or statute shall be deemed also to refer to all rules and regulations promulgated thereunder. Any agreement or instrument defined or referred to herein includes all attachments thereto and instruments incorporated therein.

(b) The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(c) (i) All references in this Agreement to "the date hereof" or "the date of this Agreement" shall refer to the Original Execution Date, (ii) the date on which the representations and warranties set forth in Article III and Article IV are made by the Company or Parent shall not change as a result of the execution of this Agreement and shall be made as of such dates as they were in the Original Merger Agreement and (iii) each reference to "this Agreement" or "herein" in the representations and warranties set forth in Article III and Article IV shall refer to the Original Merger Agreement, in each case of clauses (i), (ii) and (iii) unless expressly indicated otherwise in this Agreement.

Section 8.13. Binding Effect; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their permitted successors and assigns. No party to this Agreement may assign or delegate, by operation of law or otherwise, all or any portion of its rights, obligations or liabilities under this Agreement without the prior written consent of the other parties to this Agreement, which any such party may withhold in its absolute discretion; provided that Parent may designate, prior to the Delta Effective Time, by written notice to the Company, (a) another Subsidiary all of the common equity of and voting interest in which are owned directly or indirectly by Holdco to be a party to the Wax Merger in lieu of Wax Sub or (b) another Subsidiary all of the common equity of and voting interest in which are owned directly or indirectly by Holdco to be a party to the Delta Merger in lieu of Delta Sub, in which case of clause (a) or (b), all references herein to Wax Sub or Delta Sub, as applicable, shall be deemed references to such other Subsidiary (except with respect to representations and warranties made herein with respect to Wax Sub or Delta Sub as of the date of this Agreement) and all representations and warranties made herein with respect to Wax Sub or Delta Sub (other than the representations and warranties set forth in Section 4.02(b)) as of the date of this Agreement shall also be made with respect to such other Subsidiary as of the date of such designation; provided that such assignment shall not relieve Parent of its obligations hereunder or otherwise enlarge, alter or change any obligation of any other party hereto or due to Parent or such other Subsidiary. Any assignment in contravention of the preceding sentence shall be null and void.

Section 8.14. Specific Performance. (a) The parties hereto acknowledge and agree that irreparable damage would occur and that the parties would not have any adequate remedy at law if any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that monetary damages, even if available, would not be an adequate remedy therefor. The parties accordingly agree that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the performance of the terms and provisions hereof in accordance with Section 8.05 of this Agreement, without proof of actual damages (and each party hereby waives any requirement for

the security or posting of any bond in connection with such remedy), this being in addition to any other remedy to which they are entitled at law or in equity. The parties further agree not to assert that a remedy of specific enforcement is unenforceable, invalid, contrary to applicable Law or inequitable for any reason, and not to assert that a remedy of monetary damages would provide an adequate remedy for any such breach or that the Company or Parent otherwise have an adequate remedy at law. Any party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to provide any bond or other security in connection with any such order or injunction.

(b) To the extent any party hereto brings any Proceeding to enforce specifically the performance of the terms and provisions of this Agreement when expressly available to such party pursuant to the terms of this Agreement, the Termination Date shall automatically be extended by (i) the amount of time during which such Proceeding is pending, plus 20 business days, or (ii) such other time period established by the court presiding over such Proceeding.

[*signature page follows*]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of the parties hereto as of the date first written above.

Twenty-First Century Fox, Inc.,

by /s/ John P. Nallen
Name: John P. Nallen
Title: Senior Executive Vice President and Chief Financial Officer

The Walt Disney Company,

by /s/ Robert A. Iger
Name: Robert A. Iger
Title: Chairman and Chief Executive Officer

TWDC Holdco 613 Corp.,

by /s/ Kevin Mayer
Name: Kevin Mayer
Title: President

WDC Merger Enterprises I, Inc.,

by /s/ James Kapenstein
Name: James Kapenstein
Title: Senior Vice President

WDC Merger Enterprises II, Inc.,

by /s/ James Kapenstein
Name: James Kapenstein
Title: Senior Vice President

ANNEX A

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Exhibit 2.2

EXECUTION VERSION

AMENDED AND RESTATED DISTRIBUTION AGREEMENT AND PLAN OF MERGER

THIS AMENDED AND RESTATED DISTRIBUTION AGREEMENT AND PLAN OF MERGER (this "**Agreement**"), dated as of June 20, 2018 is made by and between Twenty-First Century Fox, Inc., a Delaware corporation (the "**Company**") and 21CF Distribution Merger Sub, Inc., a Delaware corporation and a direct, wholly owned subsidiary of the Company (the "**Distribution Merger Sub")**.

RECITALS

WHEREAS, pursuant to an Amended and Restated Agreement and Plan of Merger (the "**Amended and Restated Disney Merger Agreement"),** dated as of June 20, 2018, by and among the Company, The Walt Disney Company, a Delaware corporation ("**Parent**"), TWDC Holdco 613 Corp., a Delaware corporation and a wholly owned subsidiary of Parent ("**Holdco**"), WDC Merger Enterprises I, Inc., a Delaware corporation and a wholly owned subsidiary of Holdco, and WDC Merger Enterprises II, Inc., a Delaware corporation and a wholly owned subsidiary of Holdco, the Company has agreed to enter into this Agreement and to cause the merger of the Distribution Merger Sub with and into the Company, with the Company as the surviving corporation;

WHEREAS, unless otherwise defined herein, all capitalized terms used herein have the meaning ascribed to them in the Amended and Restated Disney Merger Agreement;

WHEREAS, the Board of Directors of the Company and the Board of Directors of Distribution Merger Sub, by resolutions duly adopted, have each (i) approved the merger of Distribution Merger Sub with and into the Company with the Company as the surviving corporation in the merger (the "**Surviving Company",** and such merger, the "**Distribution Merger")** upon the terms and subject to the conditions set forth in this Agreement, including that this Agreement shall have been duly adopted by holders of Shares constituting the Company Requisite Vote, and in accordance with the Delaware General Corporation Law (the "**DGCL**"), (ii) approved and declared advisable this Agreement and determined that this Agreement and the Distribution Merger are fair to, and in the best interests of, the Company or Distribution Merger Sub, as applicable, and its respective stockholders, and (iii) resolved to recommend to its respective stockholders the adoption of this Agreement;

WHEREAS, in connection with and pursuant to the Amended and Restated Disney Merger Agreement, the Board of Directors of the Company, by resolutions duly adopted, approved and declared the advisability of an amendment to the Company Charter providing that the holders of Hook Stock will not receive any shares of SpinCo Common Stock in connection with the Distribution or any shares of Holdco Common Stock or cash in connection with the Wax Merger (such amendment or any substantially consistent amendment as mutually agreed by the parties hereto, the "**Charter Amendment"),** subject to the approval of holders of a majority of the outstanding Class B Shares entitled to vote on such matter at a meeting duly called and held for such purpose (such stockholder approval, the "**Charter Amendment Stockholder Approval");**

WHEREAS, prior to the Distribution Effective Time, the Company will consummate the Separation in accordance with the Separation Principles and as set forth in the Separation Agreement to be entered into by the Company and SpinCo; and

WHEREAS, subject to receipt of the Charter Amendment Stockholder Approval, the Charter Amendment will become effective immediately prior to the Distribution Effective Time;

NOW, THEREFORE, in consideration of the premises, covenants, agreements and provisions herein contained, and intending to be legally bound hereby, Distribution Merger Sub and the Company hereby agree as follows:

ARTICLE I

THE DISTRIBUTION MERGER

Section 1.1 The Distribution Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with Section 251 of the DGCL, at the Distribution Effective Time, Distribution Merger Sub shall be merged with and into the Company and the separate corporate existence of Distribution Merger Sub shall thereupon cease. The Company shall be the surviving company in the Distribution Merger, and the separate corporate existence of the Company with all its rights, privileges, immunities, powers and franchises shall continue unaffected by the Distribution Merger, except as set forth in Article 2. The Distribution Merger shall have the effects specified in the DGCL. Closing. The closing of the Distribution Merger (the "**Distribution Closing**") shall occur at the time and on the terms set forth in the Amended and Restated Disney Merger Agreement. Effective Time. Concurrently with the Distribution Closing, the Company and Distribution Merger Sub will cause a certificate of merger with respect to the Distribution Merger (the "**Distribution Certificate of Merger**") to be duly executed, acknowledged and filed with the Secretary of State of the State of Delaware as provided in the DGCL. The Distribution Merger shall become effective at 8:00 a.m. (New York City time) on the Closing Date or at such other time as may be agreed upon by the parties hereto in writing and set forth in the Distribution Certificate of Merger in accordance with the DGCL (the "**Distribution Effective Time**"). Certificate of Incorporation and Bylaws. At the Distribution Effective Time, the Company Charter and the Company Bylaws, each as in effect immediately prior to the Distribution Effective Time, shall continue to be the certificate of incorporation and the bylaws of the Surviving Company until thereafter amended as provided therein or by applicable Law. Directors and Officers of the Surviving Company. The directors and officers of the Company immediately prior to the Distribution Effective Time shall, from and after the Distribution Effective Time, be the directors and officers, respectively, of the Surviving Company until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Company Charter and the Company Bylaws.

ARTICLE II

Effect Of The Distribution Merger; Distribution

Section 2.1 Merger Consideration. At the Distribution Effective Time, by virtue of the Distribution Merger and without any action on the part of the holder of any capital stock of the Company or Distribution Merger Sub:

(a) Class A Common Stock. With respect to each Class A Share (or fraction thereof, in the case of a fractional share) issued and outstanding immediately prior to the Distribution Effective Time (other than the Hook Stock),

(i) a portion thereof equal to one (or such fraction, in the case of a fractional share) multiplied by the quantity of one minus the inverse of the Distribution Adjustment Multiple shall be exchanged for (and as a result, such portion shall be canceled), in accordance with Section 251(b)(5) of the DGCL, one-third of one validly issued, fully paid and non-assessable share of SpinCo Class A Common Stock, subject to Section 2.3; and

(ii) the remaining portion thereof not so exchanged shall be unaffected by the Distribution and shall remain issued and outstanding.

(b) Class B Common Stock. With respect to each Class B Share (or fraction thereof, in the case of a fractional share) issued and outstanding immediately prior to the Distribution Effective Time (other than the Hook Stock),

(i) a portion thereof equal to one (or such fraction, in the case of a fractional share) multiplied by the quantity of one minus the inverse of the Distribution Adjustment Multiple shall be exchanged for (and as a result, such portion shall be canceled), in accordance with Section 251(b)(5) of the DGCL, one-third of one validly issued, fully paid and non-assessable share of SpinCo Class B Common Stock, subject to Section 2.3; and

(ii) the remaining portion thereof not so exchanged shall be unaffected by the Distribution and shall remain issued and outstanding.

(c) Hook Stock. Each Class A Share of Hook Stock (or fraction thereof, in the case of a fractional share) and each Class B Share of Hook Stock (or fraction thereof, in the case of a fractional share) that is issued prior to the Distribution Effective Time shall be unaffected by the Distribution and shall remain one Class A Share (or fraction thereof, in the case of a fractional share) or one Class B Share (or fraction thereof, in the case of a fractional share), as applicable.

(d) Distribution Merger Sub. Each share of common stock, par value $0.001 per share, of Distribution Merger Sub issued and outstanding immediately prior to the Distribution Effective Time shall be cancelled and shall cease to exist and no consideration shall be paid or payable in respect thereof.

Section 2.2 Company Equity Awards. At the Distribution Effective Time, by virtue of the Distribution Merger and without any action on the part of the holder of any capital stock of the Company or Distribution Merger Sub, the Company Equity Awards shall be adjusted in a manner consistent with Section 4 of the Separation Principles (after giving effect to any equitable adjustment to account for the Distribution Adjustment Multiple) unless otherwise agreed by the parties hereto, including as evidenced in an Employee Matters Agreement to be entered into in connection with the Transactions.

Section 2.3 Fractional Shares.

(a) Any stockholder of the Company holding a number of Class A Shares that would entitle such stockholder to receive in exchange therefor a fractional share (in addition to any whole shares) of SpinCo Class A Common Stock pursuant to the Distribution will receive cash, without interest, rounded to the nearest cent, in lieu of such fractional share. As promptly as practicable after the Distribution Effective Time, an exchange agent designated by the Company prior to the Distribution Effective Time (the "**Exchange Agent")** shall (i) determine the aggregate number of shares of SpinCo Class A Common Stock equal to the sum of all such fractional shares (rounded up to the nearest whole number) (the "**Excess SpinCo Class A Shares"),** (ii), as agent for the applicable holders of Class A Shares, sell the Excess SpinCo Class A Shares at then-prevailing trading prices for SpinCo Class A Common Stock and (iii) distribute to each such holder such holder's ratable share of the net proceeds of such sale or sales, subject to Section 2.3(c).

(b) Any stockholder of the Company holding a number of Class B Shares that would entitle such stockholder to receive in exchange therefor a fractional share (in addition to any whole shares) of SpinCo Class B Common Stock pursuant to the Distribution will receive cash, without interest, rounded to the nearest cent, in lieu of such fractional share. As promptly as practicable after the Distribution Effective Time, the Exchange Agent shall (i) determine the aggregate number of shares of SpinCo Class B Common Stock equal to the sum of all such fractional shares (rounded up to the nearest whole number) (the "**Excess SpinCo Class B Shares"** and, together with the Excess SpinCo Class A Shares, the "**Excess SpinCo Shares"),** (ii), as agent for the applicable holders of Class B Shares, sell the Excess SpinCo Class A Shares at then-prevailing trading prices for SpinCo Class B Common Stock and (iii) distribute to each such holder such holder's ratable share of the net proceeds of such sale or sales, subject to Section 2.3(c).

(c) The net proceeds of any such sale or sales of Excess SpinCo Shares to be distributed to such holders of Shares shall be reduced by any and all commissions, transfer Taxes and other out-of-pocket transaction costs, as well as any expenses, of the Exchange Agent incurred in connection with such sale or sales. No Person, including the Company, Distribution Merger Sub and the Exchange Agent, will guarantee any minimum sale price for Excess SpinCo Shares. Until the net proceeds of any sale or sales pursuant to this Section 2.3 have been distributed to the applicable holders of Shares, the Exchange Agent shall hold such proceeds in escrow for the benefit of such holders.

ARTICLE III

CONDITIONS

Section 3.1 Conditions. The respective obligations of the Company and Distribution Merger Sub to consummate the Distribution Merger shall be subject to the prior or substantially concurrent satisfaction or waiver of each of the following conditions:

(a) The Charter Amendment shall have become effective and the Separation shall have been consummated.

(b) The conditions set forth in Article VI of the Amended and Restated Disney Merger Agreement (other than the conditions set forth in Section 6.01(a) of the Amended and Restated Dinsey Merger Agreement and the other conditions that by their nature are to be satisfied at the Closing but subject to the satisfaction or waiver of those conditions), including that this Agreement shall have been duly adopted by holders of Shares constituting the Company Requisite Vote, shall have been satisfied or waived.

ARTICLE IV

TERMINATION

Section 4.1 Termination by Mutual Consent. This Agreement may be terminated and the Distribution Merger may be abandoned at any time prior to the Distribution Effective Time, whether before or after the adoption of this Agreement by the stockholders of the Company, by mutual written consent of the Company and Parent, by action of their respective Boards of Directors.

Section 4.2 Automatic Termination. This Agreement shall be terminated and the Distribution Merger shall be abandoned at any time prior to the Distribution Effective Time automatically and without any further action by any Person in the event that the Amended and Restated Disney Merger Agreement is terminated pursuant to Article VII thereof.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1 Modification or Amendment. Subject to the provisions of applicable Law (including Section 251(d) of the DGCL), at any time prior to the Distribution Effective Time, this Agreement may only be amended, modified or supplemented in a writing signed on behalf of each of the Company, the Distribution Merger Sub and Parent.

Section 5.2 Waiver.

(a) Any provision of this Agreement may be waived if, and only if, such waiver is in writing and signed by the party against whom the waiver is to be effective and Parent.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as otherwise herein provided, the rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law. Any waiver pursuant to this Section 5.2 shall not be construed as a waiver of any subsequent breach or failure of the same term or condition, or a waiver of another term or condition of this Agreement.

Section 5.3 Entire Agreement. This Agreement contains all of the terms, conditions and representations and warranties agreed upon or made by the parties relating to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements, negotiations, correspondence, undertakings and communications of the parties or their representatives, oral or written, respecting such subject matter.

Section 5.4 No Third-Party Beneficiaries. This Agreement is not intended to, and does not, confer upon any Person other than the parties hereto any rights or remedies hereunder; provided that Parent is an express third party beneficiary of, and is permitted to enforce, this Agreement, including Sections 4.1, 5.1, 5.2, 5.4 and 5.5 of this Agreement.

Section 5.5 Binding Effect; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their permitted successors and assigns. No party to this Agreement may assign or delegate, by operation of law or otherwise, all or any portion of its rights, obligations or liabilities under this Agreement without the prior written consent of the other party to this Agreement and Parent, which such party or Parent may withhold in its absolute discretion; provided that the Company may designate prior to the Distribution Effective Time, by written notice to Parent, another Subsidiary, all of the common equity of and voting interest in which are owned directly or indirectly by the Company and which Subsidiary was formed as a Delaware corporation solely for purposes of effecting the Distribution Merger, to be a party to the Distribution Merger in lieu of Distribution Merger Sub, in which case all references herein to Distribution Merger Sub shall be deemed references to such other Subsidiary; provided that such assignment shall not relieve the Company of its obligations hereunder or otherwise enlarge, alter or change any obligation of any other party hereto or due to Parent or such other Subsidiary. Any assignment in contravention of the preceding sentence shall be null and void.

Section 5.6 Incorporation by Reference. The provisions of Section 8.04, 8.05, 8.10 and 8.12 of the Amended and Restated Disney Merger Agreement shall apply *mutatis mutandis* to this Agreement as if the same were set forth herein in full.

The balance of this page intentionally left blank.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amended and Restated Distribution Agreement and Plan of Merger as of the date first written above.

21CF Distribution Merger Sub, Inc.

By: /s/ Janet Nova
Name: Janet Nova
Title: Executive Vice President

Twenty-First Century Fox, Inc.

By: /s/ Janet Nova
Name: Janet Nova
Title: Executive Vice President and Deputy Group General Counsel

[Signature Page to Amended and Restated Distribution Agreement and Plan of Merger]

Exhibit 99.1

Confidential Treatment Requested by New Fox, Inc.
Pursuant to 17 C.F.R. Section 200.83

Information contained herein is subject to completion or amendment. A registration statement on Form 10 relating to these securities has been filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

PRELIMINARY AND SUBJECT TO COMPLETION, DATED , 2018

INFORMATION STATEMENT

New Fox, Inc.

Class A Common Stock, par value $0.01 per share
Class B Common Stock, par value $0.01 per share

We are providing you this information statement in connection with the distribution by Twenty-First Century Fox, Inc., which we refer to as 21CF, of the stock of its wholly owned subsidiary, New Fox, Inc., which we refer to as FOX or the Company, in connection with the mergers described below involving 21CF and The Walt Disney Company, which we refer to as Disney. To effect the distribution, 21CF will distribute all of the outstanding shares of FOX common stock on a pro rata basis to the record holders of 21CF common stock (other than holders of the shares of 21CF common stock held by subsidiaries of 21CF, which we refer to as the hook stock shares), which we refer to as the distribution. Immediately following the distribution, (1) WDC Merger Enterprises I, Inc., a wholly owned subsidiary of New Disney (as defined below), will be merged with and into Disney, and (2) WDC Merger Enterprises II, Inc., a wholly owned subsidiary of New Disney, will be merged with and into 21CF, which we refer to collectively as the mergers. As a result of the mergers, Disney and 21CF will become direct, wholly owned subsidiaries of TWDC Holdco 613 Corp., a Delaware corporation and wholly owned subsidiary of Disney, which we refer to as New Disney, which will be renamed "The Walt Disney Company" concurrently with the mergers. New Disney intends to report the distribution of FOX common stock as taxable to 21CF stockholders for U.S. federal income tax purposes.

If you are a record holder of 21CF common stock at the time of the distribution, a portion of each share of 21CF common stock you hold will be exchanged for 1/3 of one share of FOX common stock of the same class, and you will continue to own the remaining portion of each such share of 21CF common stock. You will receive cash in lieu of any fractional share of FOX common stock you would otherwise have been entitled to receive in connection with the distribution.

No additional approval by 21CF stockholders is required for the distribution, as 21CF stockholders adopted the distribution merger agreement at the special meeting of the 21CF stockholders held on July 27, 2018. Completion of the distribution contemplated by this information statement is conditioned upon the satisfaction or waiver of certain other conditions to the transactions. In connection with the special meeting, 21CF has distributed to all holders of its common stock a joint proxy statement, which we refer to as the Merger Proxy Statement. The registration statement of which this information statement is a part does not contain a proxy and is not intended to constitute solicitation material under U.S. federal securities law. No action will be required of you to receive shares of FOX common stock, which means that you do not need to pay any consideration or surrender your existing shares of 21CF common stock or take any other action to receive your applicable shares of FOX common stock.

The distribution will be effective on , 2019, which we refer to as the distribution date. Immediately after the distribution becomes effective, FOX will be a standalone, publicly traded company.

21CF currently owns all of the outstanding shares of FOX common stock. Accordingly, no trading market for FOX common stock currently exists. We anticipate, however, that a limited trading market for FOX common stock, commonly known as a "when-issued" trading market, will begin on or shortly before the distribution date, and will continue until the time of, the distribution, and we expect "regular-way" trading of FOX common stock to begin on the first trading day following the completion of the distribution. FOX intends to apply to have both FOX class A common stock and FOX class B common stock authorized for listing on the Nasdaq Global Select Market, which we refer to as Nasdaq, under the symbols " " and " ," respectively. Prior to the distribution, New Fox, Inc. will be renamed .

In reviewing this information statement, you should carefully consider the matters described under the caption "Risk Factors" beginning on page 23 of this information statement.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES OR DETERMINED IF THIS INFORMATION STATEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The date of this information statement is , 2018.

21CF first mailed a Notice of Internet Availability of Information Statement Materials containing instructions on how to access this information statement to its stockholders on or about , 2018. 21CF will mail this information statement to stockholders who previously elected to receive a paper copy of FOX's information statement materials.

Confidential Treatment Requested by New Fox, Inc.
Pursuant to 17 C.F.R. Section 200.83

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ABOUT THIS INFORMATION STATEMENT

This information statement forms part of a registration statement on Form 10 confidentially submitted with the U.S. Securities and Exchange Commission, or the SEC, by New Fox, Inc. (File No.   ), with respect to the shares of common stock, par value $0.01 per share, of FOX, which we refer to as FOX common stock, to be distributed to 21CF stockholders pursuant to the distribution.

21CF and FOX have supplied all information contained in this information statement relating to 21CF, FOX and 21CF Distribution Merger Sub, Inc. 21CF and FOX have not authorized anyone to provide you with information other than the information that is contained in this information statement. 21CF and FOX take no responsibility for, and can provide no assurances as to the reliability of, any other information that others may give you. This information statement is dated   , 2018, and you should not assume that the information contained in this information statement is accurate as of any date other than such date.

Except as otherwise indicated or unless the context otherwise requires, the information included in this information statement about FOX assumes the completion of all of the transactions referred to in this information statement in connection with the separation and distribution.

Unless otherwise indicated or as the context otherwise requires, all references in this information statement to:

- "21CF" means Twenty-First Century Fox, Inc., a Delaware corporation;
- "21CF charter" means the Restated Certificate of Incorporation of 21CF;
- "21CF class A common stock" means the class A common stock, par value $0.01 per share, of 21CF;
- "21CF class B common stock" means the class B common stock, par value $0.01 per share, of 21CF;
- "21CF common stock" means the 21CF class A common stock and the 21CF class B common stock;
- "21CF effective time" means 12:02 a.m. (New York City time) on the date immediately following the closing date, when the 21CF merger becomes effective;
- "21CF merger" means the merger of Wax Sub with and into 21CF, with 21CF surviving the merger and becoming a wholly owned subsidiary of New Disney;
- "21CF merger consideration" means the consideration for which each share of 21CF common stock issued and outstanding immediately prior to the completion of the 21CF merger (other than excluded shares) will be exchanged, subject to proration and adjustment, in the 21CF merger;
- "combination merger agreement" means the Amended and Restated Agreement and Plan of Merger, dated as of June 20, 2018, among 21CF, Disney, New Disney, Delta Sub and Wax Sub, as may be amended from time to time, a copy of which was filed as exhibit 2.1 to 21CF's Current Report on Form 8-K filed with the SEC on June 21, 2018;
- "Company" or "FOX" means New Fox, Inc., a Delaware corporation that is and, at all times prior to the distribution, will be a wholly owned subsidiary of 21CF;
- "Delta Sub" means WDC Merger Enterprises I, Inc., a Delaware corporation and a wholly owned subsidiary of New Disney;
- "Disney" means The Walt Disney Company, a Delaware corporation;
- "Disney common stock" means the common stock, par value $0.01 per share, of Disney;
- "Disney effective time" means 12:01 a.m. (New York City time) on the date immediately following the closing date, when the Disney merger becomes effective;

Confidential Treatment Requested by New Fox, Inc.
Pursuant to 17 C.F.R. Section 200.83

- "Disney merger" means the merger of Delta Sub with and into Disney, with Disney surviving the merger and becoming a wholly owned subsidiary of New Disney;
- "Disney series A preferred stock" means the series A preferred stock, par value $0.01 per share, of Disney;
- "Disney stock" means the Disney common stock and the Disney series A preferred stock;
- "distribution" means the distribution of all of the issued and outstanding common stock of FOX to 21CF stockholders (other than holders of the hook stock shares) on a pro rata basis pursuant to the distribution merger agreement;
- "distribution merger" means the merger of Distribution Sub with and into 21CF, with 21CF surviving the merger;
- "distribution merger agreement" means the Amended and Restated Distribution Agreement and Plan of Merger, dated as of June 20, 2018, by and between 21CF and Distribution Sub, as it may be amended from time to time, a copy of which is filed as an exhibit to the registration statement on Form 10 of which this information statement is a part;
- "Distribution Sub" means 21CF Distribution Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of 21CF;
- "excluded shares" means (i) shares held in treasury by 21CF that are not held on behalf of third parties, (ii) the hook stock shares, and (iii) shares held by 21CF stockholders who have not voted in favor of the 21CF merger and perfected and not withdrawn a demand for appraisal rights pursuant to Delaware law;
- "FCC" means the Federal Communications Commission;
- "foreign regulator consents" means consents from foreign regulators in the European Union, Australia, Brazil, Canada, China, India, Israel, Japan, Mexico, the Russian Federation, South Africa, South Korea, Taiwan, Turkey and the United Kingdom, if required;
- "FOX" or the "Company" means New Fox, Inc., a Delaware corporation that is and, at all times prior to the distribution, will be a wholly owned subsidiary of 21CF;
- "FOX business" means the following businesses and operations of 21CF or any of its subsidiaries: (i) 21CF's "Television" segment (as described in 21CF's Annual Report on Form 10-K for the year ended June 30, 2017); (ii) the *FOX News* channel, FOX Business Network, Big Ten Network, FOX Soccer2Go, FOX Soccer Plus, and domestic national sports networks, including FS1, FS2 and FOX Deportes; (iii) Home Team Sports, which we refer to as HTS, and FOX College Sports Properties; and (iv) any and all reasonable extensions of any business or operation described in clauses (i), (ii) or (iii) prior to the distribution;
- "FOX class A common stock" means the class A common stock, par value $0.01 per share, of FOX;
- "FOX class B common stock" means the class B common stock, par value $0.01 per share, of FOX;
- "hook stock shares" means the shares of 21CF common stock held by subsidiaries of 21CF;
- "Merger Subs" means Delta Sub together with Wax Sub;
- "mergers" means the Disney merger together with the 21CF merger;
- "MVPDs" or "multi-channel video programming distributors" means, collectively, cable television systems, direct broadcast satellite operators, telecommunication companies and online video distributors;
- "Nasdaq" means the Nasdaq Global Select Market;

Confidential Treatment Requested by New Fox, Inc.
Pursuant to 17 C.F.R. Section 200.83

- "New Disney" means TWDC Holdco 613 Corp., a Delaware corporation and a wholly owned subsidiary of Disney;
- "New Disney common stock" means the common stock, par value $0.01 per share, of New Disney;
- "New Disney series A preferred stock" means the series A preferred stock, par value $0.01 per share, of New Disney;
- "New Disney stock" means the New Disney common stock and the New Disney series A preferred stock;
- "NYSE" means the New York Stock Exchange;
- "original combination merger agreement" means the Agreement and Plan of Merger, dated as of December 13, 2017, as amended by Amendment No. 1, dated as of May 7, 2018, among 21CF, Disney, TWC Merger Enterprises 2 Corp. and TWC Merger Enterprises 1, LLC;
- "RemainCo" means 21CF after giving effect to the separation and the distribution;
- "retained business" means 21CF and its subsidiaries and the respective businesses thereof, other than the FOX business;
- "separation" means the internal restructuring whereby 21CF will transfer the FOX business to FOX and FOX will assume from 21CF the liabilities associated with such businesses and certain other liabilities;
- "tax adjustment amount" means an adjustment based on the final estimate of certain tax liabilities arising from the separation and distribution and other transactions contemplated by the combination merger agreement, as described in further detail in the Merger Proxy Statement;
- "transactions" means the transactions contemplated by the combination merger agreement and the other transaction documents, including the separation, the distribution and the mergers; and
- "Wax Sub" means WDC Merger Enterprises II, Inc., a Delaware corporation and a wholly owned subsidiary of New Disney.

Trademarks, Trade Names and Service Marks

FOX owns or has rights to use the trademarks, service marks and trade names that it uses in conjunction with the operation of its business. Some of the trademarks that FOX owns or has rights to use that appear in this information statement include: "FOX," "FOX News," "FOX Sports," "FOX Business," "FOX Deportes," "FS1," "FS2," "FOX Soccer Plus," and "Big Ten Network," which may be registered or trademarked in the United States, or U.S., and other jurisdictions. Each trademark, trade name or service mark of any other company appearing in this information statement is, to FOX's knowledge, owned by such other company.

Market and Industry Data

This information statement contains certain estimates and other market and certain other industry data, including market share and market size data, that are made by independent third parties and by us, or are based on our own research as well as research from independent industry and general publications, surveys and studies conducted by third parties or other independent sources, some of which may not be publicly available. These sources generally state that the information they provide has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information are not guaranteed. We believe that the surveys and market research others have performed are reliable, but we have not independently verified this information. Such data involves a number of assumptions and limitations and contains estimates of the industries in which we operate that are subject to a high degree of uncertainty. We caution you not to give undue weight to such assumptions and estimates.

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INFORMATION STATEMENT SUMMARY

This summary highlights information contained in this information statement relating to FOX and the shares of FOX common stock being distributed in the distribution. This summary may not contain all details concerning the separation and distribution or other information that may be important to you. To better understand the separation and distribution and FOX's business and financial position, you should carefully review this entire information statement, including the risk factors, our historical combined financial statements, and our unaudited pro forma combined financial information and the respective notes to those historical and pro forma financial statements.

Except as otherwise indicated or unless the context otherwise requires, "FOX," "the Company," "we," "us" and "our" refer to New Fox, Inc., and "21CF" refers to Twenty-First Century Fox, Inc. Except as otherwise indicated or unless the context otherwise requires, the information included in this information statement assumes the completion of all the transactions referred to in this information statement in connection with the separation and distribution. This information statement describes the businesses to be transferred to FOX by 21CF in the separation as if the transferred businesses were FOX's businesses for all historical periods described. References in this information statement to FOX's historical assets, liabilities, products, businesses or activities of FOX's business are generally intended to refer to the historical assets, liabilities, products, businesses or activities of the transferred businesses as the businesses were conducted as part of FOX and its subsidiaries prior to the separation.

Unless otherwise indicated, references in this information statement to fiscal 2018, fiscal 2017 and fiscal 2016 are to FOX's fiscal years ended June 30, 2018, 2017 and 2016, respectively. Our historical combined financial information has been prepared on a "carve-out" basis to reflect the operations, financial condition and cash flows of the FOX component of 21CF during all periods shown. Our unaudited pro forma combined financial information adjusts our historical combined financial information to give effect to our separation from 21CF and our anticipated post-separation capital structure.

Our Company

FOX delivers one of the highest profile and widely followed portfolios of news, sports and broadcast programming and operates one of the largest television station groups in North America. Centered primarily around video content that is delivered live, FOX benefits from both broad reach and the deep resonance of the iconic FOX brands, which are among the most recognized and respected in the U.S., including: *FOX News*, *FOX Business*, *FOX Sports*, *FS1*, *Big Ten Network*, the FOX Broadcasting Company, which we refer to as the FOX Network, and the local brands within the portfolio of television stations owned and operated by the FOX Television Stations, LLC, which we refer to as FOX Television Stations. FOX is committed to creating and distributing premium news, sports and entertainment content for audiences across the country. We believe this focus on live, as opposed to delayed viewing, provides several strategic and financial advantages in the context of overall media industry trends. As a result, many of our properties deliver consistently strong audience engagement in their respective markets, serving as high value programming for our distributor customers and attractive advertising vehicles for our advertising customers.

Key components of our business include:

- ***FOX News***: The number one cable news channel. During fiscal 2018, *FOX News* was the number one network on basic cable in both primetime and total day viewing and has maintained its position as the top-rated national cable news channel for 67 consecutive quarters, according to Nielsen. *FOX Nation*, an over-the-top streaming service, delivering premium content complementary to *FOX News* programming directly to consumers, is expected to launch in late 2018.

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- ***FOX Business***: A business news national cable channel. Fiscal 2018 was the highest rated year ever for *FOX Business*, culminating with its seventh consecutive quarter as the most-watched business network by total business day viewers, according to Nielsen.
- ***FOX Sports***: A leader in televised live sporting events reached more than 300 billion minutes of live sports event viewing in 2017 across broadcast and cable television, including:
  - **The FOX Network** delivered 17% more minutes of live sports event viewing than our nearest competitor in 2017. In addition to already held long-term rights to iconic sports franchises, such as the National Football League, or the NFL (including the *Super Bowl* in 2020 and 2023), Major League Baseball, or MLB (including exclusive presentation of the *World Series*), Fédération Internationale de Football Association, or FIFA, *World Cup*, the National Association for Stock Car Auto Racing, or NASCAR, and the United States Golf Association, or USGA. FOX recently acquired key domestic sports rights, including the NFL's *Thursday Night Football*, the World Wrestling Entertainment, or WWE, *SmackDown Live*, and *Premier Boxing Champions*.
  - ***FS1***: A multi-sport national video programming network featuring over 830 live events during calendar year 2018, including college football and basketball, the Bundesliga and FIFA *World Cup* events, Major League Soccer, or MLS, NASCAR, the National Hot Rod Association, or NHRA, USGA, The Westminster Kennel Club Dog Show, Jr. NBA World Championships, and BIG3, as well as regular season and post-season MLB games. In addition to live events, FS1 features opinion shows such as *Skip and Shannon: Undisputed*, *The Herd with Colin Cowherd*, *First Things First* and *Speak for Yourself with Cowherd and Whitlock*, original programming from *FOX Sports Films* and daily studio programming.
  - ***Big Ten Network***: We own an approximate 51% interest in the *Big Ten Network*, a 24-hour national video service dedicated to the collegiate Big Ten Conference and Big Ten athletics, academics and related programming. The *Big Ten Network* televises approximately 520 live collegiate events annually, including football games, regular-season and post-season men's basketball games, women's basketball games, men's and women's Olympic events (featuring volleyball, soccer, wrestling, gymnastics, ice hockey, softball, baseball, lacrosse and more), studio shows and other original programming.
- ***The FOX Network***: In addition to delivering more sports viewership than any other network, we supply primetime and late-night entertainment and national news to our 208 local market affiliates, including 17 stations owned and operated by FOX Television Stations. Stations affiliated with the FOX Network, including FOX-owned and operated stations, reach approximately 99.9% of all U.S. television households.
- ***FOX Television Stations***: We own and operate 28 full power broadcast television stations in the U.S. These include stations located in nine of the top ten largest designated market areas, or DMAs, and duopolies in 11 DMAs, including the three largest DMAs (New York, Los Angeles and Chicago). Of these stations, 17 are affiliated with the FOX Network. In addition to distributing sports, entertainment and syndicated content, our television stations collectively produce nearly 1,000 hours of local news every week.

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Our market-leading live news and sports brands and far-reaching television platforms include:

Live News

Live Sports

Television

In fiscal 2018, we recorded revenues of $10.2 billion, income before income tax benefit of $2.2 billion, and total segment operating income before depreciation and amortization, or OIBDA[1], of $2.5 billion.

Our primary revenue sources consist of subscriber-based fees for transmission of our content and advertising revenue. Subscriber-based fees include monthly license and retransmission consent fees paid by traditional multi-channel video programming distributors, or MVPDs, and by digital, over-the-top, or online, distributors, that distribute our cable networks and the signals of our owned and operated television stations; and the FOX Network affiliation fees received from independently owned television stations that are affiliated with the FOX Network. For fiscal 2018, we generated revenues of $10.2 billion, of which approximately 48% was generated from affiliate fees (which includes subscriber license and retransmission consent fees and the FOX Network affiliation fees), 45% was generated from advertising, and 7% was generated from other operating activities. In the same period, we generated $2.5 billion of total segment OIBDA.

As a standalone, publicly traded company, and the successor to the principal U.S. television businesses of 21CF, we believe FOX is well-positioned to respond to changing consumer viewing preferences and capitalize on an evolving media landscape. Within the traditional television ecosystem, live news and sports programming continue to increase their aggregate share of live same day linear television programming viewership due to the nature of "appointment-based" programming. Our franchises are clear leaders in these categories. In the growing space of digital television, we plan to leverage the strength of our brands to grow our businesses in the online world as both an upstream content creator and direct-to-consumer distributor. Our high-quality premium content is already highly sought after by over-the-top distributors, as illustrated by the inclusion of our brands in the vast majority of digital MVPD services. Additionally, in late 2018, we are launching *FOX Nation*, an over-the-top streaming service, delivering premium content complementary to *FOX News* programming directly to consumers. Our strong audience relationships provide us with further opportunities to broaden our sources of revenues and effectively monetize our content.

1 Total segment OIBDA may be considered a non-GAAP financial measure. For a reconciliation of income before income tax benefit (expense), reported in accordance with U.S. generally accepted accounting principles, or GAAP, to total segment OIBDA, as well as a discussion of our use of non-GAAP financial measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

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Our operations are organized into two main reporting segments: Cable Network Programming, which consists of the production and licensing of news and sports programming content, distributed primarily through cable television systems, direct broadcast satellite operators, telecommunication companies and online video distributors in the U.S.; and Television, which is engaged in the operation of broadcasting FOX Television Stations and the acquisition, marketing and distribution of broadcast network programming nationally under the FOX brand. We also report the results of other businesses and operations, including the FOX Studios lot in Los Angeles, California, in our Other, Corporate and Eliminations segment.

Cable Network Programming

The Cable Network Programming segment produces and licenses news, business news and sports content for distribution primarily through cable television systems, direct broadcast satellite operators, telecommunications companies and online video distributors primarily in the U.S. This segment is comprised of businesses including:

- *FOX News*, the number one cable news channel. During fiscal 2018, *FOX News* was the number one network on basic cable in both primetime and total day viewing and has maintained its position as the top-rated national cable news channel for 67 consecutive quarters, according to Nielsen. *FOX Nation*, an over-the-top streaming service, delivering premium content complementary to *FOX News* programming directly to consumers, is expected to launch in late 2018;
- *FOX Business*, a business news national cable channel. Fiscal 2018 was the highest rated year ever for *FOX Business*, culminated by its seventh consecutive quarter as the most-watched business network by total business day viewers, according to Nielsen; and
- Our primary cable sports programming networks *FS1*, *FS2* and *Big Ten Network*. These sports networks feature over four thousand hours of live event programming each year and have rights to premium sports franchises such as MLB, college football and basketball, the Bundesliga, FIFA *World Cup* events, MLS, NASCAR, and USGA, among others, enabling fan engagement and viewing opportunities across many dynamic sports events. Some of our sports networks also feature opinion shows, including *Skip and Shannon: Undisputed*, *The Herd with Colin Cowherd*, *Speak for Yourself with Cowherd and Whitlock*, *First Things First*, or other original and documentary programming and daily studio programming.

Television

Our Television segment is engaged in the acquisition, marketing and distribution of broadcast network programming nationally under the FOX brand and the operation of 28 full power broadcast television stations in 17 local markets.

The FOX Network acquires, markets and distributes sports and entertainment content via its 208 affiliated stations nationwide, reaching approximately 99.9% of all U.S. television households. Compared with other major broadcast networks, the FOX Network differentiates its programming strategy by focusing more heavily on its market leading sports content, supplemented with its non-sports prime-time lineup which is typically concentrated to two hours per night, five nights per week and targeted at the sought-after 18 to 49-year old audience. The FOX Network enjoyed more minutes of live sports event viewership than any other network in 2017 with its leading sports slate comprising NFL games on Sundays, MLB, NCAA and FIFA programming, and, in the future NFL games on Thursdays and WWE *Smackdown* on Fridays. When not airing sports programming, the FOX Network typically broadcasts two hours of prime-time programming per night. During the 2017-2018 traditional broadcast season, the FOX Network's prime-time entertainment programming featured animated perennial hits such as *The Simpsons*, *Family Guy* and *Bob's Burgers* which together comprise our "Animation Sunday." The FOX Network also ended the 2017-2018 broadcast season with seven of the season's

top 20 new series, more than any other network, including: *9-1-1*, *The Orville*, *The Gifted*, *The Resident*, and *The Four: Battle for Stardom*. As a result of the FOX Network's differentiated programming strategy, the median age of the FOX Network viewer is the youngest of the four major broadcast networks.

FOX Television Stations owns and operates 28 full power broadcast television stations, which deliver broadcast network content, local news and syndicated programming to viewers in 17 local markets. These include stations located in nine of the top ten largest DMAs and duopolies in 11 DMAs, including the three largest DMAs (New York, Los Angeles and Chicago). Of the 28 full power broadcast television stations, 17 stations are affiliated with the FOX Network. These stations profit from viewer, distributor and advertiser demand for the FOX Network's national content. In addition, the FOX Network's strategy to deliver fewer hours of entertainment, news and late-night talk show content than other major broadcasters benefits stations affiliated with the FOX Network, which can utilize the flexibility in scheduling to offer expanded local news and other programming that viewers covet. Our 28 stations collectively produce nearly 1,000 hours of local news broadcasts every week.

Other Businesses

In addition to the Cable Network Programming and Television operations described above, FOX also owns the FOX Studios lot in Los Angeles, California. The historic studio lot currently provides over 1.5 million square feet of space for both administration and production services including, but not limited to, 15 sound stages, 4 scoring and mixing stages, 2 broadcast studios, theaters, editing bays, dressing rooms, production offices and catering facilities. Following the distribution, the FOX Studios lot will provide two revenue streams – one through the lease of office space to RemainCo and the other through operation of studio facilities for use by third party productions, which at least at the outset will predominantly be to Disney. The results attributable to the FOX Studios lot are reported in our Other, Corporate and Eliminations segment.

Our Competitive Strengths

Leadership positions across strategically significant live programming platforms.

We enjoy strong leadership positions across our core live news and sports programming businesses. As linear viewership of entertainment programming declines across the industry, the news and sports genres remain resilient due to the nature of live, "appointment-based" programming. We believe our leadership positions support strong affiliate fee revenue, while allowing us to react nimbly to emerging technological and cultural challenges facing traditional media companies.

FOX News has been the highest rated cable news network for 67 consecutive quarters and was the number one cable network in primetime and total viewing across key demographics during fiscal 2018. Additionally, *FOX Business* is now the most-watched business news network in terms of total business day viewing.

With sports programming accounting for 86 of the top 100 most watched live-plus-same-day programs in the U.S. during calendar 2017, our strategy aims to leverage the durability of sports to consistently deliver mass audience reach with diminished risk of audience dilution from time shifted viewing.

Within the live sports category, *FOX Sports* on the FOX Network aired 17% more live sporting events in 2017 than the next competitor, including the most watched program in all of television for eight consecutive years, the NFL's *America's Game of the Week*. The entire *FOX Sports* portfolio telecasts approximately 25% of all U.S. sports programming viewed.

The FOX Network delivers high-quality content that aligns with changes in consumer behavior. We invest programming budgets in market leading live sports programming, including NFL games on Sundays, MLB, NCAA and FIFA programming, and, in the future NFL games on Thursdays and WWE *Smackdown* on Fridays,

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and when not airing sports programming, in two hours of prime-time popular scripted programming per night, including our popular animated series on Sundays. We do not deliver early morning or late-night talk shows. Due to the strength and popularity of our programming and the loyalty of our audiences, we are well positioned to maintain our distributor-customer relationships and extend our offerings directly to our consumers.

Premium brands that resonate deeply with viewers.

Anchored by the "FOX" name, FOX produces and distributes content through some of the world's leading and most valued brands. We believe FOX is uniquely positioned, as evidenced by its long track record of challenging the status quo, to continue making bold, innovative decisions, disrupting competitors and forming deeper relationships with audiences. *FOX News* is among the most influential and recognized news brands in the world, recently ranked the "most trusted" American TV news brand in the U.S., according to an independent survey conducted by Brand Keys, a marketing consulting firm. Because of its brand loyalty and relationship with its viewers, *FOX News* has enjoyed long-time success as one of the most successful channels on all of television. Similarly, *FOX Sports* earned a reputation for innovative sports programming and, with its far-reaching presence in virtually every U.S. household, is the premier destination for live sporting events and sports commentary. These brands, and others in our portfolio, including our local news affiliates programming under the FOX brand, hold cultural significance with consumers, distributors and advertisers. The live nature and high quality of our programming and the strength of our brands maximizes the value of our content through a combination of affiliate fees and advertising sales.

Significant presence and relevance in major domestic markets.

FOX's portfolio combines the range of national cable and broadcast networks with the power of tailored local television. *FOX News* and *FOX Business* are available in over 80 million U.S. households and the FOX Network is available in 99.9% of U.S. households, fostering dialogue and programming at the national level. Additionally, our 28 owned and operated full power broadcast television stations are located in nine of the ten largest DMAs and work in concert with stations affiliated with the FOX Network across the U.S., balancing content of national interest with programming of note to local communities. On a weekly basis, *FOX News* and *FOX Business* produce approximately 130 hours and 85 hours, respectively, of national live news and original programming and FOX Television Stations produces approximately 970 hours of local news. The breadth and depth of our footprint allows us to produce and distribute our content in a cost-effective manner and share best business practices and models across regions. It also allows us to engage audiences, develop deeper consumer relationships and create more compelling product offerings.

Attractive financial profile, including strong balance sheet and multiple revenue streams.

As a result of our mix of live news and sports programming and television station assets, FOX has demonstrated leading growth in a challenging industry environment over the past several years. We have achieved strong revenue growth and profitability, which have been favorably impacted by affiliate fee increases. Additionally, our strong balance sheet provides us with the financial flexibility to continue to invest across our businesses, allocate resources toward investments in higher growth initiatives, and take advantage of strategic opportunities, including potential acquisitions, across the range of the media categories in which we operate.

As of June 30, 2018, on a pro forma basis taking into consideration 21CF's expected contribution, we had total assets of approximately $ million. See "Summary Historical and Unaudited Pro Forma Combined Financial Information" and the "Unaudited Pro Forma Combined Financial Information" for further details.

Substantial tax benefits enhance net cash provided by operating activities.

As a result of the distribution, FOX expects to receive a step-up in tax basis based on the amount of the taxable gain recognized in connection with the separation that is expected to result in substantial annual cash tax

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savings over the next 15 years. The final amount of the step-up in tax basis, and, accordingly the amount of the cash tax savings, will depend on several factors, including the volume weighted average trading price of FOX stock on the date of distribution. The growth and profitability of our businesses on a standalone basis, in conjunction with these cash tax savings and relatively modest capital needs, are expected to support an attractive cash flow conversion profile. These factors offer the financial flexibility to help us navigate the evolving media landscape and invest organically to maintain our leading market positions. We expect to maintain a balanced capital allocation policy and will opportunistically evaluate strategic alternatives.

Experienced management team with deep industry expertise and long track record of success building franchises.

We will be led by our founder and co-chairman, K. Rupert Murdoch, our chairman and Chief Executive Officer, Lachlan K. Murdoch, and our Chief Operating Officer, John P. Nallen. The FOX leadership team is supported by the continuity of experienced senior executives with more than 80 years combined tenure in our Company. Our team shares an unmatched track record of news, sports, and entertainment industry success that will shape their vision as we seek to capitalize on our current strengths and strategically invest in new initiatives and businesses, grow our platform and generate value for our stockholders.

Goals and Strategies

Maintain leading positions in live news and sports landscape.

We have one of the strongest portfolios in live news and sports programming and we believe that building on our leading market positions is essential to our success. We plan to invest in our most attractive growth opportunities by allocating capital to our live news and sports franchises, which we believe have distinct competitive advantages and brand positions. Recently, we bolstered our position as a leader in live sports events by acquiring rights from the NFL to broadcast five seasons of *Thursday Night Football*, including digital streaming rights on *FOX Sports GO*. We believe continuing to provide compelling news and sports programming across platforms will increase the engagement level of our audiences, improve the amount of revenue generated from distributors, advertisers and affiliates, and facilitate growth. This strategy is already yielding results as *FS1* and *FOX Sports* outperformed their primary competitor in 2017 with respect to total live viewership, according to SNL Kagan research.

Increase revenue growth through continued high quality, premium and valuable content.

As a more streamlined company, FOX will endeavor to maximize our revenue streams. We create high quality programming that delivers value for our distributor customers, affiliates and viewers and we intend to receive appropriate value for our content. We are optimistic about our ability to grow revenue from the distribution of our content. In particular, we believe there are ample growth opportunities within the FOX Network by offering new and diversified sources of content tailored to our viewership that reflect strategic scheduling decisions that distinguish the FOX Network from the competition. This includes our “Own the Fall” initiative at *FOX Sports*, where we will broadcast the most live sports events of any channel between Labor Day and Christmas, including the NFL, college football and post-season MLB. With respect to advertising revenue performance, we believe there are significant opportunities as a standalone, publicly traded company to improve performance at the FOX Network with respect to its general entertainment programming. We also believe our innovative advertising platforms and premium live content delivers substantial value to our advertising customers, which will drive growth through enhanced focus as a separate entity. Finally, the ability to obtain content without regard to the ownership of a studio will facilitate growth by allowing us to directly manage the economics and programming decisions of our broadcast network and stations group. The benefits of separation and a more focused portfolio will allow FOX to make comprehensive programming decisions consistent with our overall strategy.

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Leverage brands to expand our online distribution offerings, increasing complementary sources of revenues.

The strength of our brands will allow us to create effective platforms for the digital distribution of our content. Nearly all of our channels are already offered in all major over-the-top streaming services and we plan to continue enhancing our digital offerings with over-the-top distributors, including streaming via web sites, smartphone and tablet applications, and online and on-demand streaming videos. Specifically, we recognize the need to continuously cultivate direct interactions between FOX brands and consumers outside traditional, linear television via direct-to-consumer, or D2C, and over-the-top solutions. As a result, *FOX News* recently announced the launch of *FOX Nation*, an over-the-top streaming service, delivering premium content complementary to *FOX News* programming directly to consumers, expected to launch in late 2018. We will endeavor to identify similarly innovative new products and services across our business to increase revenues and profitability.

The Transactions

Overview

On June 20, 2018, 21CF and Disney entered into the combination merger agreement, which includes as a condition to the consummation of the mergers that the distribution shall have been consummated. Pursuant to the terms of the combination merger agreement, following the distribution, (1) the Disney merger will occur, with Delta Sub being merged with and into Disney, and Disney continuing as the surviving corporation, and (2) the 21CF merger will occur, with Wax Sub being merged with and into 21CF, and 21CF continuing as the surviving corporation. As a result of the mergers, Disney and 21CF will become direct, wholly owned subsidiaries of New Disney.

Prior to the completion of the mergers, the FOX business, and certain other assets, will be transferred to FOX, a wholly owned subsidiary of 21CF, and FOX will assume from 21CF certain liabilities associated with such businesses and certain other liabilities. 21CF will retain all assets and liabilities not transferred to FOX, including the Twentieth Century Fox film and television studios and certain cable and international television businesses. Following the separation and prior to the completion of the 21CF merger, in order to implement the distribution, 21CF will distribute all of the issued and outstanding common stock of FOX to 21CF stockholders (other than holders of the shares held by subsidiaries of 21CF, which we refer to as the hook stock shares) on a pro rata basis, in accordance with the distribution merger agreement. Following the completion of the distribution, each 21CF stockholder (other than holders of the hook stock shares) will hold ownership interests in FOX common stock that are proportionally equal to its existing ownership in 21CF (excluding the holders of the hook stock shares) and with comparable voting rights.

The relationship between FOX and RemainCo after the distribution will be governed by other agreements to effect the separation and distribution that provide a framework for the relationship between FOX and RemainCo after the separation and distribution. Among others, these agreements will include a separation agreement, a transition services agreement, a tax matters agreement, an employee matters agreement, an IP cross-license agreement and certain commercial arrangements. These agreements will provide for the allocation between FOX and RemainCo of the assets, employees, liabilities and obligations of the retained business and the FOX business (including investments, property and employee benefits and tax-related assets and liabilities) attributable to periods prior to, at and after FOX's separation from 21CF, and will govern certain relationships between FOX and RemainCo after the separation. For more information, see "The Transactions—Certain Agreements."

The separation and distribution are conditioned on the satisfaction or waiver of certain conditions to the consummation of the transactions. For more information, see "The Transactions—Conditions to the Completion of the Transactions."

Separation

In furtherance of Disney's acquisition of RemainCo, in connection with the combination merger agreement, prior to the distribution, 21CF and FOX will enter into the separation agreement pursuant to which 21CF will, among other things, transfer to FOX the FOX business and certain other assets, and FOX will assume from 21CF certain liabilities associated with such businesses and certain other liabilities. As part of the transfers, FOX will receive an amount of cash, which shall not be less than zero, as described in further detail in the section entitled "The Transactions—The Separation" in this information statement. Following the separation, FOX and its subsidiaries will own all of the FOX business, while 21CF (other than FOX and its subsidiaries) will own all of the retained business, including the Twentieth Century Fox film and television studios and certain cable and international television businesses. See the section entitled "The Transactions—The Separation" for more information regarding the assets and liabilities to be transferred.

Incurrence of FOX Indebtedness and Payment of Dividend

Immediately prior to the distribution, FOX will pay to 21CF a dividend in the amount of $8.5 billion, which we refer to as the dividend, in immediately available funds. FOX will arrange to incur indebtedness sufficient to fund the dividend, which indebtedness will be reduced after the 21CF merger by the amount of the cash payment described under "—Payment Adjustments" below.

Distribution

On the day the separation is completed, at 8:00 a.m. (New York City time), 21CF will distribute all of the issued and outstanding common stock of FOX to 21CF stockholders (other than holders of the hook stock shares) on a pro rata basis in accordance with the distribution merger agreement. Upon completion of the distribution, FOX will be a standalone, publicly traded company.

Pursuant to the distribution merger agreement, a portion of each share of 21CF common stock held at the time of the distribution will be exchanged for 1/3 of one share of FOX common stock of the same class, and holders will receive cash in lieu of any fractional share of FOX common stock they otherwise would have been entitled to receive in connection with the distribution. Following the completion of the distribution, holders will continue to own the residual portion of each such share of 21CF common stock, which will remain issued and outstanding until the 21CF merger. The specific portion of each share of 21CF common stock to be exchanged will be determined based on the distribution adjustment multiple, which is derived from the relative trading values of the 21CF and shares of FOX common stock in the "when issued" trading market prior to the distribution. See "The Transactions—The Distribution" in this information statement for important information regarding the calculation of the distribution adjustment multiple and the portion of each share of 21CF common stock that will be exchanged for FOX common stock, and "The Transactions—Distribution Adjustment to 21CF Merger Consideration" for important information regarding the distribution adjustment to the 21CF merger consideration.

Following the completion of the distribution, each 21CF stockholder (other than holders of the hook stock shares) will own a portion of a share of 21CF common stock less for each share of 21CF common stock owned by such holder immediately prior to the completion of the distribution. The proportionate ownership of each 21CF stockholder in 21CF (excluding the holders of the hook stock shares) will not change as a result of the distribution. The 21CF merger consideration will be automatically adjusted to take into account the exchange of a portion of each share of 21CF for FOX common stock, such that the remaining fractional share of 21CF common stock resulting from the distribution will receive the amount of 21CF merger consideration that a whole share of 21CF common stock would have been entitled to receive before giving effect to the distribution.

For more information, see the sections entitled "The Transactions—The Distribution" and "The Transactions—Distribution Adjustment to 21CF Merger Consideration" in this information statement.

Payment Adjustments

At the open of business on the business day immediately following the date of the distribution, if the final estimate of the taxes in respect of the separation and distribution and divestitures in connection with the mergers (as well as certain taxes related to the operations of the FOX business from and after January 1, 2018 through the closing of the transactions), which we refer to collectively as the transaction tax, is lower than $8.5 billion, Disney will make a cash payment to FOX, which we refer to as the cash payment, which cash payment will be the amount obtained by subtracting the final estimate of the transaction tax from $8.5 billion, up to a maximum cash payment of $2 billion. After the 21CF merger, FOX will promptly reduce the indebtedness incurred to fund the dividend by the amount of the cash payment.

FOX's Post-Distribution Relationship with 21CF

Following the separation and distribution, we and RemainCo will operate separately, with FOX as a standalone, publicly traded company, and RemainCo, after the closing of the transactions, as part of New Disney. Prior to the separation and distribution, we and 21CF will enter into certain agreements that will effect the separation, provide a framework for our relationship with RemainCo after the separation and provide for the allocation between us and RemainCo of 21CF's assets, employees, liabilities and obligations (including its investments, property and employee benefits and tax-related assets and liabilities) attributable to periods prior to, at and after our separation from 21CF. For more information, see the summary of the terms of the material agreements that we intend to enter into with 21CF prior to the separation in the section entitled "The Transactions—Certain Agreements."

Conditions to the Completion of the Transactions

The respective obligations of each of 21CF, Disney, New Disney and the Merger Subs to complete the mergers, and, except with respect to the matters described in the first bullet below, 21CF's obligation to effect the separation and the distribution, are subject to the satisfaction or waiver, to the extent applicable, at or prior to the closing of the transactions of certain conditions, including:

- an amendment to the 21CF charter, which we refer to as the 21CF charter amendment, providing that holders of the hook stock shares will not receive any consideration in connection with the distribution or the 21CF merger, must have become effective and the separation and distribution must have been consummated;
- the shares of New Disney common stock to be issued in the 21CF merger must have been approved for listing on the NYSE upon official notice of issuance and the shares of FOX common stock to be issued in the distribution must have been approved for listing on Nasdaq upon official notice of issuance;
- the receipt of any FCC consents (if required) and the foreign regulator consents;
- no domestic, foreign or transnational governmental entity of a competent jurisdiction has enacted, issued, promulgated, enforced or entered any law or order (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits the completion of the transactions;
- the registration statement on Form S-4 filed by New Disney in respect of the shares of New Disney common stock to be issued in the 21CF merger, which has already been declared effective, and the registration statement on Form 10 filed by FOX in respect of the shares of FOX common stock to be issued in the distribution, of which this information statement is a part, must have become effective under the Securities Act of 1933, as amended, which we refer to as the Securities Act, and the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, as applicable, and must not be the subject of any stop order or any proceedings initiated or threatened for that purpose by the SEC;

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- 21CF must have obtained an opinion from a nationally recognized valuation or accounting firm or investment bank, as to the adequacy of surplus under Delaware law to effect the dividend, and as to the solvency of FOX and 21CF after giving effect to the dividend and the distribution; and
- the separation agreement, the tax matters agreement and the commercial agreements must have been entered into in accordance with the terms of the combination merger agreement.

The obligations of Disney, New Disney and the Merger Subs to effect the transactions also are subject to the satisfaction or waiver by Disney, at or prior to the closing of the transactions, of certain conditions, including the following conditions:

- the accuracy of the representations and warranties of 21CF in the manner described in the combination merger agreement;
- 21CF must have performed in all material respects its obligations under the combination merger agreement at or prior to the closing of the transactions;
- no governmental consents will have imposed any restriction other than restrictions permitted under the combination merger agreement;
- receipt by Disney of the hook stock legal comfort, which includes the receipt of (i) a written opinion of Greenwoods & Herbert Smith Freehills Pty Limited, or an Australian senior barrister of Disney's choice, to the effect that (A) there has been no change in Australian tax law since the execution of the combination merger agreement that would cause any of the conclusions expressed in an opinion from its Australian tax advisors to the effect that, on the basis of the facts, representations and assumptions set forth in such opinion, the 21CF charter amendment, the distribution and the mergers should not result in any hook stock tax under Australian tax law, which we refer to as the signing date tax opinion, to change, or (B) if there has been a change in Australian tax law, the 21CF charter amendment, the distribution and the mergers (or any alternative transactions) should not result in any hook stock tax under Australian tax law, which we refer to as the Australian tax opinion, and (ii) a written opinion of Cravath, Swaine & Moore LLP, which we refer to as Cravath, to the effect that the distribution and the mergers will result in no recognition of gain or loss in respect of the hook stock shares for U.S. federal income tax purposes, which we refer to as the U.S. tax opinion (clauses (i) and (ii) together, the "hook stock legal comfort"), with certain situations satisfying the condition; and
- receipt by Disney of a tax opinion from Cravath, that the mergers will qualify for the intended tax treatment, which we refer to as the Cravath tax opinion.

21CF's obligation to effect the transactions is also subject to the satisfaction or waiver by 21CF, at or prior to the closing of the transactions, of certain conditions, including the following conditions:

- the accuracy of the representations and warranties of Disney, New Disney, Delta Sub and Wax Sub in the manner described in the combination merger agreement;
- each of Disney and the Merger Subs must have performed in all material respects its respective obligations under the combination merger agreement at or prior to the closing of the transactions; and
- receipt of a tax opinion from Skadden, Arps, Slate, Meagher & Flom LLP, which we refer to as Skadden, that the mergers will qualify for the intended tax treatment, which we refer to as the Skadden tax opinion.

For additional detail, see "The Transactions—Conditions to the Completion of the Transactions."

Material U.S. Federal Income Tax Consequences

The U.S. federal income tax consequences of the receipt by 21CF stockholders of FOX common stock in the distribution are uncertain. A distribution undertaken in connection with an acquisition where cash comprises a substantial portion of the aggregate consideration can prevent the distribution from qualifying as tax-free as a result of the "anti-device" requirement under Section 355 of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. The determination of whether the distribution can satisfy such requirement is complex, inherently factual in nature, and subject to significant uncertainty because the law is unclear. As a result, counsel cannot opine that the distribution will be tax-free to 21CF stockholders under Section 355 of the Code. Although New Disney intends to report the distribution as taxable to 21CF stockholders, 21CF stockholders will not be prohibited from taking a contrary position. 21CF stockholders are urged to consult their tax advisors regarding the U.S. federal income tax consequences of the distribution to them. Assuming the distribution does not qualify as a distribution described in Section 355 of the Code and is therefore a fully taxable transaction, each U.S. holder (as defined in the section entitled "Material U.S. Federal Income Tax Consequences" in this information statement) who receives FOX common stock in the distribution would generally recognize taxable gain or loss equal to the difference between the fair market value of the FOX common stock received by the stockholder in the distribution and its tax basis in the portion of its shares of 21CF common stock exchanged therefor.

A more detailed discussion of the material United States federal income tax consequences of the distribution can be found in the section entitled "Material U.S. Federal Income Tax Consequences" in this information statement.

No Appraisal Rights

21CF stockholders will not have any appraisal rights in connection with the distribution.

Risks Associated with the Proposed Transaction and Our Business

You should carefully consider the matters discussed under the heading "Risk Factors" of this information statement.

Corporate Information

21CF

21CF is a diversified leading global media and entertainment company with operations in the following segments: (i) Cable Network Programming; (ii) Television; (iii) Filmed Entertainment; and (iv) Other, Corporate and Eliminations. The activities of 21CF are conducted primarily in the U.S., the United Kingdom, Continental Europe, Asia and Latin America. 21CF owns all of our common stock issued and outstanding prior to the distribution. After the distribution and prior to the completion of the mergers, 21CF will not own any FOX common stock.

FOX

FOX, a wholly owned subsidiary of 21CF, was formed in Delaware on May 3, 2018. The address of FOX's principal executive offices is 1211 Avenue of the Americas, New York, New York 10036. FOX's telephone number is (212) 852-7000.

Upon completion of the distribution, FOX will be a standalone, publicly traded company, and will operate the FOX business transferred by 21CF that comprise the FOX business. Until the completion of the transactions, FOX will not conduct any activities other than those incidental to its formation and the matters contemplated by

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the distribution merger agreement, including in connection with the separation and the distribution. 21CF intends to change the name of New Fox, Inc. to prior to the distribution. FOX intends to apply to have both FOX class A common stock and FOX class B common stock authorized for listing on Nasdaq, under the symbols " " and " ," respectively.

Following the completion of the distribution, FOX's corporate website will be located at www. .com. FOX's website and the information contained therein or connected thereto shall not be deemed to be incorporated herein, and you should not rely on any such information in making an investment decision.

Reasons for Furnishing this Information Statement

This information statement is being furnished solely to provide information to 21CF stockholders who will receive shares of FOX common stock in the distribution. It is not and is not to be construed as an inducement or encouragement to buy, hold or sell any of our securities or any securities of 21CF or Disney. The information contained in this information statement is believed by FOX to be accurate as of the date set forth on its cover. Changes to the information contained in this information statement may occur after that date, and neither 21CF nor FOX undertakes any obligation to update the information except in the normal course of their respective disclosure obligations and practices.

QUESTIONS AND ANSWERS ABOUT THE SEPARATION AND DISTRIBUTION

What are the proposed transactions?	Disney and 21CF have agreed to the mergers under the terms of the combination merger agreement, pursuant to which Disney and RemainCo will become direct, wholly owned subsidiaries of New Disney. Prior to the completion of the mergers, 21CF and FOX will enter into the separation agreement, pursuant to which 21CF will, among other things, engage in the separation, and transfer to FOX the FOX business and certain other assets, and FOX will assume from 21CF certain liabilities associated with such businesses and certain other liabilities. RemainCo will retain all assets and liabilities not transferred to FOX, including the Twentieth Century Fox film and television studios and certain cable and international television businesses. Following the separation and prior to the completion of the 21CF merger, in order to implement the distribution, 21CF will distribute all of the issued and outstanding common stock of FOX to 21CF stockholders (other than holders of the hook stock shares) on a pro rata basis, in accordance with the distribution merger agreement. See "The Transactions—Overview" for a description of the steps involved in effecting the transactions, "The Transactions—The Separation" for a more detailed description of the allocation of assets and liabilities to FOX, "The Transactions—Conditions to the Completion of the Transactions" for a description of the conditions to the transactions, and "The Transactions—Certain Agreements—Separation Agreement" for a description of the separation agreement.
Why am I receiving this document?	21CF is delivering this information statement to you because you are a holder of record of shares of 21CF common stock.
What will I receive in the distribution if I hold 21CF common stock?	If you are a holder of shares of 21CF common stock as of the distribution, a portion of each share of 21CF common stock held by you will be exchanged for 1/3 of one share of FOX common stock of the same class, and you will continue to own the remaining portion of each such share of 21CF common stock, subject to the completion of the mergers pursuant to the terms of the combination merger agreement. The FOX class A common stock and FOX class B common stock replicates the structure in which you currently hold 21CF class A common stock and 21CF class B common stock. This information statement will help you understand how the separation and distribution will affect your investment in 21CF and your investment in FOX after the separation and distribution.
What will be the voting rights of the FOX common stock I receive in the distribution?	You will receive shares that will provide you with rights and privileges with respect to a company engaged in only the FOX business that formerly was part of 21CF. However, the shares of FOX class A common stock or FOX class B common stock that you will receive in the distribution will have the same rights as the respective

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	shares of 21CF class A common stock or 21CF class B common stock that you currently hold. You will receive shares of FOX class A common stock and FOX class B common stock on a pro rata basis. Each stockholder of FOX class B common stock will be entitled to cast one vote for each share of FOX class B common stock on all matters in which stockholders have the right to vote. Each holder of FOX class A common stock is entitled to cast one vote for each share of FOX class A common stock, voting together with the holders of FOX class B common stock as a single class, in certain limited circumstances and not otherwise. See "Description of Our Capital Stock" for a description of the circumstances in which the holders of FOX class A common stock are entitled to vote. Other than in those circumstances described, holders of FOX class A common stock have no right to vote.
How will the distribution work?	Following the separation, and prior to the mergers, 21CF will distribute all of the issued and outstanding common stock of FOX to 21CF stockholders on a pro rata basis in accordance with the distribution merger agreement. Pursuant to the distribution merger agreement, a portion of each share of 21CF common stock held at the time of the distribution will be exchanged for 1/3 of one share of FOX common stock of the same class, and holders will continue to own the remaining portion of each such share of 21CF common stock, as explained in more detail below. See the section entitled "The Transactions—The Distribution" in this information statement.
When will the distribution occur?	It is expected that the shares of FOX common stock will be distributed by 21CF on , 2019 to the holders of record of shares of 21CF common stock as of the completion of the distribution.
What do stockholders need to do to participate in the distribution?	**Stockholders of 21CF will not be required to take any action to receive FOX common stock in the distribution, but you are urged to read this entire information statement carefully. No additional approval by 21CF stockholders is required for the distribution, as 21CF stockholders adopted the distribution merger agreement at a special meeting of the 21CF stockholders held on July 27, 2018. You are not being asked for a proxy.** You do not need to pay any consideration or surrender your existing shares of 21CF common stock or take any other action to receive your shares of FOX common stock. **Please do not send in your 21CF stock certificates.** Separate from the completion of the distribution, if the 21CF merger is completed and you hold physical share certificates in respect of your shares of 21CF common stock, you will be sent a letter of transmittal promptly after the 21CF effective time describing how you may exchange your shares of 21CF common stock for the 21CF merger consideration.
How will shares of FOX common stock be issued?	You will receive shares of FOX common stock through the same or substantially similar channels that you currently use to hold or trade

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	shares of 21CF common stock, whether through a brokerage account or other channel. Receipt of shares of FOX common stock will be documented for you in substantially the same manner in which you typically receive stockholder updates, such as monthly broker statements or other plan statements. If you own shares of 21CF common stock as of the completion of the distribution, including shares owned in certificated form, 21CF, with the assistance of Computershare Trust Company, N.A., the distribution agent, transfer agent and registrar, will electronically distribute shares of FOX common stock to you or to your brokerage firm on your behalf by way of direct registration in book-entry form. Your bank or brokerage firm will credit your account for the shares. FOX will not issue any physical stock certificates to any stockholders, even if requested.
What will 21CF stockholders receive when the separation and distribution are completed? What will be the value of FOX common stock?	Following the separation, upon consummation of the distribution and prior to the completion of the 21CF merger, 21CF will distribute all of the issued and outstanding shares of common stock of FOX to the holders of the outstanding shares of 21CF common stock on a pro rata basis in accordance with the distribution merger agreement. Following completion of the distribution, each 21CF stockholder (other than holders of the hook stock shares) will hold ownership interests in FOX and 21CF in the same respective classes as, and in proportionately equal interests to, its existing ownership in 21CF. For more information, including regarding important adjustment provisions, see the section entitled “The Transactions—The Distribution” in this information statement. It is difficult to determine what the value of shares of FOX common stock may be or predict the prices at which shares of FOX common stock may trade after consummation of the transactions. In the event that the separation and distribution do not occur, the 21CF merger will not occur.
What happens to the portions of a share of 21CF common stock that I will hold following the distribution?	In the distribution, a portion of each share of 21CF common stock that you hold at the time will be exchanged for 1/3 of one share of FOX common stock of the same class, and you will continue to own the remaining portion of each such share of 21CF common stock. On the day the distribution is completed, shares of 21CF common stock will continue to trade on Nasdaq. However, the total number of shares of 21CF common stock you hold, and the total number of shares of 21CF common stock outstanding, will be fewer than the number of shares of 21CF common stock you held and the total number of shares of 21CF common stock outstanding prior to the distribution as a result of the exchange of a portion of each share of 21CF common stock for FOX common stock. The remaining portion of a share of 21CF common stock you will continue to own will represent the same proportionate ownership in 21CF that was represented by a whole

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	share of 21CF common stock prior to the distribution. Accordingly, the proportionate ownership of each 21CF stockholder in 21CF (excluding the holders of the hook stock shares) will not change as a result of the distribution. For more information, see "The Transactions—The Distribution."
	The 21CF merger consideration will be automatically adjusted to take into account the exchange of a portion of each share of 21CF common stock for 1/3 of one share of FOX common stock of the same class, pursuant to the distribution, such that the portion of each share of 21CF common stock resulting from the distribution will receive the amount of 21CF merger consideration that a whole share of 21CF common stock would have been entitled to receive before giving effect to the distribution, which we refer to as the distribution adjustment. To give effect to the distribution adjustment, the value of the consideration that would otherwise be payable in the 21CF merger on account of each share of 21CF common stock, which we refer to as the per share value, after giving effect to the tax adjustment amount, will be multiplied by the distribution adjustment multiple. For more information, see "The Transactions—Distribution Adjustment to 21CF Merger Consideration."
What happens if I am eligible to receive a fraction of a share of FOX common stock in connection with the distribution?	21CF stockholders will receive cash in lieu of any fractional share of FOX they otherwise would have been entitled to receive in connection with the distribution. See the section entitled "The Transactions—The Distribution" in this information statement.
Are there any conditions to the mergers, the separation and the distribution?	Yes. Each party's obligation to complete the mergers, the separation and the distribution, is subject to the satisfaction or waiver, to the extent applicable, at or prior to the closing of the transactions of certain conditions.
	21CF and FOX cannot assure you that any or all of these conditions will be met. For a complete discussion of all of the conditions to the completion of the transactions, see "The Transactions—Conditions to the Completion of the Transactions."
What is the expected date of completion of the distribution?	The completion and timing of the distribution are dependent upon a number of conditions. It is expected that the shares of FOX common stock will be distributed by 21CF on , 2019 to the holders of record of shares of 21CF common stock as of such date. However, no assurance can be provided as to the timing of the distribution or that all conditions to the transactions will be met.
Can 21CF decide to cancel the distribution of FOX common stock even if all the conditions have been met?	No. Once the conditions to the transactions have been satisfied or waived, 21CF must complete the distribution. See the section entitled "The Transactions—Conditions to the Completion of the Transactions."
What if I want to sell my 21CF common stock or my FOX common stock?	You should consult with your financial advisors, such as your stockbroker, bank or tax advisor.

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What is "regular-way" and "ex-distribution" trading of 21CF stock?	Beginning on or shortly before the distribution date and continuing until the time of the distribution, it is expected that there will be two markets in shares of 21CF common stock: a "regular-way" market and an "ex-distribution" market. Shares of 21CF common stock that trade in the "regular-way" market will trade with an entitlement to shares of FOX common stock distributed pursuant to the distribution. Shares that trade in the "ex-distribution" market will trade without an entitlement to shares of FOX common stock distributed pursuant to the distribution. If you decide to sell any shares of 21CF common stock before the distribution date, you should make sure your stockbroker, bank or other nominee understands whether you want to sell your shares of 21CF common stock with or without your right to receive FOX common stock pursuant to the distribution.
Where will I be able to trade shares of FOX common stock?	FOX intends to apply to have both FOX class A common stock and FOX class B common stock authorized for listing on Nasdaq, under the symbols " " and " ," respectively. FOX anticipates that trading in shares of its common stock will begin on a "when-issued" basis on or shortly before the distribution date and will continue until the time of the distribution and that "regular-way" trading in FOX common stock will begin on the first trading day following the completion of the distribution. If trading begins on a "when-issued" basis, you may purchase or sell shares of FOX common stock until the time of the distribution, but your transaction will not settle until after the distribution. FOX cannot predict the trading prices for its common stock before, on or after the distribution date.
What will FOX's relationship be with RemainCo following the distribution?	FOX will enter into a separation agreement with 21CF, which will contain the principles governing the separation. In connection with the separation and distribution, FOX will enter into various other agreements to effect the separation and distribution and provide a framework for its relationship with RemainCo after the separation and distribution. Among others, these agreements will include a separation agreement, a transition services agreement, a tax matters agreement, an employee matters agreement, an IP cross-license agreement and certain commercial arrangements. These agreements will provide for the allocation between FOX and RemainCo of the assets, employees, liabilities and obligations of the retained business and the FOX business (including investments, property and employee benefits and tax-related assets and liabilities) attributable to periods prior to, at and after FOX's separation from 21CF, and will govern certain relationships between FOX and RemainCo after the separation. For more information, see "The Transactions—Certain Agreements."
Who will manage FOX after the distribution?	FOX benefits from having in place a management team with an extensive background in 21CF's news, sports and broadcast businesses. Led by Lachlan K. Murdoch, who will be FOX's Chairman

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	of the Board of Directors and Chief Executive Officer after the distribution and K. Rupert Murdoch, who will be FOX's Co-Chairman of the Board of Directors, FOX's management team possesses deep knowledge of, and extensive experience in, its industry. FOX's management team also will include our Chief Operating Officer, John P. Nallen. For more information regarding FOX's management team and leadership structure, see "Management."
Are there risks associated with owning FOX common stock?	Yes. Ownership of FOX common stock is subject to both general and specific risks related to the FOX business, the industry in which it operates, its ongoing relationships with 21CF and its status as a separate, publicly traded company. Ownership of FOX common stock is also subject to risks related to the separation and distribution. These risks are described in the "Risk Factors" section of this information statement. You are encouraged to read that section carefully.
Does FOX intend to pay dividends?	Following the distribution, we expect to pay regular cash dividends, although the timing, declaration, amount and payment of future dividends to stockholders will fall within the discretion of our Board of Directors. Our Board of Directors cannot provide any assurances that any dividends will be declared or paid. See "Dividend Policy."
What are the material United States federal income tax consequences of the distribution to 21CF stockholders?	The U.S. federal income tax consequences of the receipt by 21CF stockholders of FOX common stock in the distribution are uncertain. A distribution undertaken in connection with an acquisition where cash comprises a substantial portion of the aggregate consideration can prevent the distribution from qualifying as tax-free as a result of the "anti-device" requirement under Section 355 of the Code. The determination of whether the distribution can satisfy such requirement is complex, inherently factual in nature, and subject to significant uncertainty because the law is unclear. As a result, counsel cannot opine that the distribution will be tax-free to 21CF stockholders under Section 355 of the Code. Although New Disney intends to report the distribution as taxable to 21CF stockholders, 21CF stockholders will not be prohibited from taking a contrary position. 21CF stockholders are urged to consult their tax advisors regarding the U.S. federal income tax consequences of the distribution to them. Assuming the distribution does not qualify as a distribution described in Section 355 of the Code and is therefore a fully taxable transaction, each U.S. holder (as defined in the section entitled "Material U.S. Federal Income Tax Consequences" in this information statement) who receives FOX common stock in the distribution would generally recognize taxable gain or loss equal to the difference between the fair market value of the FOX common stock received by the stockholder in the distribution and its tax basis in the portion of its shares of 21CF common stock exchanged therefor. A more detailed discussion of the material United States federal income tax consequences of the distribution can be found in the section entitled "Material U.S. Federal Income Tax Consequences" in this information statement.

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Who will be the settlement and distribution agent for the FOX common stock?	The settlement and distribution agent for the FOX common stock will be Computershare Trust Company, N.A.
Who will be the transfer agent and registrar for FOX after the distribution?	After the distribution, the transfer agent and registrar for our common stock will be Computershare Trust Company, N.A.
Where can I get more information?	For questions relating to the transfer or mechanics of the distribution or relating to FOX's outstanding shares of common stock after the distribution, you should contact: Computershare Trust Company, N.A. 8742 Lucent Boulevard, Suite 225 Highlands Ranch, Colorado 80129 Telephone: (416) 263-9445 Before the distribution, if you have any questions relating to the transactions, you should contact: Twenty-First Century Fox, Inc. 1211 Avenue of the Americas New York, New York 10036 Attention: Investor Relations Telephone: (212) 852-7059 e-mail: Investor@21cf.com After the distribution, if you have any questions relating to FOX, you should contact: New Fox, Inc. 1211 Avenue of the Americas New York, New York 10036 Attention: Investor Relations Telephone: (212) 852-7059

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SUMMARY HISTORICAL AND UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following tables present FOX's summary historical combined financial data. The combined statement of operations data is for fiscal 2018, 2017 and 2016, and the combined balance sheet data is as of June 30, 2018, 2017 and 2016. The summary historical combined financial data for fiscal 2018, 2017 and 2016, and as of June 30, 2018 and 2017 was derived from FOX's audited combined financial statements included in this information statement. The summary historical combined financial data as of June 30, 2016 was derived from FOX's unaudited combined financial statements that are not included in this information statement. In management's opinion, the unaudited combined financial statements have been prepared on the same basis as the audited combined financial statements and include all adjustments, consisting only of ordinary recurring adjustments, necessary for a fair presentation of the information for the periods presented.

The summary unaudited pro forma combined financial data presented below are based on the unaudited pro forma combined financial information of FOX included in this information statement. The summary unaudited pro forma combined financial data reflect adjustments to our historical financial results in connection with the separation and distribution, to present the estimated effects of (i) FOX following the separation and distribution, and (ii) the FOX financing and the net cash dividend from FOX to 21CF, as if it had been completed on July 1, 2017, for statement of operations purposes, and on June 30, 2018 for balance sheet purposes.

The unaudited pro forma combined financial data have been derived from, and should be read in conjunction with, the more detailed unaudited pro forma combined financial data and the accompanying notes appearing in the section entitled "Unaudited Pro Forma Combined Financial Information" in this information statement. The summary unaudited pro forma combined financial data are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations of FOX would have been had the transactions occurred on the dates assumed, nor are they necessarily indicative of future consolidated results of operations or consolidated financial position.

The summary financial data set forth below is not necessarily indicative of our results of operations or financial condition had the separation and distribution been completed on the dates assumed. Also, they may not reflect the results of operations or financial condition that would have resulted had we been operating as a standalone, publicly traded company during such periods. In addition, they are not necessarily indicative of our future results of operations and financial condition.

FOX's historical combined financial statements include certain expenses of 21CF that were allocated to FOX for certain functions, including general corporate expenses related to finance, legal, insurance, information technology, compliance and human resources management activities, among others. These costs may not be representative of the future costs FOX will incur as an independent public company. In addition, FOX's historical financial information does not reflect changes that FOX will experience in the future as a result of the distribution of FOX by 21CF, including changes in cost structure, personnel needs, tax structure, financing and business operations. Consequently, the financial information included here may not necessarily reflect FOX's financial position and results of operations in the future or what FOX's financial position and results of operations would have been had FOX been an independent, publicly traded company during the periods presented.

The summary financial data should be read together with the other information contained in this information statement entitled "Capitalization," "Unaudited Pro Forma Combined Financial Information," "Selected Historical Combined Financial Information," "Management's Discussion and Analysis of Financial

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Condition and Results of Operations" and the historical combined financial statements and accompanying notes included in this information statement. See "Index to Combined Financial Statements."

	For the fiscal years ended June 30,			
	Pro Forma	Historical		
	2018	2018(a)	2017(a)	2016(a)
	(in millions)			
STATEMENT OF OPERATIONS DATA				
Revenues	$	$10,153	$ 9,921	$ 8,894
Net income attributable to FOX		2,187	1,372	1,072

	As of June 30,			
	Pro Forma	Historical		
	2018	2018	2017	2016
	(in millions)			
BALANCE SHEET DATA				
Cash and cash equivalents	$	$ 2,500	$ 19	$ 37
Total assets		13,121	10,348	10,315

(a) See Notes 2, 3, 4 and 16 to the accompanying Combined Financial Statements of FOX for information with respect to significant disposals, accounting changes, restructuring charges and other transactions during fiscal 2018, 2017 and 2016.

RISK FACTORS

You should carefully consider the following risks and other information in this information statement in evaluating us and our common stock. If any of the following risks develop into actual events, it could materially and adversely affect our business, results of operations or financial condition, and could, in turn, impact the trading price of our common stock. The risk factors generally have been separated into three groups: risks related to our business, risks related to the separation and distribution and risks related to our common stock and the securities market.

Risks Related to Our Business

The Company must respond to changes in consumer behavior as a result of new technologies in order to remain competitive.

Technology, particularly digital technology used in the entertainment industry, continues to evolve rapidly, leading to alternative methods for the delivery and storage of digital content. These technological advancements have driven changes in consumer behavior and have empowered consumers to seek more control over when, where and how they consume digital content. Content owners are increasingly delivering their content directly to consumers over the Internet and innovations in distribution platforms have enabled consumers to view such Internet-delivered content on televisions and portable devices. The growth of direct to consumer video offerings, including video-on-demand, downloadable content and simultaneous live streaming of broadcast content including on social media, offerings by cable providers of smaller packages of programming to customers at price points lower than traditional cable distribution offerings and the trend of consumers “cord-cutting” or cancelling their MVPD subscriptions could adversely affect demand for our cable channels. Enhanced Internet capabilities and other new media may reduce television viewership, which could negatively affect the Company’s revenues. In addition, increased video consumption through streaming apps, digital MVPD services and social media with no advertising or less advertising than on video programming networks, time shifted viewing of television programming and the use of DVRs to skip advertisements could also negatively affect the Company’s advertising revenues. There is a risk that the Company’s responses to these changes and strategies to remain competitive, or failure to effectively anticipate or adapt to new market changes, could adversely affect our business. The Company’s failure to protect and exploit the value of its content, while responding to and developing new technology and business models to take advantage of advancements in technology and the latest consumer preferences, could have a significant adverse effect on the Company’s businesses, asset values and results of operations.

The Company’s businesses operate in a highly competitive industry.

The Company competes with other media companies for high-quality content to reach large audiences and to generate advertising revenue. The Company also competes for distribution on various MVPDs and other third-party digital platforms. The Company’s ability to attract viewers and advertisers and obtain favorable distribution depends in part on its ability to provide popular television programming and adapt to new technologies and distribution platforms, which are increasing the number of media and entertainment choices available to audiences. The consolidation of advertising agencies, distributors and television service providers also has increased their negotiating leverage and made competition for audiences, advertising revenue, and distribution more intense. Competition for audiences and/or advertising comes from: broadcast television networks; cable television systems and networks; Internet-delivered free, advertising supported, subscription and rental services; other sources of information and entertainment; radio; print and other media. Other television stations or cable networks may change their formats or programming, a new station or new network may adopt a format to compete directly with the Company’s stations or networks, or stations or networks might engage in aggressive promotional campaigns. Increased competition in the acquisition of programming may also affect the scope of rights we are able to acquire and the cost of such rights, and the value of the rights we acquire or retain cannot be predicted with certainty in the future. Entering into or renewing contracts for programming rights or acquiring

additional rights may result in increased costs to the Company. With respect to long-term contracts for sports programming rights, our results of operations and cash flows over the term of a contract depend on a number of factors, including the strength of the advertising market, our audience size, the ability to secure distribution from and impose surcharges or obtain carriage on MVPDs for the content, and the timing and amount of our rights payments. There can be no assurance that revenue from acquired rights contracts will exceed our costs for the rights, as well as the other costs of producing and distributing the programming. The Company cannot be assured that it will be able to compete successfully in the future against existing or potential competitors, or that competition or consolidation in the marketplace will not have a material adverse effect on its business, financial condition or results of operations.

A decline in advertising expenditures could cause the Company's revenues and operating results to decline significantly in any given period or in specific markets.

The Company derives substantial revenues from the sale of advertising on its cable and broadcast networks and television stations. Expenditures by advertisers tend to be cyclical, reflecting overall economic conditions, as well as budgeting and buying patterns. Our advertising revenues may vary substantially from year to year, driven by major sporting events, such as the NFL's *Super Bowl* and the FIFA *World Cup* and by the state, congressional and presidential elections cycles. Political advertising expenditures are impacted by the ability and willingness of candidates and political action campaigns to raise and spend funds on television and digital advertising, and the competitive nature of the elections impacting viewers within markets featuring our programming. A decline in the economic prospects of advertisers or the economy in general could alter current or prospective advertisers' spending priorities. Advertising expenditures may also be affected by increasing competition for the leisure time of audiences. Demand for the Company's products as measured by ratings points is a key factor in determining advertising rates and when determining the affiliate rates received by the Company. In addition, newer technologies, including new video formats, streaming and downloading capabilities via the Internet, video-on-demand, portable digital video devices and other devices and technologies are increasing the number of media and entertainment choices available to audiences. Some of these devices and technologies allow users to view programming from a remote location or on a time-delayed basis and provide users the ability to fast-forward, rewind, pause and skip programming and advertisements. These technological developments could affect the attractiveness of the Company's offerings to viewers, advertisers and/or distributors. Failure to effectively anticipate or adapt to emerging technologies or changes in consumer behavior could have an adverse effect on our business. In addition, the pricing and volume of advertising may be affected by shifts in spending toward digital and mobile offerings, which can deliver targeted advertising more promptly, from more traditional media, or toward newer ways of purchasing advertising, such as through automated purchasing, dynamic advertising insertion, third parties selling local advertising spots and advertising exchanges, some or all of which may not be as beneficial to the Company as traditional advertising methods. A decrease in advertising expenditures, reduced demand for the Company's offerings or the inability to obtain market ratings that adequately measure demand for the Company's content on personal video recorders and mobile devices could lead to a reduction in pricing and advertising spending, which could have a material adverse effect on the Company's businesses, financial condition or results of operations.

The loss of carriage agreements could cause the Company's revenue and operating results to decline significantly in any given period or in specific markets.

The Company maintains affiliation and carriage arrangements that enable it to reach a large percentage of households through cable television systems, direct broadcast satellite operators, telecommunications companies and online video distributors. The loss of a significant number of these arrangements or the loss of carriage on basic programming tiers could reduce the distribution of the Company's broadcast stations and cable networks, which may adversely affect those networks' revenues from affiliate fees and their ability to sell national and local advertising time. Further, the loss of favorable packaging, positioning, pricing or other marketing opportunities with any distributor could reduce revenues from subscriber fees. Also, consolidation among MVPDs and increased vertical integration of such distributors into the cable or broadcast network business have provided

more leverage to these distributors and could adversely affect the Company's ability to maintain or obtain distribution for its network programming or distribution and/or marketing of its subscription program services on favorable or commercially reasonable terms, or at all. The Company is dependent upon the maintenance of affiliation agreements with third party owned television stations and there can be no assurance that these affiliation agreements will be renewed in the future on terms acceptable to the Company. The loss of a significant number of these affiliation arrangements could reduce the distribution of the FOX Network and MyNetworkTV and adversely affect the Company's ability to sell national advertising time.

Our business is dependent on the popularity of special sports events and the continued popularity of the sports leagues and teams whose media rights we have programming rights to.

Our sports business depends on the popularity and success of the sports franchises, leagues and teams for which we have acquired broadcast and cable network programming rights. If a sports league declines in popularity or fails to generate fan enthusiasm, this may negatively impact viewership and advertising and affiliate revenues received in connection with our sports programming. Our operating results may be impacted in part by special events, such as the NFL's *Super Bowl*, which is broadcast on the FOX Network on a rotating basis with other networks, the MLB's *World Series*, and the FIFA *World Cup*, which occurs every four years, and other regular and post-season sporting events delivered to consumers on our broadcast television and cable networks. Our advertising and affiliate revenues are subject to fluctuations based on the dates of sporting events and their availability for viewing through our broadcast television and cable networks and the popularity of the competing teams. For example, any decrease in the number of post-season games played in a sports league for which we have acquired broadcast programming rights, or the participation of a smaller-market sports franchise in post-season competition could result in less advertising revenues for the Company. There can be no assurance that any sports league will continue to generate fan enthusiasm or provide the expected number of regular and post-season games for advertisers and customers alike, and the failure to do so could result in a material adverse effect on our business, financial condition and results of operations. Additionally, increased competition for the sale of sports event advertising time with other television networks, stations and other advertising platforms, such as digital media, radio and print, may adversely affect the Company's revenues and operating results. A shortfall in the expected popularity of the sports events for which the Company has acquired rights, or in the volume of sports programming the Company expects to distribute, could adversely affect the Company's advertising revenues.

The inability to renew programming rights, particularly sports programming rights, on sufficiently favorable terms could cause the Company's affiliate and advertising revenue to decline significantly in any given period or in specific markets.

We enter into long-term contracts for both the acquisition and the distribution of media programming and products, including contracts for the acquisition of programming rights for sporting events and other programs, and contracts for the distribution of our programming to content distributors. Programming rights, retransmission consent agreements, carriage contracts and affiliation agreements have varying durations and renewal terms that are subject to negotiation with other parties, the outcome of which is unpredictable. In addition, competition for popular programming rights, and sports programming rights in particular, that are licensed from third parties is intense, and, have varying duration and renewal terms. Moreover, the value of these agreements may also be affected by various league decisions and/or league agreements that we may not be able to control, including a decision to alter the number, frequency and timing of regular and post-season games played during a season. As these contracts expire, renewals on favorable terms may be sought; however, third parties may outbid the current rights holders for the rights contracts. In addition, professional sports leagues or teams may create their own competing networks or the renewal costs could substantially exceed the original programming rights contract cost. The loss of rights or renewal on less favorable terms could impact the extent of the Company's programs, in particular the sports coverage offered by the Company, its cable networks, broadcast stations and affiliates to the FOX Network, and could adversely affect the Company's advertising and affiliate revenues. Upon renewal, the Company's results could be adversely affected if escalations in programming rights costs are unmatched by increases in advertising and affiliate revenues.

Acceptance of the Company's content by the public is difficult to predict, which could lead to fluctuations in revenues.

Television distribution is a speculative business since the revenues derived from the distribution of content depends primarily upon its acceptance by the public, which is difficult to predict. Low public acceptance of the Company's content will adversely affect the Company's results of operations. The commercial success of our programming also depends upon the quality and acceptance of other competing programming, the availability of a growing number of alternative forms of entertainment and leisure time activities, general economic conditions and their effects on consumer spending and other tangible and intangible factors, all of which can change and cannot be predicted with certainty. Moreover, we must often invest substantial amounts in broadcast and cable programming, and the acquisition of sports rights before we learn the extent to which these products will earn consumer acceptance. Competition for popular content, particularly for sports programming, is intense, and the Company may need to increase the price paid for popular content rights. The Company's failure to obtain or retain rights to popular content, or a decline in the ratings or popularity of the Company's news or sports television programming, which could be a result of the loss of talent or rights to certain programming, could adversely affect advertising revenues in the near term and, over a longer period of time, adversely affect affiliate revenues.

The Company is exposed to risks associated with weak economic conditions and increased volatility and disruption in the financial markets.

The Company's businesses, financial condition and results of operations may be adversely affected by weak economic conditions. Factors that affect economic conditions include the rate of unemployment, the level of consumer confidence, changes in consumer spending habits, political uncertainties and potential changes in trade relationships between the U.S. and other countries. The Company also faces risks associated with the impact of weak economic conditions on advertisers, affiliates, suppliers, wholesale distributors, retailers, insurers and others with which it does business.

Increased volatility and disruptions in the financial markets could make it more difficult and more expensive for the Company to refinance outstanding indebtedness and obtain new financing. The Company intends to access the capital markets for general corporate purposes, but we cannot guarantee that the Company will be able to obtain such financing on terms that are acceptable to the Company or at all. If we are not successful in obtaining permanent financing due to market conditions or other factors, we may incur significantly higher borrowing costs than contemplated in the capital markets, which may have a material adverse effect on our business, financial condition or results of operations.

Disruptions in the financial markets can also adversely affect the Company's lenders, insurers, customers and counterparties, including vendors, retailers and partners. For instance, the inability of the Company's counterparties to obtain capital on acceptable terms could impair their ability to perform under their agreements with the Company and lead to negative effects on the Company, including business disruptions, decreased revenues and increases in bad debt expenses.

Damage to our brands, particularly the FOX brand, or our reputation could have a material adverse effect on our business, financial condition and results of operations.

Our brands, particularly the FOX brand, are among our most valuable assets. We believe that our brand image, brand awareness and reputation strengthen our relationship with consumers and contribute significantly to the success of our business. Maintaining, further enhancing and extending our brands may require us to make significant investments in marketing, programming or new products, services or events. These investments may not be successful. We may introduce new programming that is not popular with our consumers and advertisers, which may negatively affect our brands. To the extent our content, in particular our live news and sports programming is not compelling to consumers, our ability to maintain a positive reputation may be adversely

impacted. Unfavorable publicity regarding our content, the actions of advertisers featured on our broadcast television and cable networks, and governmental scrutiny or fines, could adversely affect the Company's reputation and brands. Furthermore, to the extent our marketing, customer service and public relations efforts are not effective or result in negative consumer reaction, our ability to maintain a positive reputation may likewise be adversely impacted. If we are not successful in maintaining or enhancing the image or awareness of our brands, or if our reputation is harmed for any reason, it could have a material adverse effect on our business, financial condition and results of operations.

The degradation, failure or misuse of the Company's network and information systems and other technology could cause a disruption of services or improper disclosure of personal data or other confidential information, resulting in increased costs, liabilities or loss of revenue.

Network and information systems-related events, such as computer hacking and phishing, theft, computer viruses, ransomware, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, malicious social engineering or other malicious activities, or any combination of the foregoing, as well as power outages, natural or other disasters (including extreme weather), terrorist activities or human error, may affect our network and information systems (including those of our vendors that the Company uses) and could result in disruption of our services, misappropriation, misuse, alteration, theft, loss, leakage, falsification, and accidental or premature release or improper disclosure of confidential or other information, including intellectual property and personal data contained on such network and systems. While we continue to develop, implement and maintain security measures seeking to prevent unauthorized access to or misuse of our network and information systems, such efforts are costly, require ongoing monitoring and updating and may not be successful in preventing these events from occurring given that the techniques used to access, disable or degrade service or sabotage systems change frequently and become more sophisticated. Although no cybersecurity incident has been material to the Company's businesses to date, we expect to continue to be subject to cybersecurity threats and there can be no assurance that we will not experience a material incident. Any cybersecurity incidents could result in a disruption of our operations, customer or advertiser dissatisfaction, damage to our reputation or brands, regulatory investigations, claims, lawsuits or loss of customers or revenue, and the Company may also be subject to liability under relevant contractual obligations and laws and regulations protecting personal data and may be required to expend significant resources to remedy and address any incidents. The Company may not have adequate insurance coverage to compensate it for any losses that may occur.

Technological developments may increase the threat of content piracy and signal theft and limit the Company's ability to protect its intellectual property rights.

Content piracy and signal theft present a threat to the Company's revenues from products and services, including, but not limited to, television shows, cable and other programming. The Company seeks to limit the threat of content piracy as well as cable and direct broadcast satellite programming signal theft; however, policing unauthorized use of the Company's products and services and related intellectual property is often difficult and the steps taken by the Company may not in every case prevent infringement. Developments in technology, including digital copying, file compression technology, growing penetration of high-bandwidth Internet connections, increased availability and speed of mobile data networks, and new devices and applications that enable unauthorized access to content, increase the threat of content piracy by making it easier to access, duplicate, widely distribute and store high-quality pirated material. In addition, developments in software or devices that circumvent encryption technology and the falling prices of devices incorporating such technologies increase the threat of unauthorized use and distribution of direct broadcast satellite programming signals and the proliferation of user-generated content sites and live and stored video streaming sites, which deliver unauthorized copies of copyrighted content, including those emanating from other countries in various languages, may adversely impact the Company's businesses. The proliferation of unauthorized distribution and use of the Company's content could have an adverse effect on the Company's businesses and profitability because it reduces the revenue that the Company could potentially receive from the legitimate sale and distribution of its products and services.

The Company takes a variety of actions to combat piracy and signal theft, both individually and, in some instances, together with industry associations. However, protection of the Company's intellectual property rights is dependent on the scope and duration of the Company's rights as defined by applicable laws in the U.S. and abroad and the manner in which those laws are construed. If those laws are drafted or interpreted in ways that limit the extent or duration of the Company's rights, or if existing laws are changed, the Company's ability to generate revenue from intellectual property may decrease, or the cost of obtaining and enforcing our rights may increase. A change in the laws of one jurisdiction may also have an impact on the Company's overall ability to protect its intellectual property rights across other jurisdictions. There can be no assurance that the Company's efforts to enforce its rights and protect its products, services and intellectual property will be successful in preventing content piracy or signal theft. Further, while piracy and the proliferation of piracy-enabling technology tools continue to escalate, if any laws intended to combat piracy and protect intellectual property are repealed or weakened or not adequately enforced, or if the applicable legal systems fail to evolve and adapt to new technologies that facilitate piracy, we may be unable to effectively protect our rights and the value of our intellectual property may be negatively impacted, and our costs of enforcing our rights could increase.

The loss of key personnel, including talent, could disrupt the management or operations of the Company's business and adversely affect its revenues.

The Company's business depends upon the continued efforts, abilities and expertise of its Chairman and Chief Executive Officer, Lachlan K. Murdoch, Co-Chairman, K. Rupert Murdoch and other key employees and news, sports and entertainment personalities. The Company believes that the unique combination of skills and experience possessed by its executive officers would be difficult to replace, and that the loss of its executive officers could have a material adverse effect on the Company, including the impairment of the Company's ability to execute its business strategy. Additionally, the Company employs or independently contracts with several news, sports and entertainment personalities with significant, loyal audiences. News, sports and entertainment personalities are sometimes significantly responsible for the ranking of programming on a television station or cable network and, therefore, a significant influence on the ability of the station or network to sell advertising. The Company's broadcast television stations and cable networks deliver programming with highly regarded on-air talent who are important to attracting and retaining audiences for the distributed news, sports and entertainment content. There can be no assurance that these news, sports and entertainment personalities will remain with us or will retain their current appeal, or that the costs associated with retaining this and new talent will be favorable or acceptable to us. If the Company fails to retain or attract these news, sports and entertainment personalities and talent or they lose their current audiences or advertising partners, the Company's business, financial condition and results of operations could be adversely affected.

Labor disputes, whether involving our own employees or those at businesses that we depend on, may disrupt our operations and adversely affect the Company's business, financial condition and results of operations.

In a variety of the Company's businesses, the Company and its partners engage the services of trade employees and others who are subject to collective bargaining agreements. If the Company or its partners are unable to renew expiring collective bargaining agreements, it is possible that the affected unions could take action in the form of strikes or work stoppages. Such actions, as well as higher costs in connection with these collective bargaining agreements or a significant labor dispute, could have an adverse effect on the Company's business by causing delays in production or by reducing profit margins. Moreover, the Company has certain collective bargaining agreements, which are industry-wide agreements, and the Company may lack practical control over the negotiations and terms of the agreements in dispute.

In addition, our broadcast television and cable networks have programming rights agreements of varying scope and duration with various sports leagues to broadcast and produce sporting events, including certain college football and basketball, NFL and MLB games. Any labor disputes that occur in any sports league for which we have the rights to broadcast live games or events may preclude us from airing or otherwise distributing

scheduled games or events, resulting in decreased revenues, which could adversely affect our business, revenue and results of operations.

Changes in U.S. communications laws or other regulations may have an adverse effect on the Company's business, financial condition and results of operations.

The Company is subject to a variety of regulations in the jurisdictions in which its businesses operate. In general, the television broadcasting and MVPD industries in the U.S. are highly regulated by federal laws and regulations issued and administered by various federal agencies, including the FCC. The FCC generally regulates, among other things, the ownership of media, broadcast and multichannel video programming and technical operations of broadcast licensees. For example, the Company is required to apply for and operate in compliance with licenses from the FCC to operate a television station, purchase a new television station, or sell an existing television station, with licenses generally subject to an eight-year renewable term. Our program services and online properties are subject to a variety of laws and regulations, including those relating to issues such as content regulation, user privacy and data protection, and consumer protection, among others. Further, the United States Congress, the FCC and state legislatures currently have under consideration, and may in the future adopt, new laws, regulations and policies regarding a wide variety of matters, including technological changes and measures relating to network neutrality, privacy and data security, which could, directly or indirectly, affect the operations and ownership of the Company's media properties. Any restrictions on political or other advertising may adversely affect the Company's advertising revenues. In addition, some policymakers maintain that cable MVPDs should be required to offer a la carte programming to subscribers on a network by network basis or "family friendly" programming tiers. Unbundling packages of program services may increase both competition for carriage on distribution platforms and marketing expenses, which could adversely affect the business, financial condition and results of operations of the Company's cable networks. The threat of regulatory action or increased scrutiny that deters certain advertisers from advertising or reaching their intended audiences could adversely affect advertising revenue. Similarly, new federal or state laws or regulations or changes in interpretations of federal or state law or in regulations imposed by the U.S. government, could require changes in the operations or ownership of our business and have a material adverse effect on our business, financial condition or results of operations.

The Company may be subject to investigations or fines from governmental authorities, including under FCC rules and policies, or delays in our renewal and other applications with the FCC.

FCC rules prohibit the broadcast of obscene material at any time and indecent or profane material on television or radio broadcast stations between the hours of 6 a.m. and 10 p.m. The FCC has stepped up its enforcement activities as they apply to indecency, and has indicated that, in addition to issuing fines to licensees, it would consider initiating license revocation proceedings for "serious" indecency violations. We air a significant amount of live news reporting and live sports coverage on our broadcast television stations and networks and a portion of our content is under the control of our on-air talent. The Company cannot predict whether information delivered by our stations and on-air talent could violate FCC rules related to indecency, which had been found to be unconstitutionally vague by the U.S. Supreme Court, especially given the spontaneity of live news and sports programming. Violation of the FCC's indecency rules could subject us to government investigation, penalties, license revocation, or renewal or qualification proceedings, which that could have a material adverse effect on our business, financial condition and results of operations.

The Communications Act and FCC regulations limit the ability of non-U.S. citizens and certain other persons to invest in us.

The Company owns broadcast station licensees in connection with its ownership and operation of U.S. television stations. Under the Communications Act of 1934, as amended, which we refer to as the Communications Act, and the FCC rules, without the FCC's prior approval, no broadcast station licensee may be owned by a corporation if more than 25% of its stock is owned or voted by non-U.S. persons, their

representatives, or by any other corporation organized under the laws of a foreign country. The Company's certificate of incorporation will authorize the Board of Directors to prevent, cure or mitigate the effect of stock ownership above the applicable foreign ownership threshold by taking any action, including: refusing to permit any transfer of common stock to or ownership of common stock by a non-U.S. stockholder; voiding a transfer of common stock to a non-U.S. stockholder; suspending rights of stock ownership if held by a non-U.S. stockholder; or redeeming common stock held by a non-U.S. stockholder. We are currently in compliance with applicable U.S. law and continue to monitor our foreign ownership based on our assessment of the information reasonably available to us, but we are not able to predict whether we will need to take action pursuant to our certificate of incorporation. The FCC could review the Company's compliance with applicable U.S. law in connection with its consideration of the Company's renewal applications for licenses to operate the broadcast stations the Company owns.

The failure or destruction of satellites and transmitter facilities that the Company depends upon to distribute its programming could materially adversely affect its businesses and results of operations, as could changes in FCC regulations governing the availability and use of satellite transmission spectrum.

The Company uses satellite systems to transmit its broadcast and cable networks to affiliates. The distribution facilities include uplinks, communications satellites and downlinks. Transmissions may be disrupted as a result of local disasters including extreme weather that impair on-ground uplinks or downlinks, or as a result of an impairment of a satellite. Currently, there are a limited number of communications satellites available for the transmission of programming. If a disruption occurs, failure to secure alternate distribution facilities in a timely manner could have a material adverse effect on the Company's businesses and results of operations. Each of the Company's television stations and cable networks uses studio and transmitter facilities that are subject to damage or destruction. Failure to restore such facilities in a timely manner could have a material adverse effect on the Company's businesses and results of operations. Further, changes in FCC regulations could reduce the availability and use of satellite transmission spectrum. The decreased availability of satellite transmission spectrum could increase interference to and diminish the quality of our transmissions.

The Company could be subject to significant additional tax liabilities.

We are subject to taxation in U.S. federal, state and local jurisdictions. Changes in tax laws, regulations, practices or the interpretations thereof could affect the Company's results of operations. Judgment is required in evaluating and estimating our provision and accruals for taxes. In addition, transactions occur during the ordinary course of business or otherwise for which the ultimate tax determination is uncertain.

Our tax returns are routinely audited, tax-related litigation or settlements may occur, and certain jurisdictions may assess additional income tax liabilities against us. The final outcomes of tax audits, investigations, and any related litigation could result in materially different tax recognition from our historical tax provisions and accruals. These outcomes could conflict with private letter rulings, opinions of counsel or other interpretations provided to the Company. If these matters are adversely resolved, we may be required to recognize additional charges to our tax provisions and pay significant additional amounts with respect to current or prior periods or our taxes in the future could increase, which could have a material adverse effect on our financial condition or results of operations.

The Company could suffer losses due to asset impairment charges for goodwill, intangible assets and programming.

In accordance with GAAP, the Company performs an annual impairment assessment of its recorded goodwill and indefinite-lived intangible assets, including FCC licenses. The Company also continually evaluates whether current factors or indicators, such as the prevailing conditions in the capital markets, require the performance of an interim impairment assessment of those assets, as well as other investments and other long-lived assets. Any significant shortfall, now or in the future, in advertising revenue and/or the expected popularity

of our programming could lead to a downward revision in the fair value of certain reporting units. A downward revision in the fair value of a reporting unit, indefinite-lived intangible assets, investments or long-lived assets could result in an impairment and a non-cash charge. Any such charge could be material to the Company's reported net earnings.

After the distribution, certain of the Company's directors and officers may have actual or potential conflicts of interest because of their equity ownership in News Corp, and certain of the Company's officers and directors may have actual or potential conflicts of interest because they also serve as officers and/or on the board of directors of News Corp.

Certain of the Company's directors and executive officers own shares of common stock of News Corporation, which we refer to as News Corp, and the individual holdings may be significant for some of these individuals compared to their total assets. In addition, certain of the Company's officers and directors also serve as officers and/or as directors of News Corp, including our Co-Chairman, K. Rupert Murdoch, who serves as News Corp's Executive Chairman, and our Chairman and Chief Executive Officer, Lachlan K. Murdoch, who serves as News Corp's Co-Chairman. This ownership or service to both companies may create, or may create the appearance of, conflicts of interest when these directors and officers are faced with decisions that could have different implications for News Corp and us. In addition to any other arrangements that the Company and News Corp may agree to implement, the Company and News Corp agreed that officers and directors who serve at both companies will recuse themselves from decisions where conflicts arise due to their positions at both companies.

Risks Related to the Separation and Distribution

FOX may be unable to achieve some or all of the expected benefits that it expects to achieve in connection with the transactions.

By separating from 21CF there is a risk that FOX may be more susceptible to market fluctuations and other adverse events than FOX would have otherwise been while it was still part of 21CF. As part of 21CF, FOX enjoyed certain benefits from 21CF's scale, operating diversity and access to capital, which benefits will no longer be available to FOX after the separation.

As a standalone, publicly traded company, we expect to benefit from, among other things, sharpened focus on the financial and operational resources of the FOX businesses, allowing management to design and implement a capital structure, corporate strategies and policies that are based primarily on the business characteristics and strategic opportunities of the FOX businesses. We anticipate this will allow us to respond more effectively to industry dynamics and to create effective incentives for management and employees that are more closely tied to FOX's business performance. However, we may not be able to achieve some or all of the benefits expected to be achieved as a standalone, publicly traded company or such benefits may be delayed.

The Company's accounting and other management systems and resources may not be adequately prepared to meet the financial reporting and other requirements to which the Company will be subject following the distribution. If the Company is unable to achieve and maintain effective internal controls, the Company's results of operations, cash flows and financial condition could be materially adversely affected.

The Company's financial results were previously included within the consolidated results of 21CF, and the Company believes that its reporting and control systems were appropriate for those of subsidiaries of a public company. However, the Company was not directly subject to the reporting and other requirements of the Exchange Act. As a result of the distribution, the Company will be directly subject to reporting and other obligations under the Exchange Act. Beginning with the Company's annual report on Form 10-K for the fiscal year ending June 30, 2020, the Company will be required to comply with Section 404 of the Sarbanes Oxley Act of 2002, as amended, which will require annual management assessments of the effectiveness of the Company's internal control over financial reporting and a report by the Company's independent registered public accounting firm. These reporting and other obligations will place significant demands on the Company's management and administrative and operational resources, including accounting resources.

To comply with these requirements, the Company may need to upgrade its systems, including information technology, and implement additional financial and management controls, reporting systems and procedures. The Company expects to incur additional annual expenses related to these steps, and those expenses may be significant. If the Company is unable to upgrade its financial and management controls, reporting systems, information technology systems and procedures in a timely and effective fashion, the Company's ability to comply with its financial reporting requirements and other rules that apply to reporting companies under the Exchange Act could be impaired. Any failure to achieve and maintain effective internal controls could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The Company may be unable to make, on a timely or cost-effective basis, the changes necessary to operate as a standalone, publicly traded company, and the Company may experience increased costs after the distribution.

The Company has historically operated as part of 21CF's broader corporate organization, and 21CF provided various corporate services for us, including information technology, tax administration, treasury activities, accounting, benefits administration, legal and ethics and compliance program administration. Following the separation and the distribution, 21CF will have no obligation to provide us with assistance other than the transition services (including technology services) to be provided under a transition services agreement, which is described under "The Transactions—Certain Agreements—Transition Services Agreement." The services to be provided under such transition services agreement will be provided at cost for a period not exceeding two years, and on arm's-length terms for a reasonable period thereafter if necessary. Once such transition services agreement terminates, the Company will need to provide the covered services internally or obtain them from unaffiliated third parties. The Company may be unable to replace these services in a timely manner or on terms and conditions as favorable as those the Company will receive from 21CF. In addition, the services to be provided under such transition services agreement do not include every service that the Company has received from 21CF in the past. Accordingly, immediately following the distribution, the Company will need to provide internally or obtain from unaffiliated third parties such other services. Because the Company's business has historically operated as part of the wider 21CF organization, the Company may be unable to successfully establish the infrastructure or implement the changes necessary to operate independently, or may incur additional costs that could adversely affect the Company's business. If the Company fails to obtain the quality of services necessary to operate effectively or incur greater costs in obtaining these services, the Company's business, financial condition or results of operations may be adversely affected.

The Company has no operating history as a standalone, publicly traded company, and the Company's historical financial information is not necessarily representative of the results the Company would have achieved as a standalone, publicly traded company and may not be a reliable indicator of the Company's future results.

The Company derived the historical financial information included in this information statement from 21CF's consolidated financial statements, and this information does not necessarily reflect the results of operations and financial position we would have achieved as a standalone, publicly traded company during the periods presented, or those that we will achieve in the future. This is primarily because of the following factors:

- Prior to the distribution, the Company operated as part of 21CF's broader corporate organization, and 21CF provided various corporate services for the Company, including information technology, tax administration, treasury activities, accounting, benefits administration, legal and ethics and compliance program administration. The Company's historical financial information reflects allocations of corporate expenses from 21CF for these and similar services. These allocations may not reflect the costs the Company will incur for similar services in the future as a standalone, publicly traded company.
- The Company will enter into transactions with 21CF that did not exist prior to the distribution, including RemainCo provision of transition services, which will cause the Company to incur new costs. For addition information regarding these transitional services, see "The Transactions—Certain Agreements—Transition Services Agreement."

- The Company's historical financial information does not reflect changes that the Company expects to experience in the future as a result of its separation from 21CF, including changes in the Company's cost structure, personnel needs, tax structure, financing and business operations. As part of 21CF, the Company enjoyed certain benefits from 21CF's operating diversity, size, purchasing power, borrowing leverage and available capital for investments, and the Company will lose these benefits after the distribution. As a standalone, publicly traded company, the Company may be unable to purchase goods, services and technologies, such as insurance and health care benefits and computer software licenses, or access capital markets on terms as favorable to the Company as those that were available to the Company as part of 21CF prior to the distribution. In addition, subject to the discretion of the Company's Board of Directors and other factors, the Company may make dividend payments to the Company's stockholders, and the Company's historical financial information does not reflect the payment of dividends.

In addition, the Company may incur increased costs after the distribution as a result of the loss of synergies the Company currently enjoys from operating as part of 21CF. Following the distribution, the Company will be responsible for the additional costs associated with being a standalone, publicly traded company, including costs related to corporate governance, investor and public relations and public reporting. The Company's actual additional costs associated with being a standalone, publicly traded company may vary materially from the Company's current estimates. The Company may also face reduced purchasing power with respect to certain enterprise-wide purchases, such as certain third-party services, certain off-the-shelf software licenses and other information technology hardware and software. Relatedly, the Company's historical financial data does not include an allocation of interest expense comparable to the interest expense the Company will incur as a result of the distribution.

The Company's financial statements may not be indicative of the Company's future performance as a standalone, publicly traded company. While the Company has historically been profitable as part of 21CF, the Company cannot assure you that its profits will continue at a similar level when the Company becomes a standalone, publicly traded company. For additional information about the Company's past financial performance and the basis of presentation of the Company's financial statements, see "Selected Historical Combined Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical combined financial statements and accompanying notes included in this information statement.

There may be substantial disruption to our business and distraction of our management and employees as a result of the transactions, and the uncertainty associated with the transactions may otherwise adversely impact our operations and relationships with key stakeholders.

There may be substantial disruption to our business and distraction of our management and employees from day-to-day operations because matters related to the transactions may require substantial commitments of time and resources, which could otherwise have been devoted to other opportunities that could have been beneficial to us.

In connection with the transactions, current employees of 21CF and prospective employees of FOX may experience uncertainty about their future roles with FOX following the consummation of the transactions, which may materially adversely affect the ability of FOX to attract, retain and motivate key personnel while the transactions are pending. Despite 21CF and FOX retention planning, key employees may depart because of issues relating to the uncertainty and difficulty of the separation and establishment of FOX, or a desire not to remain with FOX following the consummation of the transactions. Accordingly, no assurance can be given that FOX will be able to attract and retain key employees to the same extent that each has been able to in the past.

The transactions further could cause disruptions to the business to be conducted by, and business relationships of, FOX after the consummation of the transactions, which could have an adverse impact on the

businesses, financial condition, results of operations or prospects of FOX. In addition, the risk and adverse effect of such disruptions could be exacerbated by a delay in the consummation of the transactions. Parties with which 21CF has business relationships may experience uncertainty as to the future of such relationships with FOX and may delay or defer certain business decisions, seek alternative relationships with third parties or seek to alter their present business relationships with 21CF in anticipation of the conclusion of the transactions. If the uncertainty related to whether or when the transactions will occur continues for a protracted period, our ability to secure new, extended or expanded relationships may be adversely affected, or we may be compelled to incur higher expenses to operate and maintain our business. We cannot predict whether or when any adverse effects on our business will result from these uncertainties, but such effects, if any, could materially and adversely affect our revenues and results of operations in future periods.

In addition, we benefit from certain functions performed by 21CF that, after the separation, will no longer be provided, other than certain transition services (including technology services) to be provided for a limited time to us by RemainCo under a transition services agreement, which is described under "The Transactions—Certain Agreements—Transition Services Agreement." The services to be provided under such transition services agreement will be provided at cost for a period not exceeding two years, and on arm's-length terms for a reasonable period thereafter if necessary. During this period, we will be subject to the risk of RemainCo not properly performing its obligations under the transition services agreement, and we will depend on RemainCo for such services. Because of our smaller scale as a standalone, publicly traded company, our cost of performing such functions, in case of non-compliance by RemainCo or after the term of such services, could be higher than the amounts reflected in our historical financial statements, which could materially and adversely affect our revenues and results of operations in future periods.

The pursuit of the transactions and the establishment of FOX may place a significant burden on management and internal resources. The diversion of management's attention away from day-to-day business concerns could adversely affect FOX's financial results.

The unaudited pro forma combined financial data included in this information statement are presented for illustrative purposes only and the actual financial condition and results of operations of FOX following the transactions may differ materially.

The unaudited pro forma combined financial data of FOX contained in this information statement are presented for illustrative purposes only, are based on various adjustments, assumptions and preliminary estimates that management believes to be reasonable. The actual financial condition and results of operations of FOX following the transactions may not be consistent with, or evident from, the unaudited pro forma combined financial data presented in this information statement. In addition, the assumptions used in preparing the unaudited pro forma financial information may not prove to be accurate, and other factors may affect FOX's financial condition or results of operations following the transactions. For example, 21CF currently provides many corporate functions including, but not limited to, finance, legal, insurance, information technology, compliance and human resources management activities, among others. FOX's management expects to incur recurring costs as a result of becoming a standalone, publicly traded company, for transition services and from establishing or expanding the corporate support for its business, including shared services (advertising, affiliate and digital), information technology, human resources, treasury, tax, risk management, accounting and financial reporting, investor relations, governance, legal, procurement and other services. FOX's expected standalone results will also include additional incremental operating costs related to company-wide shared services, including shared technology platforms. For additional information, see "Unaudited Pro Forma Combined Financial Information."

The indemnification arrangements FOX entered into with 21CF in connection with the separation and distribution may require FOX to divert cash to satisfy indemnification obligations to RemainCo. The indemnification from RemainCo may not be sufficient to insure FOX against the full amount of liabilities that will be allocated to RemainCo.

Pursuant to the separation agreement and certain other related agreements, RemainCo will indemnify FOX for certain liabilities and FOX will indemnify RemainCo for certain liabilities, as discussed further in the section entitled "The Transactions—Certain Agreements." Payments pursuant to these indemnities may be significant and could negatively impact FOX's business. Third parties could also seek to hold FOX responsible for any of the liabilities of the retained business. RemainCo will agree to indemnify FOX for such liabilities, but such indemnity from RemainCo may not be sufficient to protect FOX against the full amount of such liabilities, and RemainCo may not be able to fully satisfy its indemnification obligations. Moreover, even if FOX ultimately succeeds in recovering from RemainCo any amounts for which it is held liable, FOX may be temporarily required to bear these losses itself. Each of these risks could negatively affect FOX's business, financial condition, results of operations and cash flows.

In certain circumstances, FOX could be liable for significant taxes and significant indemnification obligations in connection with the hook stock shares.

If the hook stock shares are not eliminated, the transactions are conditioned on the receipt of certain written opinions from certain Australian and U.S. tax advisors to the effect that (i) either (A) there has been no change in Australian tax law since the execution of the combination merger agreement that would cause any of the conclusions expressed in the opinion from Disney's Australian tax advisors, which we refer to as the signing date tax opinion, to change, or (B) if there has been a change in Australian tax law, the 21CF charter amendment, the distribution and related transactions should not result in any hook stock tax under Australian tax law, each of which we refer to as the Australian tax opinion, and (ii) the distribution and the mergers will result in no recognition of gain or loss in respect of the hook stock shares for U.S. federal income tax purposes, which we refer to as the U.S. tax opinion. These opinions will be based on facts, representations and assumptions set forth or referred to in the opinions.

If Disney's Australian tax advisor is unable to deliver the Australian tax opinion for whatever reason, then, in certain circumstances and subject to certain limitations, FOX will be obligated to indemnify Disney for a portion of any hook stock tax that is actually imposed in respect of the hook stock shares as a result of the transactions. For additional information in respect of FOX's indemnification obligations, see "The Transactions—Certain Agreements—Tax Matters Agreement" in this information statement.

The Company could be liable for income taxes owed by 21CF.

Each member of the 21CF consolidated group, which includes 21CF, the Company and 21CF's other subsidiaries, is jointly and severally liable for the U.S. federal income tax liability of each other member of the consolidated group. Consequently, the Company could be liable in the event any such liability is incurred, and not discharged, by any other member of the 21CF consolidated group. The tax matters agreement will require 21CF and/or Disney to indemnify the Company for any such liability. Disputes or assessments could arise during future audits by the Internal Revenue Service, which we refer to as the IRS, in amounts that the Company cannot quantify.

Risks Related to Our Common Stock and the Securities Market

There is no existing market for FOX common stock, and a trading market that will provide holders of FOX common stock with adequate liquidity may not develop. In addition, once FOX common stock begins trading, the market prices of FOX common stock may fluctuate significantly.

There is currently no public market for shares of FOX common stock. There can be no assurance that an active trading market for FOX common stock will develop as a result of consummation of the transactions or in the future. The lack of an active trading market may make it more difficult for holders of FOX common stock to sell shares of FOX common stock and could lead to depressed or volatile share prices.

It is impossible to predict the prices at which FOX common stock may trade after consummation of the transactions. The market price of FOX common stock may fluctuate significantly, depending upon many factors, some of which may be beyond our control, including: a shift in investor base; quarterly or annual earnings, or those of other companies in our industry; actual or anticipated fluctuations in operating results; success or failure of business strategy; ability to obtain financing as needed; changes in accounting standards, policies, guidance, interpretations or principles; changes in laws and regulations affecting the FOX businesses; announcements by FOX or competitors of significant new business developments or customers; announcements by FOX or competitors of significant acquisitions or dispositions; the failure of securities analysts to cover FOX common stock after the distribution; changes in earnings estimates by securities analysts or FOX's ability to meet our earnings guidance; the operating and stock price performance of other comparable companies; the inclusion in market indices; results from material litigation or governmental investigations; changes in capital gains taxes and taxes on dividends affecting stockholders; and overall market fluctuations and general economic conditions.

Substantial sales of FOX common stock may occur in connection with the distribution, which could cause FOX stock price to decline.

The shares of FOX common stock that 21CF distributes to its stockholders generally may be sold immediately in the public market. Although we have no actual knowledge of any plan or intention on the part of any significant stockholders of 21CF to sell FOX common stock on or after the distribution date, it is possible that some of 21CF stockholders will sell FOX common stock received in the distribution for reasons such as FOX business profile or market capitalization as a standalone, publicly traded company not fitting their investment objectives or because FOX common stock is not included in certain indices after the distribution. The sales of significant amounts of FOX common stock or the perception in the market that this will occur may result in the lowering of the market price of FOX common stock.

We may need additional capital in the future; however, such capital may not be available to us on reasonable terms, if at all, when or as we require additional funding. If we issue additional shares of our common stock or other securities that may be convertible into, or exercisable or exchangeable for, our common stock, our existing stockholders would experience further dilution.

We may need additional capital in the future, however if that need arises, we cannot be certain additional capital will be available to us on acceptable terms when required, or at all. Disruptions in the global credit and capital markets may limit our ability to access capital. These markets can experience high levels of volatility and access to capital can be constrained for extended periods of time. In addition to conditions in the credit and capital markets, a number of other factors could cause us to incur increased borrowing costs and have greater difficulty accessing public and private markets for equity and secured and unsecured debt, which factors include our financial performance. If we are unable to secure additional capital on acceptable terms, our other sources of funds, including available cash and cash flow from operations, may not be adequate to fund our operations and contractual commitments and refinance then existing debt.

To the extent that we raise additional funds by issuing equity securities, our shareholders would experience dilution, which may be significant and could cause the market price of FOX common stock to decline significantly. Any debt financing, if available, may restrict our operations. If we are unable to raise additional capital when required or on acceptable terms, we may have to significantly delay, scale back or discontinue certain operations. Any of these events could negatively affect the FOX business, financial condition, results of operations and cash flows, and could cause our stock price to decline.

Certain provisions of our certificate of incorporation, bylaws, and Delaware law and the ownership of our common stock by the Murdoch Family Trust may discourage takeovers and the concentration of ownership will affect the voting results of matters submitted for stockholder approval.

Our amended and restated certificate of incorporation and amended and restated bylaws will contain certain anti-takeover provisions that may make more difficult or expensive a tender offer, change in control, or takeover

attempt that is opposed by our Board of Directors or certain stockholders holding a significant percentage of the voting power of our outstanding voting stock. Our equity capital and governance structure are designed to mirror 21CF's existing capital and governance structure to the maximum extent applicable. In particular, our amended and restated certificate of incorporation and amended and restated bylaws provide for, among other things:

- a dual class common equity capital structure;
- a prohibition on stockholders taking any action by written consent without a meeting;
- special stockholders' meeting to be called only by a majority of the Board of Directors, the Chairman or vice or deputy chairman, or upon the written request of holders of not less than 20% of the voting power of our outstanding voting stock;
- the requirement that stockholders give us advance notice to nominate candidates for election to the Board of Directors or to make stockholder proposals at a stockholders' meeting;
- the requirement of an affirmative vote of at least 65% of the voting power of our outstanding voting stock to amend or repeal our bylaws;
- certain restrictions on the transfer of our shares; and
- the Board of Directors to issue, without stockholder approval, preferred stock and series common stock with such terms as the Board of Directors may determine.

These provisions could discourage potential acquisition proposals and could delay or prevent a change in control of FOX, even in the case where a majority of the stockholders may consider such proposals, if effective, desirable. See "Description of Our Capital Stock."

As a result of his ability to appoint certain members of the board of directors of the corporate trustee of the Murdoch Family Trust, which, based on its current ownership of 21CF common stock, will beneficially own less than one percent of the outstanding FOX class A common stock and 38.4% of FOX class B common stock immediately following the distribution, K. Rupert Murdoch may be deemed to be a beneficial owner of the shares beneficially owned by the Murdoch Family Trust. K. Rupert Murdoch, however, disclaims any beneficial ownership of these shares. Also, K. Rupert Murdoch will, based on the current ownership of 21CF common stock, beneficially own or be deemed to beneficially own an additional less than one percent of FOX class B common stock and less than one percent of FOX class A common stock immediately following the distribution. Thus, K. Rupert Murdoch may be deemed to beneficially own in the aggregate less than one percent of FOX class A common stock and 38.9% of FOX class B common stock immediately following the distribution. This concentration of voting power could discourage third parties from making proposals involving an acquisition of FOX. Additionally, the ownership concentration of FOX class B common stock by the Murdoch Family Trust increases the likelihood that proposals submitted for stockholder approval that are supported by the Murdoch Family Trust will be adopted and proposals that the Murdoch Family Trust does not support will not be adopted, whether or not such proposals to stockholders are also supported by the other holders of FOX class B common stock.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This information statement and other materials that we will file with the SEC, including financial estimates and statements as to the expected timing, completion and effects of the transactions, contain, or will contain, forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties, and actual results might differ materially from those discussed in, or implied by, the forward-looking statements. Words such as "believes," "anticipates," "estimates," "expects," "plans," "intends," "aims," "potential," "will," "would," "could," "considered," "likely," "estimate" and variations of these words and similar future or conditional expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Such forward-looking statements include, but are not limited to, statements regarding the outlook for our future business and financial performance, such as those contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations," statements about the benefits of the transactions, including future financial and operating results, our plans, objectives, expectations and intentions, and other statements that are not historical facts. Such statements are based on the current beliefs and expectations of our management and are subject to significant risks and uncertainties outside of our control.

While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on future circumstances that may or may not occur. Actual results may differ materially from our current expectations depending on a number of factors affecting our business and risks associated with the successful execution of the transactions and the performance of our business following the transactions. These factors include, but are not limited to, global political, economic, business, competitive, market, regulatory and other risks and uncertainties detailed under the section entitled "Risk Factors" in this information statement, and factors contained or incorporated by reference in our subsequent filings with the SEC, and the following factors:

- the completion of the proposed transactions may not occur on the anticipated terms and timing or at all;
- the risk that a condition to closing of the transactions may not be satisfied (including, but not limited to, the receipt of legal opinions with respect to the treatment of certain aspects of the transactions under U.S. and Australian tax laws);
- the risk that the anticipated tax treatment of the transactions is not obtained;
- an increase or decrease in the anticipated transaction taxes (including due to any changes to tax legislation and its impact on tax rates (and the timing of the effectiveness of any such changes));
- negative effects of the announcement or the completion of the transactions on the market price of FOX common stock or on our operating results and businesses generally;
- uncertainty as to the long-term value of FOX common stock;
- the potential impact of unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition and losses on the future prospects, business and management strategies for the management, expansion and growth of FOX's operations after the completion of the transactions and on the other conditions to the completion of the transactions;
- the risk that disruptions from the proposed transactions will harm the FOX business, including current plans and operations;
- the ability of FOX to retain and hire key personnel;
- adverse legal and regulatory developments or determinations or adverse changes in, or interpretations of, U.S. or foreign laws, rules or regulations, including tax laws, rules and regulations, that could delay

or prevent completion of the proposed transactions or cause the terms of the proposed transactions to be modified; and

- management's response to any of the aforementioned factors.

Consequently, all of the forward-looking statements made in this information statement are qualified by the information contained in this information statement, including, but not limited to, (i) the information contained under this heading and (ii) the information discussed under the sections entitled "Risk Factors" in this information statement.

Except as otherwise required by law, the Company is under no obligation, and expressly disclaims any obligation, to update, alter, or otherwise revise any forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events, or otherwise. Persons reading this information statement are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

THE TRANSACTIONS

This section describes the material terms of the transactions pursuant to certain agreements described in this section. Certain of the agreements described below are filed as exhibits to the registration statement on Form 10 of which this information statement is a part. The description in this section and elsewhere in this information statement is qualified in its entirety by reference to the complete text of the agreements described in this section and elsewhere in this information statement. This summary does not purport to be complete and may not contain all of the information about the transactions that is important to you. This section is not intended to provide you with any factual information about FOX. Such information can be found elsewhere in this information statement.

Overview

On June 20, 2018, 21CF and Disney entered into the combination merger agreement, which includes as a condition to the consummation of the mergers that the distribution shall have been consummated. Pursuant to the terms of the combination merger agreement, following the distribution, (1) the Disney merger will occur, with Delta Sub being merged with and into Disney, and Disney continuing as the surviving corporation, and (2) the 21CF merger will occur, with Wax Sub being merged with and into 21CF, and 21CF continuing as the surviving corporation. As a result of the mergers, Disney and 21CF will become direct, wholly owned subsidiaries of New Disney.

Prior to the completion of the mergers, 21CF and FOX will enter into the separation agreement, pursuant to which 21CF will, among other things, engage in the separation, whereby it will transfer to FOX the FOX business and certain other assets, and FOX will assume from 21CF certain liabilities associated with such businesses and certain other liabilities. 21CF will retain all assets and liabilities not transferred to FOX, including the Twentieth Century Fox film and television studios and certain cable and international television businesses. Following the separation and prior to the completion of the 21CF merger, in order to implement the distribution, 21CF will distribute all of the issued and outstanding common stock of FOX to 21CF stockholders (other than holders of the hook stock shares) on a pro rata basis, in accordance with the distribution merger agreement.

The terms and conditions of the transactions are contained in the combination merger agreement and the other transaction agreements. For the avoidance of doubt, the combination merger agreement does not govern or directly affect the relationship between FOX and RemainCo, after the distribution. If the conditions set forth in the combination merger agreement are satisfied or waived, the following transactions will be consummated:

First, on the date that is as soon as reasonably practicable, and in no event later than the third business day, after the day on which the last of the conditions to the closing of the transactions is satisfied or waived (other than those conditions that by their nature must be satisfied or waived at the closing of the transactions, but subject to the fulfillment or waiver of such conditions), 21CF will cause to become effective the 21CF charter amendment, which amendment will provide that holders of the hook stock shares will not receive any consideration in connection with the distribution or the 21CF merger.

Second, immediately following the effectiveness of the 21CF charter amendment, 21CF will complete the separation, pursuant to the separation agreement, whereby it will transfer to FOX the FOX business and certain other assets, and FOX will assume from 21CF the liabilities associated with such businesses and certain other liabilities. 21CF will retain all assets and liabilities not transferred to FOX, including the Twentieth Century Fox film and television studios and certain cable and international television businesses. For further details on the assets and liabilities to be transferred to FOX, see below under "—The Separation."

Third, on the day the separation is completed, following the separation but prior to the distribution, FOX will pay to 21CF a dividend in the amount of $8.5 billion. FOX will incur indebtedness sufficient to fund the dividend, which indebtedness will be reduced after the 21CF merger by the amount of the cash payment.

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Fourth, on the day the separation is completed, at 8:00 a.m. (New York City time), 21CF will distribute all of the issued and outstanding common stock of FOX to 21CF stockholders (other than holders of the hook stock shares) on a pro rata basis in accordance with the distribution merger agreement. Upon completion of the distribution, FOX will be a standalone, publicly traded company. Pursuant to the distribution merger agreement, a portion of each share of 21CF common stock held at the time of the distribution will be exchanged for 1/3 of one share of FOX common stock of the same class, and holders will continue to own the remaining portion of each such share of 21CF common stock. On the day the distribution is completed, shares of 21CF common stock will continue to trade on Nasdaq. However, the total number of shares of 21CF common stock held, and the total number of shares of 21CF common stock outstanding, will be fewer than the number of shares of 21CF common stock held and the total number of shares of 21CF common stock outstanding prior to the distribution as a result of the exchange of a portion of each share for FOX common stock. However, the proportionate ownership of each 21CF stockholder in 21CF (excluding the holders of the hook stock shares) will not change as a result of the distribution. For further detail, see the section entitled "—The Distribution" in this information statement.

Fifth, following the completion of the distribution and immediately prior to the Disney effective time, New Disney shall cause its certificate of incorporation to contain provisions identical to the certificate of incorporation of Disney, shall cause its bylaws to contain provisions identical to the bylaws of Disney and shall reserve for issuance a sufficient number of shares of New Disney common stock to permit the issuance of shares of New Disney stock to Disney and 21CF stockholders in accordance with the combination merger agreement.

Sixth, starting at 12:01 a.m. (New York City time) on the date immediately following the distribution, two mergers will occur. First, at 12:01 a.m. (New York City time), Delta Sub will be merged with and into Disney, and Disney will continue as the surviving corporation and become a wholly owned subsidiary of New Disney. Each share of Disney stock issued and outstanding immediately prior to the Disney merger will be converted into one share of New Disney stock of the same class. At the Disney effective time, New Disney will be renamed "The Walt Disney Company." Second, at 12:02 a.m. (New York City time) on the same date, Wax Sub will be merged with and into 21CF, and 21CF will continue as the surviving corporation and become a wholly owned subsidiary of New Disney. Each share of 21CF common stock issued and outstanding immediately prior to the completion of the 21CF merger (other than excluded shares) will be exchanged for the 21CF merger consideration.

Following the Disney effective time, Disney common stock will be delisted from the NYSE, deregistered under the Exchange Act, and cease to be publicly traded. Following the 21CF effective time, 21CF common stock will be delisted from Nasdaq, deregistered under the Exchange Act and cease to be publicly traded.

Lastly, at the open of business on the business day immediately following the date of the distribution, if the final estimate of the transaction tax is lower than $8.5 billion, Disney will make a cash payment to FOX, which we refer to as the cash payment, which cash payment will be the amount obtained by subtracting the final estimate of the transaction tax from $8.5 billion, up to a maximum cash payment of $2 billion.

The Separation

Pursuant to the terms of the combination merger agreement, 21CF and FOX will enter into a separation agreement, as well as various other agreements, to effect the separation. The separation agreement will generally provide for those transfers of assets and assumptions of liabilities that are necessary in connection with the separation so that FOX and 21CF retain the assets necessary to operate their respective businesses and retain or assume certain liabilities allocated in accordance with the separation, while a tax matters agreement and an employee matters agreement will address certain specialized matters with respect to taxes and employees. Pursuant to the separation agreement (or, as applicable, such tax matters agreement or such employee matters agreement), 21CF will transfer to FOX certain assets, which we refer to as the FOX assets, including, among others (but in each case other than certain excluded assets pursuant to the separation agreement), all assets primarily relating to the FOX business; all assets to the extent related to any liabilities allocated to FOX (including counterclaims, insurance

claims and control rights); certain real properties primarily related to the FOX business or specifically designated as FOX assets; certain subsidiaries of 21CF; equity interests in Roku and certain other investments; the FOX name and related trademarks (subject to certain licenses); all patents, patent applications, trade secrets and software primarily related to the FOX business; and all copyrights primarily related to (or embodied in), and applications for copyrights primarily related to (or embodied in), the intellectual property allocated to the FOX business.

All other assets of 21CF, other than those which are FOX assets, will be retained by 21CF (and, after the closing of the transactions, be owned by New Disney). These retained assets include, among others, certain real property in the U.S. and abroad; certain equity interests in certain investments; and all consumer data and user profiles related to 21CF's consumer facing brands (including, but not limited to, FXNOW and Nat Geo TV) that are primarily related to the retained business.

Pursuant to the separation agreement (and, where applicable, a tax matters agreement and an employee matters agreement), 21CF will transfer to FOX, and FOX will assume, certain liabilities, at the time of the separation, whether accrued or contingent, and whether arising prior to, at or after the separation, including, among others, all liabilities primarily relating to the FOX business and/or the FOX assets; certain liabilities arising out of indemnification obligations pursuant to Section 4.06 of the Separation and Distribution Agreement, dated as of June 28, 2013, which we refer to as the News Corp separation agreement, among 21CF, News Corp and News Corp Holdings UK & Ireland; all liabilities and obligations under the News Corp separation agreement to the extent related to the FOX business and/or the FOX assets; all liabilities with respect to each Individual Supplemental Executive Retirement Arrangement; all indebtedness incurred by FOX prior to the separation (including all fees, costs and expenses (including legal fees and costs) associated with such indebtedness (or the raising or incurrence thereof) incurred or payable by 21CF or any of its subsidiaries); and certain environmental liabilities, if any, of 21CF or its subsidiaries arising out of the acquisition of Chris-Craft Industries, Inc. or otherwise relating to any of the Montrose entities or their respective current or former affiliates, predecessors, successors, properties or operations, including any such liability relating to the Diamond Alkali Superfund Site or the Passaic River.

21CF will retain all other liabilities, including, among others, certain liabilities related to any discontinued and divested businesses or operations of 21CF; liabilities and obligations under the News Corp separation agreement (unless such liabilities are specifically identified as FOX liabilities); all obligations and liabilities relating to 21CF's securities filings, maintenance of books and records, corporate compliance and other corporate-level actions and oversight; and all indemnification obligations to current and former 21CF directors and officers.

Notwithstanding anything to the contrary above, FOX generally will not assume any liability for taxes imposed on 21CF and its subsidiaries, even if attributable to the operations of the FOX business and/or the FOX assets for tax periods ending on or before the date of the distribution, subject to certain exceptions under a tax matters agreement, which are described in further detail under the section entitled "The Transactions—Certain Agreements—Tax Matters Agreement."

Information in this information statement with respect to the assets and liabilities of the parties following the separation is presented based on the allocation of such assets and liabilities pursuant to the separation agreement, unless the context otherwise requires. Certain of the liabilities and obligations to be assumed by one party or for which one party will have an indemnification obligation under the separation agreement and the other agreements relating to the separation are, and following the separation may continue to be, the legal or contractual liabilities or obligations of another party. Each such party that continues to be subject to such legal or contractual liability or obligation will rely on the applicable party that assumed the liability or obligation or the applicable party that undertook an indemnification obligation with respect to the liability or obligation, as applicable, under the separation agreement (or any other relevant agreement), to satisfy the performance and payment obligations or indemnification obligations with respect to such legal or contractual liability or obligation.

Incurrence of FOX Indebtedness and Payment of Dividend

Immediately prior to the distribution, 21CF is required to cause FOX to pay to 21CF the dividend in immediately available funds. Pursuant to the terms of the combination merger agreement, 21CF is required to cause FOX to arrange to incur indebtedness sufficient to fund the dividend, which indebtedness will be reduced after the 21CF merger by the amount of the cash payment.

FOX's Post-Distribution Relationship with RemainCo

Following the separation and distribution, we and RemainCo will operate separately, with FOX as a standalone, publicly traded company and RemainCo, after the closing of the transactions, as part of New Disney. Prior to the separation and distribution, we and 21CF will enter into certain agreements that will effect the separation, provide a framework for our relationship with RemainCo after the separation and provide for the allocation between us and RemainCo of 21CF's assets, employees, liabilities and obligations (including its investments, property and employee benefits and tax-related assets and liabilities) attributable to periods prior to, at and after our separation from 21CF. For more information, see the summary of the terms of the material agreements that we intend to enter into with 21CF prior to the separation in the section entitled "—Certain Agreements."

The Distribution

Pursuant to the terms of the combination merger agreement, prior to the distribution, 21CF will cause to become effective an amendment to the 21CF charter, which amendment will provide that holders of the hook stock shares will not receive any consideration in connection with the distribution or the 21CF merger.

Following completion of the distribution, each 21CF stockholder (other than holders of the hook stock shares) will hold ownership interests in FOX and 21CF proportionately equal to its existing ownership interest in 21CF (excluding the holders of the hook stock shares). In accordance with the terms of the distribution merger agreement, Distribution Sub will be merged with and into 21CF in the distribution merger. 21CF will survive the distribution merger. At the completion of the distribution:

- as described in the table below, a portion of each share of 21CF class A common stock (other than the hook stock shares) will be exchanged for 1/3 of one share of FOX class A common stock, and the remaining portion of such share of 21CF class A common stock not so exchanged will be unaffected by the distribution and will remain issued and outstanding until the 21CF merger, and

Portion of each share of 21CF class A common stock exchanged for 1/3 of one share of FOX class A common stock:	Portion of a share of 21CF class A common stock that remains outstanding following the distribution:
= 1 – [1 ÷ (distribution adjustment multiple)]	= 1 – {1 – [1 ÷ (distribution adjustment multiple)]}

- as described in the table below, a portion of each share of 21CF class B common stock (other than the hook stock shares) will be exchanged for 1/3 of one share of FOX class B common stock, and the remaining portion of such share of 21CF class B common stock not so exchanged will be unaffected by the distribution and will remain issued and outstanding until the 21CF merger.

Portion of each share of 21CF class B common stock exchanged for 1/3 of one share of FOX class B common stock:	Portion of a share of 21CF class B common stock that remains outstanding following the distribution:
= 1 – [1 ÷ (distribution adjustment multiple)]	= 1 – {(1 – [1 ÷ (distribution adjustment multiple)]}

The distribution adjustment multiple is calculated as follows: distribution adjustment multiple = (21CF's fully diluted pre-distribution market capitalization) ÷ [(21CF's fully diluted pre-distribution market capitalization) – (FOX's fully diluted when-issued market capitalization)].

For purposes of this calculation, 21CF's fully diluted pre-distribution market capitalization will be determined based on the volume weighted average price of 21CF class A common stock and 21CF class B common stock measured over the five trading-day period ending on (and including) the trading day immediately prior to the distribution. FOX's fully diluted, when-issued market capitalization will be determined based on the volume weighted average price of FOX class A common stock and FOX class B common stock (based on when-issued trading) measured over the five trading-day period ending on (and including) the trading day immediately prior to the distribution. If shares of FOX class A common stock and FOX class B common stock trade (on a when-issued basis) for fewer than five days before the date of the distribution, FOX's fully diluted market capitalization will be determined based on the volume-weighted average prices for the entire period during which such shares trade prior to the date of the distribution.

Following the completion of the distribution, each 21CF stockholder (other than holders of the hook stock shares) will own a portion of a share less for each share of 21CF common stock owned by such holder immediately prior to the completion of the distribution. The proportionate ownership of each 21CF stockholder in 21CF (excluding the holders of the hook stock shares) will not change as a result of the distribution. The 21CF merger consideration will be automatically adjusted to take into account the exchange of a portion of each share of 21CF common stock for FOX common stock, such that the remaining fractional share of 21CF common stock resulting from the distribution will receive the amount of 21CF merger consideration that a whole share of 21CF common stock would have been entitled to receive before giving effect to the distribution. 21CF stockholders will receive cash in lieu of any fractional share of FOX they otherwise would have been entitled to receive in connection with the distribution. Following the completion of the distribution, holders will continue to own the residual portion of each such share of 21CF common stock, which will remain issued and outstanding until the 21CF merger.

Distribution Adjustment to 21CF Merger Consideration

As described in the section entitled "—The Distribution," the 21CF merger consideration will be automatically adjusted to take into account the exchange of a portion of each share of 21CF common stock for 1/3 of one share of FOX common stock of the same class, pursuant to the distribution, such that the portion of each share of 21CF common stock resulting from the distribution will receive the amount of 21CF merger consideration that a whole share of 21CF common stock would have been entitled to receive before giving effect to the distribution. To give effect to the distribution adjustment, the per share value, after giving effect to the tax adjustment amount, will be multiplied by the distribution adjustment multiple.

As an example of the distribution adjustment, assume the following:

- a distribution adjustment multiple of 1.25 (5/4);
- a per share value after giving effect to the tax adjustment amount of $38.00; and
- an example 21CF stockholder who owns 120 shares of 21CF common stock.

In this example, 20% (1/5) of each share of 21CF common stock (other than hook stock shares) will be exchanged in the distribution for 1/3 of one share of FOX common stock of the same class. The remaining 80% (4/5) of each share of 21CF common stock will be unaffected by the distribution and remain issued and outstanding until the 21CF merger. Following the distribution, the example 21CF stockholder will have 40 shares of FOX common stock of the same class as its shares of 21CF common stock, and 96 shares of 21CF common stock, which 21CF shares will remain issued and outstanding until the 21CF merger. The 21CF merger consideration will be adjusted to take the distribution into account by multiplying the per share value after giving effect to the tax adjustment amount of $38.00 in this example by the distribution adjustment multiple, resulting in per share consideration of $47.50. Multiplying this by the example 21CF stockholder's 96 shares results in total consideration to the example 21CF stockholder in the 21CF merger of $4,560.00. This is the same amount of consideration that the example 21CF stockholder would have received if its original aggregate total of 120 shares of 21CF common stock had been exchanged for $38.00 per share.

Trading of Shares on Nasdaq Prior to the Distribution Date

The following is a summary of trading markets that we expect will develop in FOX and 21CF common stock prior to the distribution. Additional information on trading prior to the distribution date will be provided by a press release once available. Stockholders are encouraged to consult their brokers and financial advisors regarding the specific consequences of trading FOX and 21CF common stock prior to the distribution date.

It is anticipated that a "when-issued" market in FOX common stock will develop on Nasdaq shortly before the distribution date and continue through the distribution date. In the context of the distribution, when-issued trading refers to a securities transaction made conditionally on or before the distribution date because the securities are not yet available. When-issued trades generally settle within four trading days after the distribution date. If you own shares of 21CF common stock on the distribution date, you will be entitled to receive shares of FOX common stock in the distribution. You may trade this entitlement to receive shares of FOX common stock, without the shares of 21CF common stock you own, on the when-issued market. On the first trading day following the distribution date, we expect that when-issued trading of FOX common stock will end and "regular-way" trading will begin. Regular-way trading typically involves a trade that settles on the second full trading day following the date of the securities transaction. If the distribution does not occur, all when-issued trades in FOX common stock will not be settled and therefore will be null and void.

Conditions to the Completion of the Transactions

The respective obligations of each of 21CF, Disney, New Disney and the Merger Subs to complete the mergers, and, except with respect to the matters described in the first bullet below, 21CF's obligation to effect the separation and the distribution, are subject to the satisfaction or waiver, at or prior to the closing of the transactions of certain conditions, including:

- the 21CF charter amendment must have become effective and the separation and distribution must have been consummated;
- the shares of New Disney common stock to be issued in the 21CF merger must have been approved for listing on the NYSE upon official notice of issuance and the shares of FOX common stock to be issued in the distribution must have been approved for listing on Nasdaq upon official notice of issuance;
- the receipt of any FCC consents (if required) and the foreign regulator consents;
- no domestic, foreign or transnational governmental entity of a competent jurisdiction has enacted, issued, promulgated, enforced or entered any law or order (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits the completion of the transactions;
- the registration statement on Form S-4 filed by New Disney in respect of the shares of New Disney common stock to be issued in the 21CF merger, which has already been declared effective, and the registration statement on Form 10 filed by FOX in respect of the shares of FOX common stock to be issued in the distribution, of which this information statement is a part, must have become effective under the Securities Act and the Exchange Act, as applicable, and must not be the subject of any stop order or any proceedings initiated or threatened for that purpose by the SEC;
- 21CF must have obtained an opinion from a nationally recognized valuation or accounting firm or investment bank, as to the adequacy of surplus under Delaware law to effect the dividend, and as to the solvency of FOX and 21CF after giving effect to the dividend and the distribution; and
- the separation agreement, the tax matters agreement and the commercial agreements must have been entered into in accordance with the terms of the combination merger agreement.

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The obligations of Disney, New Disney and the Merger Subs to effect the transactions also are subject to the satisfaction or waiver by Disney, at or prior to the closing of the transactions, of certain conditions, including the following conditions:

- certain of the representations and warranties of 21CF with respect to its capital structure must, both on the date of the combination merger agreement and at the closing of the transactions (unless such representation or warranty speaks as of a particular date, in which case such representation or warranty must be so true and correct as of such date), be true and correct, except for any failures to be so true and correct that are *de minimis*;
- the representation and warranty of 21CF that there has been no material adverse effect with respect to 21CF since June 30, 2017 must, both on the date of the combination merger agreement and at the closing of the transactions, be true and correct in all respects;
- certain representations and warranties of 21CF with respect to corporate authority and approval of the transactions and financial advisor opinions and takeover statues must, both on the date of the original combination merger agreement, or the date of the combination merger agreement, as applicable, and at the closing of the transactions (unless such representation or warranty speaks as of a particular date, in which case such representation or warranty must be so true and correct as of such date), be true and correct in all material respects;
- generally, the other representations and warranties of 21CF in the combination merger agreement (without giving effect to any references to any material adverse effect or other qualifications based upon the concept of materiality or similar phrases contained therein) must be true and correct, both on the date of the original combination merger agreement, or the date of the combination merger agreement, as applicable, and at the closing of the transactions (unless such representation or warranty speaks as of a particular date, in which case such representation or warranty must be so true and correct as of such date), unless the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had and would not reasonably be expected to have a material adverse effect with respect to 21CF;
- 21CF must have performed in all material respects its obligations under the combination merger agreement at or prior to the closing of the transactions;
- no governmental consents will have imposed any restriction other than restrictions permitted under the combination merger agreement;
- receipt by Disney of the hook stock legal comfort, provided that this condition will be deemed satisfied in the following situations: (1) if 21CF undertakes a potential transaction to eliminate all or a portion of the hook stock shares, which we refer to as a hook stock elimination, pursuant to Disney's written request, (2) if Disney has received the U.S. tax opinion but not the Australian tax opinion and the estimated amount of any anticipated tax arising from or with respect to the hook stock shares, as a result of or in connection with the transactions, which we refer to as the hook stock tax, is less than or equal to $750 million, and (3) if Disney has received the U.S. tax opinion but not the Australian tax opinion, the estimated amount of any anticipated hook stock tax is more than $750 million and, subject to the indemnity obligations in the tax matters agreement, either (x) Disney waives this condition or (y) 21CF agrees to indemnify Disney for any hook stock tax in excess of $750 million; and
- receipt by Disney of the Cravath tax opinion.

21CF's obligation to effect the transactions is also subject to the satisfaction or waiver by 21CF, at or prior to the closing of the transactions, of certain conditions, including the following conditions:

- certain of the representations and warranties of Disney with respect to its capital structure must, both on the date of the original combination merger agreement, or the date of the combination merger agreement, as applicable, and at the closing of the transactions (unless such representation or warranty

speaks as of a particular date, in which case such representation or warranty must be so true and correct as of such date), be true and correct, except for any failures to be so true and correct that are *de minimis*;

- the representation and warranty of Disney that there has been no material adverse effect with respect to Disney since September 30, 2017 must, both on the date of the combination merger agreement and at the closing of the transactions, be true and correct in all respects;
- certain representations and warranties of Disney with respect to corporate authority and approval of the transactions must, both on the date of the original combination merger agreement, or the date of the combination merger agreement, as applicable, and at the closing of the transactions (unless such representation or warranty speaks as of a particular date, in which case such representation or warranty must be so true and correct as of such date), be true and correct in all material respects;
- the other representations and warranties of Disney, New Disney and the Merger Subs in the combination merger agreement (without giving effect to any references to any material adverse effect or other qualifications based on the concept of materiality or similar phrases contained therein) generally must be true and correct, both on the date of the original combination merger agreement, or the date of the combination merger agreement, as applicable, and at the closing of the transactions (unless such representation or warranty speaks as of a particular date, in which case such representation or warranty must be so true and correct as of such date), unless the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had and would not be reasonably be expected to have a material adverse effect with respect to Disney;
- each of Disney and the Merger Subs must have performed in all material respects its respective obligations under the combination merger agreement at or prior to the closing of the transactions; and
- 21CF must have received the Skadden tax opinion.

Certain Agreements

The combination merger agreement contemplates that certain additional agreements will be entered into in connection with the closing of the transactions, including a separation agreement that will effect the separation, a tax matters agreement, certain commercial agreements and certain other transitional agreements.

Certain of the agreements described below are filed as exhibits to the registration statement on Form 10 of which this information statement is a part, and these summaries are qualified in their entireties by reference to the full text of the applicable agreements. The terms of the agreements described below that will be in effect following the separation have not yet been finalized; changes to these agreements, some of which may be material, may be made prior to our separation from 21CF.

Separation Agreement

The combination merger agreement provides that 21CF and FOX will enter into the separation agreement prior to the distribution. The separation agreement will set forth our agreement with RemainCo regarding the principal actions to be taken in connection with the separation. It will also set forth other agreements that govern certain aspects of our relationship with RemainCo following the separation and distribution.

Transfer of Assets and Assumption of Liabilities. The separation agreement will identify assets to be transferred, liabilities to be assumed and contracts to be assigned to each of RemainCo and us as part of the separation. The separation agreement will provide for the transfers of those assets and assumptions of those liabilities that are necessary in connection with the separation so that we and RemainCo retain the assets necessary to operate our respective businesses and retain or assume certain liabilities allocated in accordance with the separation. For further information related to the assets and liabilities to be transferred to and assumed by FOX in connection with the separation, see “The Transactions—The Separation” and “Unaudited Pro Forma Combined Financial Information—FOX Unaudited Pro Forma Combined Balance Sheet.”

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Conditions. The separation agreement will provide that the separation is subject to satisfaction or waiver of each of the conditions under the combination merger agreement (other than those conditions that by their nature can only be satisfied at the closing of the transactions, provided that such conditions are capable of being satisfied).

Representations and Warranties. In general, neither we nor RemainCo will make any representations or warranties regarding any assets or liabilities transferred or assumed, any consents or approvals that may be required in connection with these transfers or assumptions, the value or freedom from any lien or other security interest of any assets transferred, the absence of any defenses relating to any claim of either party or the legal sufficiency of any conveyance documents.

Intercompany Accounts. All intercompany accounts payable or accounts receivable and intercompany borrowings, between us, on the one hand, and RemainCo and its affiliates, on the other hand, will be settled as of the distribution.

Mutual Release and Indemnification. In the separation agreement, effective as of the distribution, we will generally release and discharge RemainCo from any and all liabilities existing or arising from or relating to 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, whether or not known as of the distribution, including in connection with the transactions and all other activities to implement the separation or the distribution. RemainCo will provide the same general release in favor of FOX. In each case, the releases will not otherwise affect the obligations of each party to indemnify the other under the separation agreement, or its obligations to perform under the separation agreement or any other agreements between the parties.

The separation agreement will provide for cross-indemnities that, except as otherwise provided in the separation agreement, are principally designed to place financial responsibility for the obligations and liabilities allocated to us under the separation agreement with us and financial responsibility for the obligations and liabilities allocated to RemainCo under the separation agreement with RemainCo. Specifically, each party will indemnify, defend, release, discharge and hold harmless the other party and its affiliates and their respective current and former directors, officers, employees and agents and each of the heirs, executors, successors and permitted assigns of any of the foregoing on an after-tax basis from and against any and all losses actually suffered or incurred by them relating to, arising out of or resulting from the liabilities each party assumed or retained pursuant to the separation agreement or any breach by us or RemainCo of any provision of the separation agreement or any ancillary agreement unless such ancillary agreement expressly provides for separate indemnification therein. Each party’s aforementioned indemnification obligations will be uncapped; provided that the amount of each party’s indemnification obligations will be subject to reduction by any insurance proceeds received by the party being indemnified. The separation agreement will also specify procedures with respect to claims subject to indemnification and related matters. Indemnification with respect to taxes will be governed by a tax matters agreement.

Guarantees; FOX Letter of Credit. FOX will agree to use commercially reasonable efforts to terminate, or to cause itself (or one of its subsidiaries) to be substituted in all respects for 21CF (or any of its subsidiaries) in respect of all obligations of 21CF for any liability allocated to FOX for which 21CF may be liable as guarantor, original tenant, primary obligor or otherwise as of the distribution. These guarantee obligations of 21CF will otherwise survive the separation and distribution and FOX will post and maintain a rolling, 12-month letter of credit for the benefit of RemainCo with respect to the payment of annual rights fees and other payments due pursuant to contracts guaranteed by 21CF, which are otherwise obligations payable by FOX under the separation agreement.

Dispute Resolution. If a dispute arises between us and 21CF under the separation agreement, an executive officer of the parties will negotiate to resolve any disputes for a period of time. If the parties are unable to resolve the dispute in this manner then, unless otherwise agreed by the parties and except as otherwise provided under the separation agreement, the dispute will be resolved through binding arbitration.

Termination/Term. The separation agreement will terminate automatically in the event the combination merger agreement is terminated. After the distribution, the term of the separation agreement is perpetual.

Other Matters Governed by the Separation Agreement. Other matters governed by the separation agreement include access to financial and other information, confidentiality, access to and provision of records, continued access for FOX to RemainCo insurance policies and shared contracts and certain third party consent provisions.

Tax Matters Agreement

The combination merger agreement provides that Disney, 21CF and FOX will enter into a tax matters agreement to address the parties' respective rights, responsibilities and obligations with respect to certain tax matters. In general, under the tax matters agreement:

- Subject to certain exceptions described below, Disney and RemainCo are responsible for, and must indemnify FOX against, any taxes required to be reported on a consolidated or separate tax return of RemainCo and/or any of its subsidiaries other than FOX and its subsidiaries, including any taxes resulting from the separation and distribution; and
- FOX is responsible for, and must indemnify RemainCo against, any taxes required to be reported on a separate tax return of FOX or any of its subsidiaries and in certain circumstances other taxes described in the bullet points below.

Disney's obligation to consummate the transactions is conditioned on its receipt of the hook stock legal comfort, which includes its receipt of (i) the Australian tax opinion to the effect that there has been no change in Australian tax law that would cause the conclusions expressed in the signing date tax opinion to change or, if there has been such a change, that the 21CF charter amendment, the distribution and the mergers (or any alternative transactions) should not result in any hook stock tax under Australian tax law and (ii) the U.S. tax opinion to the effect that the distribution and the mergers should not result in any hook stock tax under U.S. tax law. If Disney receives the hook stock legal comfort, or the hook stock legal comfort condition is deemed satisfied because 21CF undertakes a hook stock elimination pursuant to Disney's written request, Disney will be responsible for any hook stock taxes. 21CF and Disney expect that the hook stock legal comfort condition should be satisfied and as a result estimate that Disney will not incur any hook stock taxes as a result of the transactions.

If the hook stock is not eliminated before closing and Disney does not receive the Australian tax opinion but the hook stock legal comfort condition is nevertheless deemed satisfied because Disney has received the U.S. tax opinion and:

- the estimated amount of any anticipated hook stock tax is less than or equal to $750 million, then FOX must indemnify Disney for 66.67% of the first $750 million of any hook stock taxes that are actually imposed on Disney and its subsidiaries (including RemainCo) and 100% of any hook stock taxes in excess of $750 million;
- the estimated amount of any anticipated hook stock tax is more than $750 million and Disney elects to proceed with closing, then FOX must indemnify Disney for 66.67% of the first $750 million of any hook stock taxes that are actually imposed on Disney and its subsidiaries (including RemainCo) and 100% of any hook stock taxes in excess of $750 million will be borne by Disney; or
- the estimated amount of any anticipated hook stock tax is more than $750 million and 21CF elects to proceed with closing, then FOX must indemnify Disney for 66.67% of the first $750 million of any hook stock taxes that are actually imposed on Disney and its subsidiaries (including RemainCo) and 100% of any hook stock taxes in excess of $750 million.

IN ANY INSTANCE DESCRIBED ABOVE WHERE THE HOOK STOCK LEGAL COMFORT CONDITION WILL BE DEEMED SATISFIED, NEITHER 21CF NOR FOX WILL AMEND THIS INFORMATION STATEMENT.

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FOX is responsible for certain taxes resulting from post-closing consent decree divestitures in connection with the mergers. 21CF can elect to "prepay" an amount, determined at its discretion, in respect of such taxes by designating such elected amount to be reflected in the transaction tax calculation, unless (i) the sum of such taxes and the estimated divestiture taxes included in the transaction tax calculation is less than or equal to $1.5 billion or (ii) the estimated divestiture taxes included in the transaction tax calculation reaches the cap of $1.75 billion. The tax matters agreement provides for a true-up payment from FOX to Disney or Disney to FOX in the event such prepayment reflected in the transaction tax calculation is more or less, respectively, than the amount of such divestiture taxes that are the responsibility of FOX.

RemainCo will make an election under Section 336(e) of the Code that will generally provide FOX with a tax basis in its assets equal to their fair market value as of the date of the distribution, which is expected to result in future reductions in FOX's tax liability that would not be realized by FOX if such election were not made.

Intellectual Property License Agreements

Upon completion of the separation, FOX will own all "FOX" brands and related trademarks. Pursuant to the terms of the combination merger agreement, FOX will enter into the following agreements to license the use of certain intellectual property by RemainCo:

- a global, exclusive, perpetual royalty-free license to certain trademarks that will be owned by FOX after completion of the separation, including "Twentieth Century Fox" and "Twentieth Century Fox Television," certain derivatives thereof and certain other trademarks primarily relating to 21CF's film business as conducted as of the date of the separation;
- an 18-month nonexclusive, royalty-free license within the U.S. to permit RemainCo regional sports networks, which we refer to as RSNs, to use the "FOX" trademark in a manner consistent with current usage; and
- a five-year nonexclusive, royalty-free license outside of the U.S. for the use of the "FOX" trademark by RemainCo international channels and networks in a manner consistent with current usage.

In addition, the combination merger agreement provides that FOX and RemainCo will enter into certain patent cross-licenses, trade secret cross-licenses and software cross-licenses, including a global, perpetual, royalty-free license for FOX to use any intellectual property created by 21CF prior to the separation relating to the digital platform and technology group in connection with FOX products and services.

Studio Lot Lease and Management Agreement

Upon completion of the separation, FOX will own the FOX Studios lot in Los Angeles, California and FOX will be responsible for management of the studio, including performing all elements of servicing and managing the facility and managing and providing studio operation services, including production operations and post-production services. FOX will lease office space on the FOX Studios lot to RemainCo for an initial term of seven years, subject to two five-year renewal options for RemainCo.

Transition Services Agreement

Under the terms of the combination merger agreement, it is contemplated that 21CF will identify, in consultation with Disney, certain transition services (including technology services) to be provided to FOX by RemainCo, and to RemainCo by FOX, in each case for services currently provided to the FOX business or the retained business by the other. These services will be provided pursuant to a transition services agreement at cost for a period not exceeding two years, and on arm's-length terms for a reasonable period thereafter if necessary.

Commercial Agreements

Prior to or concurrently with the separation, 21CF and FOX shall enter into commercial agreements relating to certain content sharing, co-production and marketing arrangements, which, subject to certain exceptions agreed between Disney and 21CF, will be on economic terms previously discussed between the parties, and will otherwise contain terms that are customary in the industry for arrangements of a similar nature.

Employee Matters Agreement

Prior to or concurrently with the separation, FOX shall enter into an employee matters agreement with 21CF relating to the assignment of certain employee-related liabilities and certain employee benefit plans, programs, policies and arrangements to RemainCo or FOX.

Our Name

21CF intends to change the name of New Fox, Inc. to   prior to the distribution.

Regulatory Approval

Other than the receipt of any FCC consents and the foreign regulator consents, we do not believe that any other material governmental or regulatory filings or approvals will be necessary to consummate the distribution.

No Appraisal Rights

21CF stockholders will not have any appraisal rights in connection with the distribution.

Reasons for Furnishing this Information Statement

This information statement is being furnished solely to provide information to 21CF stockholders who will receive shares of FOX common stock in the distribution. It is not and is not to be construed as an inducement or encouragement to buy, hold or sell any of our securities or any securities of 21CF or Disney. The information contained in this information statement is believed by FOX to be accurate as of the date set forth on its cover. Changes to the information contained in this information statement may occur after that date, and neither 21CF nor FOX undertakes any obligation to update the information except in the normal course of their respective disclosure obligations and practices.

DIVIDEND POLICY

Following the distribution, we expect to pay regular cash dividends, though the timing, declaration, amount and payment of future dividends to stockholders will fall within the discretion of our Board of Directors. Our Board of Directors' decisions regarding the payment of future dividends will depend on many factors, including our financial condition, earnings, capital requirements and debt facility covenants (if any), other contractual restrictions, as well as legal requirements, regulatory constraints, industry practice and other factors that our Board of Directors deems relevant. Our Board of Directors cannot provide any assurances that any dividends will be declared or paid.

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CAPITALIZATION

Set forth below is our cash and cash equivalents and capitalization as of June 30, 2018, on a historical and on a pro forma basis to give effect to the separation and distribution and the transactions related to the separation and distribution as if they occurred on June 30, 2018. Explanation of the pro forma adjustments made to our pro forma combined financial statements can be found under "Unaudited Pro Forma Combined Financial Information." The following table should be reviewed in conjunction with "Unaudited Pro Forma Combined Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our combined financial statements and the related notes included elsewhere in this information statement.

	As of June 30, 2018	
	Historical (Audited)	Pro Forma (Unaudited)
	(in millions, except share and per share data)	
Cash and cash equivalents(1)	$ 2,500	$
Borrowings:		
Current borrowings	—	
Long-term borrowings(2)	—	
Total borrowings	—	
Equity:		
FOX class A common stock, $0.01 par value, 6,000,000,000 shares authorized, shares issued and outstanding, at par as of June 30, 2018(3)	—	
FOX class B common stock, $0.01 par value, 3,000,000,000 shares authorized, shares issued and outstanding, at par as of June 30, 2018(3)	—	
Additional paid-in capital	—	
21CF Investment	9,513	
Accumulated other comprehensive income	81	
Total equity	9,594	
Total capitalization	$ 9,594	$

(1) With respect to the Pro Forma column, represents the Cash and cash equivalents contributed to FOX at the time of the separation and distribution.
(2) With respect to the Pro Forma column, represents the issuance of $ billion of senior notes with an assumed weighted average interest rate of % pursuant to FOX's intention to obtain permanent third-party financing in the capital markets.
(3) With respect to the Pro Forma column, reflects approximately million shares at a par value of $0.01 per share. The number of shares of common stock is based on the number of shares of 21CF common stock outstanding on June 30, 2018 and an expected distribution ratio of 1/3 of one share of FOX common stock for every one share of 21CF common stock held on the record date.

FOX may enter into a revolving credit facility prior to the distribution, which would be undrawn at the time of the distribution.

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UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

Overview

The unaudited pro forma combined financial information presented below, which we refer to as the FOX Pro Forma Financial Statements, are presented to illustrate FOX after giving effect to the separation and distribution, the FOX financing and the net cash dividend from FOX to 21CF, which we refer to collectively as the FOX transactions, each as further described below.

The FOX Pro Forma Financial Statements have been prepared in accordance with SEC Regulation S-X Article 11 and are not intended to be a complete presentation of FOX's financial position or results of operations had the FOX transactions occurred as of and for the period indicated. In addition, the FOX Pro Forma Financial Statements are provided for illustrative and informational purposes only and are not necessarily indicative of FOX's future results of operations or financial condition as a standalone, publicly traded company.

The unaudited pro forma combined statement of operations for the fiscal year ended June 30, 2018, and the unaudited pro forma combined balance sheet as of June 30, 2018, presented below, were derived from FOX's historical audited combined financial statements included elsewhere in this information statement.

The FOX Pro Forma Financial Statements give effect to the following:

- estimated impact of the FOX financing;
- the dividend in the amount of $8.5 billion to be paid by FOX to 21CF net of the estimated payment in the amount of $2 billion to be paid from Disney to FOX one business day after the distribution and the use of such proceeds by FOX to repay a corresponding portion of the initial financing;
- the impact of and transactions contemplated by the terms of the combination merger agreement including separation costs, other liabilities and deferred taxes, which will be specifically allocated or attributed to FOX;
- FOX's anticipated post-distribution capital structure; and
- the impact of, and transactions contemplated by, the separation and distribution agreement between FOX and 21CF and the provisions contained therein.

The unaudited pro forma combined statement of operations for the fiscal year ended June 30, 2018 reflects FOX's results as if the FOX transactions had occurred on July 1, 2017. The unaudited pro forma combined balance sheet as of June 30, 2018 gives effect to the FOX transactions as if they had occurred on June 30, 2018.

Pro forma adjustments included in the FOX Pro Forma Financial Statements are limited to those that are (i) directly attributable to the FOX transactions, (ii) factually supportable, and (iii) with respect to the statement of operations, expected to have a continuing impact on FOX's results.

The FOX Pro Forma Financial Statements are subject to the assumptions and adjustments described in the accompanying notes, which should be read together with the FOX Pro Forma Financial Statements. FOX's management believes that these assumptions and adjustments, based upon the information available at this time, are reasonable under the circumstances. However, these adjustments are subject to change as the terms of all applicable agreements related to the separation and distribution are finalized.

The unaudited pro forma combined statement of operations do not reflect future events that may occur after the closing of the FOX transactions, including, but not limited to, material non-recurring charges subsequent to the closing.

We expect FOX to experience changes in its cost structure when FOX becomes an independent, publicly traded company. For example, 21CF currently provides many corporate functions including, but not limited to,

finance, legal, insurance, information technology, compliance and human resources management activities, among others. FOX's management expects to incur recurring costs as a result of becoming a standalone, publicly traded company, for transition services and from establishing or expanding the corporate support for its business, including shared services (advertising, affiliate and digital), information technology, human resources, treasury, tax, risk management, accounting and financial reporting, investor relations, governance, legal, procurement and other services. FOX's expected standalone results will also include additional incremental operating costs related to company-wide shared services, including shared technology platforms. FOX's management estimates that the total incremental recurring costs could range between $ million and $ million on an annual basis beyond the amounts included in these financial statements. This range is based on subjective estimates and assumptions. FOX expects its cash flows from operations, together with its access to capital markets, to be sufficient to fund these corporate expenses.

Costs related to the distribution of approximately $75 million have been incurred by 21CF for the fiscal year ended June 30, 2018. These costs include accounting, legal, consulting and advisory fees. FOX has assumed all of these distribution costs incurred to date and anticipates that it will be responsible for all similar costs incurred prior to the distribution.

We estimate that FOX will incur additional costs during its transition to becoming a standalone public company. The accompanying unaudited pro forma combined statement of operations and the unaudited pro forma combined balance sheet, have not been adjusted for these estimated costs as the costs are not expected to have an ongoing impact on FOX's operating results and these costs are projected amounts based on subjective estimates and assumptions, which are not factually supportable at this time. It is anticipated that substantially all of these costs will be incurred within 18 months of the separation and distribution. The transition-related costs include, but are not limited to, incremental legal, accounting, tax and other professional costs pertaining to establishing FOX as a standalone public company, costs to establish FOX's leadership team and board of directors and costs to separate corporate information systems, data, real estate and benefit plans. Due to the scope and complexity of these activities, the amount of these costs could increase or decrease materially and the timing of incurrence could change.

The FOX Pro Forma Financial Statements should be read in conjunction with FOX's historical combined financial statements and accompanying notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this information statement.

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FOX
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(in millions)

	FOX Historical(a)	FOX Financing		Other Pro Forma Adjustments		FOX Pro Forma
Revenues	$ 10,153	$		$	(d)	$
Operating expenses	(6,505)				(d)	
Selling, general and administrative	(1,209)				(d)	
Depreciation and amortization	(171)					
Impairment and restructuring charges	(16)					
Interest expense	(43)		(b)		(e)	
Other, net	(39)				(e)	
Income before income tax benefit (expense)	2,170					
Income tax benefit (expense)	58		(c)		(c)	
Net income	2,228					
Less: Net income attributable to redeemable noncontrolling interests	(41)					
Net income attributable to FOX	$ 2,187	$		$		$
EARNINGS PER SHARE DATA						
Weighted average shares						
Basic(m)						
Diluted(m)						
Net income attributable to FOX per share:						
Basic(m)						$
Diluted(m)						$

See accompanying Notes to the Unaudited FOX Pro Forma Financial Statements.

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FOX
UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AS OF JUNE 30, 2018
(in millions)

	FOX Historical(a)	FOX Financing		Other Pro Forma Adjustments		FOX Pro Forma
ASSETS						
Current assets						
Cash and cash equivalents	$ 2,500	$	(b)	$	(f), (g)	$
Receivables, net	1,833					
Inventories, net	1,180					
Other	67				(h)	
Total current assets	5,580					
Non-current assets						
Property, plant and equipment, net	1,169					
Intangible assets, net	2,866					
Goodwill	2,747					
Other non-current assets	759				(i), (j)	
Total assets	$ 13,121	$		$		$
LIABILITIES AND EQUITY						
Current liabilities						
Accounts payable, accrued expenses and other current liabilities	$ 1,759	$		$		$
Total current liabilities	1,759					
Non-current liabilities						
Borrowings	—		(b)			
Other liabilities	422				(j)	
Deferred income taxes	1,071				(i)	
Redeemable noncontrolling interests	275					
Commitments and contingencies						
Equity						
Class A common stock	—				(n)	
Class B common stock	—				(n)	
Additional paid-in capital	—				(k)	
21CF investment	9,513				(l)	
Accumulated other comprehensive income	81					
Total equity	9,594					
Total liabilities and equity	$ 13,121	$		$		$

See accompanying Notes to the Unaudited FOX Pro Forma Financial Statements.

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Notes to the Unaudited FOX Pro Forma Financial Statements

1. **Historical FOX and Pro Forma Adjustments**

(a) Reflects FOX's historical financial position as of June 30, 2018 and operating results for fiscal 2018.

FOX Financing

(b) Represents adjustments to reflect the expected issuance of $ billion of senior notes (See also note (f)) with an assumed weighted average interest rate of % pursuant to FOX's intention to obtain permanent third-party financing in the capital markets. This permanent third-party financing is intended to replace any commitment for short-term financing pursuant to the bridge commitment letter currently in place. All pro forma adjustments related to the financing were prepared using an assumed weighted average interest rate of %, management's current estimate for debt issuance costs and semi-annual interest payments. These adjustments reflect the increase to cash and cash equivalents and borrowings as of June 30, 2018 and an increase to interest expense, which includes cash interest expense on the permanent financing and additional interest expense resulting from the amortization of the debt issuance costs for fiscal 2018.

The principal balance of the borrowings may change (See note (f)). A sensitivity analysis for changes in the principal balance and interest rate of the borrowing and its effects on interest expense of FOX is presented below (in millions, except interest rates):

For fiscal 2018

	Interest Rate		
	%	%	%
Principal	**Interest Expense Increase / (Decrease)**		
$	$	$	$
$	$	$	$
$	$	$	$

(c) In determining the tax rate to apply to FOX's pro forma adjustments, FOX used a combined federal and state applicable tax rate of % for fiscal 2018. The pro forma adjustments include a reduction of the tax benefit from the domestic manufacturing deduction of approximately $ million for fiscal 2018, resulting from a decrease in taxable income.

Other Pro Forma Adjustments

(d) Prior to the separation of FOX from 21CF, the FOX Studios lot in Los Angeles, California was a shared asset that benefited both FOX and 21CF. Pursuant to the combination merger agreement, upon completion of the separation, FOX will own the FOX Studios lot and FOX will be responsible for management of the studio, including performing all elements of servicing and managing the facility and managing and providing studio operation services including production operations and post-production services. FOX will lease office space on the studio lot to 21CF for an initial term of seven years, subject to two five-year renewal options for 21CF. The pro forma adjustment reflects the effect of this post-separation contractual arrangement.

(e) Represents the adjustment to remove transaction-related costs incurred for fiscal 2018. These costs are considered to be non-recurring in nature, and as such, have been excluded from the unaudited pro forma combined statement of operations.

(f) Represents an adjustment to record a net dividend of $6.5 billion paid to 21CF by FOX. In accordance with the combination merger agreement, the dividend to be paid by FOX to 21CF with the intent of

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funding 21CF's transaction tax is $8.5 billion. The 21CF merger consideration was set based on an estimate of $8.5 billion for the transaction tax, and will be adjusted immediately prior to the consummation of the transactions if the final estimate of the transaction tax at closing is more than $8.5 billion or less than $6.5 billion. Such adjustment could increase or decrease the per share value of the 21CF merger consideration, depending upon whether the final estimate is lower or higher, respectively, than $6.5 billion or $8.5 billion. Additionally, if the final estimate of the tax liabilities is lower than $8.5 billion, Disney will make a cash payment to FOX reflecting the difference between such amount and $8.5 billion, up to a maximum cash payment of $2 billion.

The final estimate of the transaction tax, the cash payment from Disney to FOX, if any, and the per share value of the 21CF merger consideration at closing are subject to a number of uncertainties, including that such estimate will be based on the volume weighted average trading price of FOX's stock on the date of the distribution and other factors that cannot be known at this time and, as a result, a specific estimate of the transaction tax is not factually supportable at this time.

Following the execution of the original combination merger agreement, the U.S. enacted new tax legislation on December 22, 2017, commonly referred to as the Tax Cuts and Jobs Act, or the Tax Act, that, among other things, reduced the maximum corporate income tax rate from 35% to 21%. Holding all other things equal, this change in tax rates will result in a significantly lower spin tax, and by extension a lower transaction tax than the one estimated when the exchange ratio under the original combination merger agreement was set. For purposes of the FOX Pro Forma Financial Statements, a transaction tax payable of $6.5 billion is assumed as it is the lowest level of transaction tax that would not result in a change to the per share value of the 21CF merger consideration.

(g) FOX's historical Cash and cash equivalents of $2.5 billion includes $600 million, which was contributed by 21CF in accordance with the combination merger agreement, plus all net cash generated beginning January 1, 2018 by FOX's business and assets. In accordance with the separation agreement, at the time of the separation and distribution, FOX will be entitled to such cash amounts reduced by (i) applicable operational taxes, (ii) 30% of all cash dividends declared by 21CF from December 13, 2017 through the distribution, (iii) 30% of all unallocated shared overhead and corporate costs from December 13, 2017 through the distribution, (iv) an allocated amount of shared overhead corporate costs consistent with 21CF's historical approach to such allocation, and (v) certain other expenses related to the separation and the distribution. The obligations described in clauses (i) – (v) are not reflected in the $2.5 billion in Cash and cash equivalents as of June 30, 2018. The pro forma adjustment reflects the effect of the contractual obligations described above pursuant to the separation agreement to calculate the amount of Cash and cash equivalents contributed to FOX at the time of the separation and distribution.

(h) Represents an adjustment of $ million to write-off debt issuance costs related to the bridge commitment letter.

(i) Includes recognition of a deferred tax asset resulting from the separation and distribution, net of other deferred income tax liabilities.

Upon the separation and distribution, FOX will have an adjustment to the fair market value tax basis in its intangible assets, including goodwill and will recognize a deferred tax asset of $ billion, representing the increase in the fair value for tax purposes that is estimated to be deductible over the existing tax basis, using a combined federal and state applicable tax rate of %.

FOX is projected to have an annual tax deduction of $ billion over the next 15 years related to the amortization of the additional tax basis in FOX's assets. This amortization will reduce FOX's annual cash tax liability by an estimated $ million per year at the current federal statutory rate.

The transaction tax is based on the updated preliminary estimate as discussed above in note (f). Every $ million increase (decrease) in the transaction tax will increase (decrease) the annual tax deduction by approximately $ million.

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(j) Certain U.S. employees participate in defined benefit pension and postretirement plans sponsored by 21CF. Generally, the combination merger agreement and the separation principles provide that when FOX becomes a standalone, publicly traded company, FOX will assume those obligations related to employees of FOX and certain former employees related to FOX's business and will directly provide the benefits to those Company employees and former employees. FOX currently estimates plan liabilities of $ million and assets of $ million, measured as of June 30, 2018, will be transferred from 21CF to FOX, with the obligations associated with such plans resulting in FOX recognizing net benefit liabilities of $ million and $ million of additional deferred tax assets.

(k) Adjustment reflects the pro forma recapitalization of FOX's equity. As of the distribution date, 21CF's net investment in FOX will be distributed to 21CF's stockholders through the distribution of all the common stock of FOX.

(l) Represents an adjustment to the 21CF investment to effect the pro forma adjustments in notes (f), (g), (h), (i), (j) and (k).

(m) Pro forma weighted average shares outstanding and earnings per share are based on the weighted average number of shares of 21CF outstanding during fiscal 2018, adjusted for an expected distribution ratio of 1/3 of one share of FOX common stock for every one share of 21CF common stock held on the record date. While the actual future impact of potential dilution from shares of common stock related to equity awards granted to employees under 21CF's equity plans will depend on various factors, including employees who may change employment from one company to another, FOX does not currently estimate that the future dilutive impact is material.

(n) Reflects approximately million shares at a par value of $0.01 per share. The number of shares of common stock is based on the number of shares of 21CF common stock outstanding on June 30, 2018 and an expected distribution ratio of 1/3 of one share of FOX common stock for every one share of 21CF common stock held on the record date.

(o) Represents a net adjustment of $ million for fiscal 2018 for the difference in costs to be incurred by FOX for certain services it will receive from and provide to New Disney in accordance with the various transition services agreements.

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SELECTED HISTORICAL COMBINED FINANCIAL INFORMATION

The following tables present FOX's selected historical combined financial data. The combined statement of operations data are for fiscal 2018, 2017, 2016, 2015 and 2014, and the combined balance sheet data is as of June 30, 2018, 2017, 2016, 2015 and 2014. The selected historical combined financial data for fiscal 2018, 2017 and 2016, and as of June 30, 2018 and 2017 was derived from FOX's audited combined financial statements included in this information statement. The selected historical combined financial data for fiscal 2015 and 2014 and as of June 30, 2016, 2015 and 2014 was derived from FOX's unaudited combined financial statements that are not included in this information statement. In management's opinion, the unaudited combined financial statements have been prepared on the same basis as the audited combined financial statements and include all adjustments, consisting only of ordinary recurring adjustments, necessary for a fair presentation of the information for the periods presented.

The selected historical combined financial data set forth below is not necessarily indicative of our results of operations or financial condition had the separation and distribution been completed on the dates assumed. Also, they may not reflect the results of operations or financial condition that would have resulted had we been operating as a standalone, publicly traded company during such periods. In addition, they are not necessarily indicative of our future results of operations and financial condition.

FOX's historical combined financial statements include certain expenses of 21CF that were allocated to FOX for certain functions, including general corporate expenses related to finance, legal, insurance, information technology, compliance and human resources management activities, among others. These costs may not be representative of the future costs FOX will incur as an independent public company. In addition, FOX's historical financial information does not reflect changes that FOX will experience in the future as a result of the distribution of FOX by 21CF, including changes in cost structure, personnel needs, tax structure, financing and business operations. Consequently, the financial information included here may not necessarily reflect FOX's financial position and results of operations in the future or what FOX's financial position and results of operations would have been had FOX been an independent, publicly traded company during the periods presented.

The selected historical combined financial data should be read together with the other information contained in this information statement entitled "Capitalization," "Unaudited Pro Forma Combined Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical combined financial statements and accompanying notes included in this information statement. See "Index to Combined Financial Statements."

	For the fiscal years ended June 30,				
	2018(a)	2017(a)	2016(a)	2015(b)	2014
	(in millions)				
STATEMENT OF OPERATIONS DATA					
Revenues	$ 10,153	$ 9,921	$ 8,894	$ 8,180	$ 8,118
Net income attributable to FOX	2,187	1,372	1,072	929	1,116

	As of June 30,				
	2018	2017	2016	2015	2014
	(in millions)				
BALANCE SHEET DATA					
Cash and cash equivalents	$ 2,500	$ 19	$ 37	$ 21	$ 21
Total assets	13,121	10,348	10,315	9,803	9,493

(a) See Notes 2, 3, 4 and 16 to the accompanying Combined Financial Statements of FOX for information with respect to significant disposals, accounting changes, restructuring charges and other transactions during fiscal 2018, 2017 and 2016.

(b) In fiscal 2015, FOX acquired two San Francisco-Bay area television stations, KTVU-TV FOX 2 and KICU-TV 36, with a fair value of approximately $220 million from Cox Media Group in exchange for the following stations affiliated with the FOX Network: WHBQ-TV FOX 13 and WFXT-TV FOX 25, located in the Memphis and Boston markets, respectively.

In fiscal 2015, 21CF settled a portion of its pension obligations by irrevocably transferring pension liabilities to an insurance company through the purchase of a group annuity contract and through lump sum distributions. This purchase, funded with direct pension plan assets, resulted in a pre-tax settlement loss related to the recognition of accumulated deferred actuarial losses. As a result, FOX recorded a charge of $131 million which was included in Other, net in the Combined Statement of Operations for fiscal 2015.

Pursuant to the U.K. Newspaper Matters Indemnity (as defined in Note 11—Commitments and Contingencies to the accompanying Combined Financial Statements of FOX), FOX recognized a loss of $33 million in Other, net in the Combined Statement of Operations for fiscal 2015.

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BUSINESS

Company Overview

FOX delivers one of the highest profile and widely followed portfolios of news, sports and broadcast programming and operates one of the largest television station groups in North America. Centered primarily around video content that is delivered live, FOX benefits from both broad reach and the deep resonance of the iconic FOX brands, which are among the most recognized and respected in the U.S., including: *FOX News*, *FOX Business*, *FOX Sports*, *FS1*, *Big Ten Network*, the FOX Network, and the local brands within the portfolio of television stations owned and operated by FOX Television Stations. FOX is committed to creating and distributing premium news, sports and entertainment content for audiences across the country. We believe this focus on live, as opposed to delayed viewing, provides several strategic and financial advantages in the context of overall media industry trends. As a result, many of our properties deliver consistently strong audience engagement in their respective markets, serving as high value programming for our distributor customers and attractive advertising vehicles for our advertising customers.

Key components of our business include:

- ***FOX News***: The number one cable news channel. During fiscal 2018, *FOX News* was the number one network on basic cable in both primetime and total day viewing and has maintained its position as the top-rated national cable news channel for 67 consecutive quarters, according to Nielsen. *FOX Nation*, an over-the-top streaming service, delivering premium content complementary to *FOX News* programming directly to consumers, is expected to launch in late 2018.
- ***FOX Business***: A business news national cable channel. Fiscal 2018 was the highest rated year ever for *FOX Business*, culminating with its seventh consecutive quarter as the most-watched business network by total business day viewers, according to Nielsen.
- ***FOX Sports***: A leader in televised live sporting events reached more than 300 billion minutes of live sports event viewing in 2017 across broadcast and cable television, including:
  - **The FOX Network** delivered 17% more minutes of live sports event viewing than our nearest competitor in 2017. In addition to already held long-term rights to iconic sports franchises, such as the NFL (including the *Super Bowl* in 2020 and 2023), MLB (including exclusive presentation of the *World Series*), the FIFA *World Cup*, NASCAR and USGA. FOX recently acquired key domestic sports rights, including the NFL's *Thursday Night Football*, the WWE *SmackDown Live*, and *Premier Boxing Champions*.
  - ***FS1***: A multi-sport national video programming network featuring over 830 live events during calendar year 2018, including college football and basketball, the Bundesliga and FIFA *World Cup* events, MLS, NASCAR, NHRA, USGA, The Westminster Kennel Club Dog Show, Jr. NBA World Championships, and BIG3, as well as regular season and post-season MLB games. In addition to live events, FS1 features opinion shows such as *Skip and Shannon: Undisputed*, *The Herd with Colin Cowherd*, *First Things First* and *Speak for Yourself with Cowherd and Whitlock*, original programming from *FOX Sports Films* and daily studio programming.
  - ***Big Ten Network***: We own an approximate 51% interest in the *Big Ten Network*, a 24-hour national video service dedicated to the collegiate Big Ten Conference and Big Ten athletics, academics and related programming. The *Big Ten Network* televises approximately 520 live collegiate events annually, including football games, regular-season and post-season men's basketball games, women's basketball games, men's and women's Olympic events (featuring volleyball, soccer, wrestling, gymnastics, ice hockey, softball, baseball, lacrosse and more), studio shows and other original programming.
- ***The FOX Network***: In addition to delivering more sports viewership than any other network, we supply primetime and late-night entertainment and national news to our 208 local market affiliates, including 17 stations owned and operated by FOX Television Stations. Stations affiliated with the FOX Network, including FOX-owned and operated stations, reach approximately 99.9% of all U.S. television households.

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- ***FOX Television Stations***: We own and operate 28 full power broadcast television stations in the U.S. These include stations located in nine of the top ten largest DMAs and duopolies in 11 DMAs, including the three largest DMAs (New York, Los Angeles and Chicago). Of these stations, 17 are affiliated with the FOX Network. In addition to distributing sports, entertainment and syndicated content, our television stations collectively produce nearly 1,000 hours of local news every week.

Our market-leading live news and sports brands and far-reaching television platforms include:

In fiscal 2018, we recorded revenues of $10.2 billion, income before income tax benefit of $2.2 billion and total segment OIBDA[2] of $2.5 billion.

Our primary revenue sources consist of subscriber-based fees for transmission of our content and advertising revenue. Subscriber-based fees include monthly license and retransmission consent fees paid by traditional MVPDs and by digital, over-the-top, or online, distributors, that distribute our cable networks and the signals of our owned and operated television stations; and the FOX Network affiliation fees received from independently owned television stations that are affiliated with the FOX Network. For fiscal 2018, we generated revenues of $10.2 billion, of which approximately 48% was generated from affiliate fees (which includes subscriber license and retransmission consent fees and the FOX Network affiliation fees), 45% was generated from advertising, and 7% was generated from other operating activities. In the same period, we generated $2.5 billion of total segment OIBDA.

As a standalone, publicly traded company, and the successor to the principal U.S. television businesses of 21CF, we believe FOX is well-positioned to respond to changing consumer viewing preferences and capitalize on an evolving media landscape. Within the traditional television ecosystem, live news and sports programming continue to increase their aggregate share of live same day linear television programming viewership due to the nature of "appointment-based" programming. Our franchises are clear leaders in these categories. In the growing space of digital television, we plan to leverage the strength of our brands to grow our businesses in the online world as both an upstream content creator and direct-to-consumer distributor. Our high-quality premium content is already highly sought after by over-the-top distributors, as illustrated by the inclusion of our brands in the vast majority of digital MVPD services. Additionally, in late 2018, we are launching *FOX Nation*, an over-the-top streaming service, delivering premium content complementary to *FOX News* programming directly to consumers. Our strong audience relationships provide us with further opportunities to broaden our sources of revenues and effectively monetize our content.

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2 Total segment OIBDA may be considered a non-GAAP financial measure. For a reconciliation of income before income tax benefit (expense), reported in accordance with GAAP, to total segment OIBDA, as well as a discussion of our use of non-GAAP financial measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

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Our operations are organized into two main reporting segments: Cable Network Programming, which consists of the production and licensing of news and sports programming content, distributed primarily through cable television systems, direct broadcast satellite operators, telecommunication companies and online video distributors in the U.S.; and Television, which is engaged in the operation of broadcasting FOX Television Stations and the acquisition, marketing and distribution of broadcast network programming nationally under the FOX brand. We also report the results of other businesses and operations, including the FOX Studios lot in Los Angeles, California, in our Other, Corporate and Eliminations segment.

Cable Network Programming

The Cable Network Programming segment produces and licenses news, business news and sports content for distribution primarily through cable television systems, direct broadcast satellite operators, telecommunications companies and online video distributors primarily in the U.S. This segment is comprised of businesses including:

- *FOX News*, the number one cable news channel. During fiscal 2018, *FOX News* was the number one network on basic cable in both primetime and total day viewing and has maintained its position as the top-rated national cable news channel for 67 consecutive quarters, according to Nielsen. *FOX Nation*, an over-the-top streaming service, delivering premium content complementary to *FOX News* programming directly to consumers, is expected to launch in late 2018;
- *FOX Business*, a business news national cable channel. Fiscal 2018 was the highest rated year ever for *FOX Business*, culminated by its seventh consecutive quarter as the most-watched business network by total business day viewers, according to Nielsen; and
- Our primary cable sports programming networks *FS1*, *FS2* and *Big Ten Network*. These sports networks feature over four thousand hours of live event programming each year and have rights to premium sports franchises such as MLB, college football and basketball, the Bundesliga, FIFA *World Cup* events, MLS, NASCAR, and USGA, among others, enabling fan engagement and viewing opportunities across many dynamic sports events. Some of our sports networks also feature opinion shows, including *Skip and Shannon: Undisputed*, *The Herd with Colin Cowherd*, *Speak for Yourself with Cowherd and Whitlock*, *First Things First*, or other original and documentary programming and daily studio programming.

Television

Our Television segment is engaged in the acquisition, marketing and distribution of broadcast network programming nationally under the FOX brand and the operation of 28 full power broadcast television stations in 17 local markets.

The FOX Network acquires, markets and distributes sports and entertainment content via its 208 affiliated stations nationwide, reaching approximately 99.9% of all U.S. television households. Compared with other major broadcast networks, the FOX Network differentiates its programming strategy by focusing more heavily on its market leading sports content, supplemented with its non-sports prime-time lineup which is typically concentrated to two hours per night, five nights per week and targeted at the sought-after 18 to 49-year old audience. The FOX Network enjoyed more minutes of live sports event viewership than any other network in 2017 with its leading sports slate comprising NFL games on Sundays, MLB, NCAA and FIFA programming, and, in the future NFL games on Thursdays and WWE *Smackdown* on Fridays. When not airing sports programming, the FOX Network typically broadcasts two hours of prime-time programming per night. During the 2017-2018 traditional broadcast season, the FOX Network's prime-time entertainment programming featured animated perennial hits such as *The Simpsons*, *Family Guy* and *Bob's Burgers* which together comprise our "Animation Sunday." The FOX Network also ended the 2017-2018 broadcast season with seven of the season's top 20 new series, more than any other network, including: *9-1-1*, *The Orville*, *The Gifted*, *The Resident*, and *The Four: Battle for Stardom*. As a result of the FOX Network's differentiated programming strategy, the median age of the FOX Network viewer is the youngest of the four major broadcast networks.

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FOX Television Stations owns and operates 28 full power broadcast television stations, which deliver broadcast network content, local news and syndicated programming to viewers in 17 local markets. These include stations located in nine of the top ten largest DMAs and duopolies in 11 DMAs, including the three largest DMAs (New York, Los Angeles and Chicago). Of the 28 full power broadcast television stations, 17 stations are affiliated with the FOX Network. These stations profit from viewer, distributor and advertiser demand for the FOX Network's national content. In addition, the FOX Network's strategy to deliver fewer hours of entertainment, news and late-night talk show content than other major broadcasters benefits stations affiliated with the FOX Network, which can utilize the flexibility in scheduling to offer expanded local news and other programming that viewers covet. Our 28 stations collectively produce nearly 1,000 hours of local news broadcasts every week.

Other Businesses

In addition to the Cable Network Programming and Television operations described above, FOX also owns the FOX Studios lot in Los Angeles, California. The historic studio lot currently provides over 1.5 million square feet of space for both administration and production services including, but not limited to, 15 sound stages, 4 scoring and mixing stages, 2 broadcast studios, theaters, editing bays, dressing rooms, production offices and catering facilities. Following the distribution, the FOX Studios lot will provide two revenue streams—one through the lease of office space to RemainCo and the other through operation of studio facilities for use by third party productions, which at least at the outset will predominantly be to Disney. The results attributable to the FOX Studios lot are reported in our Other, Corporate and Eliminations segment.

Our Competitive Strengths

Leadership positions across strategically significant live programming platforms.

We enjoy strong leadership positions across our core live news and sports programming businesses. As linear viewership of entertainment programming declines across the industry, the news and sports genres remain resilient due to the nature of live, "appointment-based" programming. We believe our leadership positions support strong affiliate fee revenue, while allowing us to react nimbly to emerging technological and cultural challenges facing traditional media companies.

FOX News has been the highest rated cable news network for 67 consecutive quarters and was the number one cable network in primetime and total viewing across key demographics during fiscal 2018. Additionally, *FOX Business* is now the most-watched business news network in terms of total business day viewing.

With sports programming accounting for 86 of the top 100 most watched live-plus-same-day programs in the U.S. during calendar 2017, our strategy aims to leverage the durability of sports to consistently deliver mass audience reach with diminished risk of audience dilution from time shifted viewing.

Within the live sports category, *FOX Sports* on the FOX Network aired 17% more live sporting events in 2017 than the next competitor, including the most watched program in all of television for eight consecutive years, the NFL's *America's Game of the Week*. The entire *FOX Sports* portfolio telecasts approximately 25% of all U.S. sports programming viewed.

The FOX Network delivers high-quality content that aligns with changes in consumer behavior. We invest programming budgets in market leading live sports programming, including NFL games on Sundays, MLB, NCAA and FIFA programming, and, in the future NFL games on Thursdays and WWE *Smackdown* on Fridays, and when not airing sports programming, in two hours of prime-time popular scripted programming per night, including our popular animated series on Sundays. We do not deliver early morning or late-night talk shows. Due to the strength and popularity of our programming and the loyalty of our audiences, we are well positioned to maintain our distributor-customer relationships and extend our offerings directly to our consumers.

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Premium brands that resonate deeply with viewers.

Anchored by the “FOX” name, FOX produces and distributes content through some of the world’s leading and most valued brands. We believe FOX is uniquely positioned, as evidenced by its long track record of challenging the status quo, to continue making bold, innovative decisions, disrupting competitors and forming deeper relationships with audiences. *FOX News* is among the most influential and recognized news brands in the world, recently ranked the “most trusted” American TV news brand in the U.S., according to an independent survey conducted by Brand Keys, a marketing consulting firm. Because of its brand loyalty and relationship with its viewers, *FOX News* has enjoyed long-time success as one of the most successful channels on all of television. Similarly, *FOX Sports* earned a reputation for innovative sports programming and, with its far-reaching presence in virtually every U.S. household, is the premier destination for live sporting events and sports commentary. These brands, and others in our portfolio, including our local news affiliates programming under the FOX brand, hold cultural significance with consumers, distributors and advertisers. The live nature and high quality of our programming and the strength of our brands maximizes the value of our content through a combination of affiliate fees and advertising sales.

Significant presence and relevance in major domestic markets.

FOX’s portfolio combines the range of national cable and broadcast networks with the power of tailored local television. *FOX News* and FOX Business are available in over 80 million U.S. households and the FOX Network is available in 99.9% of U.S. households, fostering dialogue and programming at the national level. Additionally, our 28 owned and operated full power broadcast television stations are located in nine of the ten largest DMAs and work in concert with stations affiliated with the FOX Network across the U.S., balancing content of national interest with programming of note to local communities. On a weekly basis, *FOX News* and *FOX Business* produce approximately 130 hours and 85 hours, respectively, of national live news and original programming and FOX Television Stations produces approximately 970 hours of local news. The breadth and depth of our footprint allows us to produce and distribute our content in a cost-effective manner and share best business practices and models across regions. It also allows us to engage audiences, develop deeper consumer relationships and create more compelling product offerings.

Attractive financial profile, including strong balance sheet and multiple revenue streams.

As a result of our mix of live news and sports programming and television station assets, FOX has demonstrated leading growth in a challenging industry environment over the past several years. We have achieved strong revenue growth and profitability, which have been favorably impacted by affiliate fee increases. Additionally, our strong balance sheet provides us with the financial flexibility to continue to invest across our businesses, allocate resources toward investments in higher growth initiatives, and take advantage of strategic opportunities, including potential acquisitions, across the range of the media categories in which we operate.

As of June 30, 2018, on a pro forma basis taking into consideration 21CF’s expected contribution, we had total assets of approximately $ million. See “Summary Historical and Unaudited Pro Forma Combined Financial Information” and the “Unaudited Pro Forma Combined Financial Information” for further details.

Substantial tax benefits enhance net cash provided by operating activities.

As a result of the distribution, FOX expects to receive a step-up in tax basis based on the amount of the taxable gain recognized in connection with the separation that is expected to result in substantial annual cash tax savings over the next 15 years. The final amount of the step-up in tax basis, and, accordingly the amount of the cash tax savings, will depend on several factors, including the volume weighted average trading price of FOX stock on the date of distribution. The growth and profitability of our businesses on a standalone basis, in conjunction with these cash tax savings and relatively modest capital needs, are expected to support an attractive cash flow conversion profile. These factors offer the financial flexibility to help us navigate the evolving media landscape and invest organically to maintain our leading market positions. We expect to maintain a balanced capital allocation policy and will opportunistically evaluate strategic alternatives.

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Experienced management team with deep industry expertise and long track record of success building franchises.

We will be led by our founder and co-chairman, K. Rupert Murdoch, our chairman and Chief Executive Officer, Lachlan K. Murdoch, and our Chief Operating Officer, John P. Nallen. The FOX leadership team is supported by the continuity of experienced senior executives with more than 80 years combined tenure in our Company. Our team shares an unmatched track record of news, sports, and entertainment industry success that will shape their vision as we seek to capitalize on our current strengths and strategically invest in new initiatives and businesses, grow our platform and generate value for our stockholders.

Goals and Strategies

Maintain leading positions in live news and sports landscape.

We have one of the strongest portfolios in live news and sports programming and we believe that building on our leading market positions is essential to our success. We plan to invest in our most attractive growth opportunities by allocating capital to our live news and sports franchises, which we believe have distinct competitive advantages and brand positions. Recently, we bolstered our position as the leader in live sports events by acquiring rights from the NFL to broadcast five seasons of *Thursday Night Football*, including digital streaming rights on *FOX Sports GO*. We believe continuing to provide compelling news and sports programming across platforms will increase the engagement level of our audiences, improve the amount of revenue generated from distributors, advertisers and affiliates, and facilitate growth. This strategy is already yielding results as *FS1* and *FOX Sports* outperformed their primary competitor in 2017 with respect to total live viewership, according to SNL Kagan research.

Increase revenue growth through continued high quality, premium and valuable content.

As a more streamlined company, FOX will endeavor to maximize our revenue streams. We create high quality programming that delivers value for our distributor customers, affiliates and viewers and we intend to receive appropriate value for our content. We are optimistic about our ability to grow revenue from the distribution of our content. In particular, we believe there are ample growth opportunities within the FOX Network by offering new and diversified sources of content tailored to our viewership that reflect strategic scheduling decisions that distinguish the FOX Network from the competition. This includes our "Own the Fall" initiative at *FOX Sports*, where we will broadcast the most live sports events of any channel between Labor Day and Christmas, including the NFL, college football and post-season MLB. With respect to advertising revenue performance, we believe there are significant opportunities as a standalone, publicly traded company to improve performance at the FOX Network with respect to its general entertainment programming. We also believe our innovative advertising platforms and premium live content delivers substantial value to our advertising customers, which will drive growth through enhanced focus as a separate entity. Finally, the ability to obtain content without regard to the ownership of a studio will facilitate growth by allowing us to directly manage the economics and programming decisions of our broadcast network and stations group. The benefits of separation and a more focused portfolio will allow FOX to make comprehensive programming decisions consistent with our overall strategy.

Leverage brands to expand our online distribution offerings, increasing complementary sources of revenues.

The strength of our brands will allow us to create effective platforms for the digital distribution of our content. Nearly all of our channels are already offered in all major over-the-top streaming services and we plan to continue enhancing our digital offerings with over-the-top distributors, including streaming via web sites, smartphone and tablet applications, and online and on-demand streaming videos. Specifically, we recognize the need to continuously cultivate direct interactions between FOX brands and consumers outside traditional, linear television via D2C and over-the-top solutions. As a result, *FOX News* recently announced the launch of *FOX Nation*, an over-the-top streaming service, delivering premium content complementary to *FOX News* programming directly to consumers, expected to launch in late 2018. We will endeavor to identify similarly innovative new products and services across our business to increase revenues and profitability.

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Business Segments

The Company is a leading news, sports and broadcast company, which manages and reports its business in the segments described below.

Cable Network Programming

The Company produces and licenses news, business news and sports content for distribution primarily through cable television systems, direct broadcast satellite operators, telecommunications companies and online video distributors in the U.S.

FOX News and FOX Business Network. *FOX News* owns and operates the *FOX News* channel, the number one cable news channel and the top-rated national cable news channel for 67 consecutive quarters, according to Nielsen, as well as the FOX Business Network, a business news national cable channel, with its eighth consecutive quarter as the most-watched business network by total business day viewers, according to Nielsen.

FOX News also produces a weekend political commentary show, *FOX News Sunday*, for broadcast on FOX Television Stations throughout the U.S. *FOX News*, through its *FOX News Edge* service, licenses news feeds to affiliates to the FOX Network and other subscribers to use as part of local news broadcasts throughout the U.S. *FOX News* owns and operates several digital platforms, including the *FOX News* and *FOX Business* mobile applications, *FOX News* and *FOX Business GO*, FOXNews.com and FOXBusiness.com. *FOX News* owns and produces the national *FOX News Radio Network*, which licenses news updates and long-form programs to local radio stations and to satellite radio providers.

FS1. FS1 is a multi-sport national video programming network featuring over 830 live events in calendar year 2018, including college football and basketball, UEFA Champions League, the Bundesliga and FIFA *World Cup* events, MLS, NASCAR, NHRA, USGA, The Westminster Kennel Club Dog Show, Jr. NBA World Championships and UFC, as well as regular season and post-season MLB games. In addition to live events, FS1 features opinion shows such as *Skip and Shannon: Undisputed*, *The Herd with Colin Cowherd*, *First Things First* and *Speak for Yourself with Cowherd and Whitlock*, original programming from *FOX Sports Films* and daily studio programming.

FS2. FS2 is a multi-sport national video programming network featuring live events from UFC and NASCAR, along with college basketball, college football, rugby, Australian Rules Football, world-class soccer and motorsports programming. During calendar year 2018, FS2 expects to feature over 400 live events.

FOX Sports Racing. FOX Sports Racing is a 24-hour video programming service consisting of motorsports programming, including NASCAR races, events and original programming (with exclusive coverage of the NASCAR Camping World Truck Series), NHRA, The Automobile Racing Club of America, Racing Series, WeatherTech SportsCar Championship, Monster Energy Supercross and Monster Jam. FOX Sports Racing is distributed to subscribers in Canada and the Caribbean.

FOX Soccer Plus. FOX Soccer Plus is a premium video programming network showcasing over 350 exclusive live soccer and rugby competitions including events from Bundesliga, FIFA, Super Rugby League, Australian Football League and the National Rugby League.

FOX Deportes. FOX Deportes is a Spanish-language sports programming service distributed in the U.S. FOX Deportes has more than 3,300 annual hours of live and exclusive programming, including exclusive Spanish language coverage of premier soccer matches (such as Liga MX and Copa MX Tijuana Xolos and Rayados de Monterrey home matches, MLS, Bundesliga, Copa Libertadores and Copa Sudamericana), UFC events, Monster Energy NASCAR Cup, the NFL, post-season games, including the National Football Conference, or NFC, Championship game in 2018, and MLB, including regular season, All-Star, National

League Championship Series (in 2018) and World Series games. In addition to live events, FOX Deportes also features multi-sport news and highlight shows and daily studio programming, including *Central FOX*. FOX Deportes reaches more than 21 million cable and satellite households in the U.S., of which over six million are Hispanic.

Big Ten Network. We own an approximate 51% interest in the Big Ten Network, a 24-hour national video programming service dedicated to the collegiate Big Ten Conference and Big Ten athletics, academics and related programming. The Big Ten Network televises approximately 520 live collegiate events annually, including football games, regular-season and post-season men's basketball games, women's basketball games, men's and women's Olympic events (featuring volleyball, soccer, wrestling, gymnastics, ice hockey, softball, baseball, lacrosse and more). In addition to live events, the Big Ten Network televises a variety of studio shows such as *BTN Live*, *B1G Football & Beyond*, *B1G Basketball & Beyond*, and *The B1G Show*; Big Ten football and basketball game cut downs; and original programming from BTN Originals such as *The Journey*, *Campus Eats*, *Big Ten Elite* and original documentaries.

Digital Distribution. The Company also distributes programming through its FOX-branded and network-branded websites and applications and licenses programming for distribution through the websites and applications of cable television systems, direct broadcast satellite operators, telecommunications companies and online video distributors. The Company's websites and applications provide live and/or on-demand streaming of network-related programming primarily on an authenticated basis to allow video subscribers of the Company's participating distribution partners to view Company content via the Internet. Such websites and applications currently include: the website FOXSportsgo.com and the application *FOX Sports GO*, which offer live and on-demand streaming of both broadcast and cable network sports programming; and the website BTN2Go.com and the application BTN2Go, which offer live and on-demand streaming of the Big Ten Network programming.

FOX Sports College Properties. FOX Sports College Properties, or FSCP, a division of Home Team Sports, or HTS, holds the exclusive multi-media and sponsorship representation rights for USC and the Los Angeles Memorial Coliseum, Michigan State University, University of Florida, Auburn, San Diego State, Georgetown, Villanova and the BIG EAST Conference. HTS is a multi-media sales unit that connects advertisers with every MLB, NHL and National Basketball Association, or NBA, home team in the U.S.

Competition

General. Cable network programming is a highly competitive business. Cable networks compete for content and distribution and, when distribution is obtained, for viewers and advertisers with free-to-air broadcast television, radio, print media, motion picture theaters, DVDs, Blu-ray high-definition format discs, or Blu-rays, Internet delivered free, advertising supported, subscription and rental services, wireless and portable viewing devices and other sources of information and entertainment. Important competitive factors include the prices charged for programming, the quantity, quality and variety of programming offered, the accessibility of such programming, the ability to adapt to new technologies and distribution platforms, quality of user experience and the effectiveness of marketing efforts.

FOX News and FOX Business Network. FOX News channel's primary competition comes from the cable networks CNN, HLN (CNN's Headline News) and MSNBC. FOX Business Network's primary competition comes from the cable networks CNBC and Bloomberg Television. *FOX News* channel and FOX Business Network also compete for viewers and advertisers within a broad spectrum of television networks, including other non-news cable networks and free-to-air broadcast television networks.

Sports programming operations. A number of basic and pay television programming services, such as ESPN and NBC Sports Network, as well as free-to-air stations and broadcast networks, provide programming that also targets FS1, FS2 and the Big Ten Network's respective audience. On a national level, the primary competitors to FS1, FS2, and the Big Ten Network are ESPN, ESPN2, NBC Sports Network, Golf Channel and

league-owned networks such as NFL Network, NHL Network, NBA TV and MLB Network. In regional markets, the Big Ten Network competes with other RSNs (including those operated by team owners, collegiate conferences and cable television distributors), local broadcast television stations and other sports programming providers and distributors. FS1, FS2, and the Big Ten Network also face competition online from ESPN+, Yahoo Sports, Facebook, Twitter, ESPN.com, NBCSports.com and CBSSports.com, among others.

In addition, FS1, FS2, and the Big Ten Network compete, to varying degrees, for sports programming rights. FS1, FS2 and the Big Ten Network compete for national rights principally with a number of national cable and broadcast services that specialize in or carry sports programming, including sports networks launched by the leagues and collegiate conferences. Cable television distributors sometimes contract directly with the sports teams in their service area for the right to distribute a number of those teams' games on their systems. Additionally, cable television distributors and online and social media properties such as Amazon, Yahoo Sports, Facebook and Twitter compete with the Company's cable sports networks by acquiring and distributing sports content to their online users.

Television

The Company is engaged in the operation of broadcast television stations and the acquisition, marketing and distribution of broadcast network programming nationally under the FOX brand.

FOX Television Stations

FOX Television Stations owns and operates 28 full power stations, including stations located in nine of the top ten largest DMAs and duopolies in 11 DMAs, including the three largest DMAs (New York, Los Angeles and Chicago).

Of the 28 full power stations, 17 stations are affiliates of the FOX Network. For a description of the programming offered to affiliates to the FOX Network, see "—FOX Broadcasting Company." In addition, FOX Television Stations owns and operates 10 stations broadcasting programming from MyNetworkTV.

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The following table lists certain information about each of the television stations owned and operated by FOX Television Stations. Unless otherwise noted, all stations are affiliates to the FOX Network.

FOX Television Stations

	DMA/Rank	Station	Digital Channel RF (Virtual)	Type	Percentage of U.S. Television Households Reached (a)
New York, NY	1	WNYW	44(5)	UHF	6.3%
		WWOR(b)(c)	25(9)	UHF	
Los Angeles, CA	2	KTTV	11(11)	VHF	4.7%
		KCOP(b)	13(13)	VHF	
Chicago, IL	3	WFLD	31(32)	UHF	2.9%
		WPWR(b)(d)(e)	31(50)	UHF	
Philadelphia, PA	4	WTXF	42(29)	UHF	2.6%
Dallas, TX	5	KDFW	35(4)	UHF	2.4%
		KDFI(b)	36(27)	UHF	
Washington, DC	6	WTTG	36(5)	UHF	2.2%
		WDCA(b)(f)	36(20)	UHF	
Houston, TX	7	KRIV	26(26)	UHF	2.2%
		KTXH(b)	19(20)	UHF	
San Francisco, CA	8	KTVU	44(2)	UHF	2.2%
		KICU(g)	36(36)	UHF	
Atlanta, GA	9	WAGA	27(5)	UHF	2.2%
Phoenix, AZ	11	KSAZ	10(10)	VHF	1.7%
		KUTP(b)	26(45)	UHF	
Tampa, FL	13	WTVT	12(13)	VHF	1.7%
Detroit, MI	14	WJBK	7(2)	VHF	1.6%
Minneapolis, MN(h)	15	KMSP	9(9)	VHF	1.5%
		WFTC(b)	29(29)	UHF	
Orlando, FL	18	WOFL	22(35)	UHF	1.4%
		WRBW(b)	41(65)	UHF	
Charlotte, NC	23	WJZY	47(46)	UHF	1.0%
		WMYT(b)(i)	47(55)	UHF	
Austin, TX	39	KTBC	7(7)	VHF	0.7%
Gainesville, FL	159	WOGX	31(51)	UHF	0.1%
TOTAL					37.4%

Source:Nielsen Media Research, January 2018.

(a) VHF television stations transmit on channels 2 through 13 and UHF television stations on Channels 14 through 51. The FCC applies a discount, which we refer to as the UHF Discount, which attributes only 50% of the television households in a local television market to the audience reach of a UHF television station for purposes of calculating whether that station's owner complies with the national station ownership cap imposed by FCC regulations and by statute; in making this calculation, only the station's RF broadcast channel is considered. In a duopoly market, both stations must be UHF for the discount to apply. In addition, the coverage of two commonly owned stations in the same market is counted only once. The percentages listed are rounded and do not take into account the UHF Discount. For more information regarding the FCC's national station ownership cap, see "—Government Regulation" in this information statement.

(b) MyNetworkTV licensee station.

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(c) WWOR hosts television station WRNN, New Rochelle, NY, licensed to WRNN License Company, LLC, an unrelated third party pursuant to a channel sharing agreement between FOX Television Stations and WRNN License Company, LLC. Since May 1, 2018, a portion of the spectrum formerly licensed to WWOR is shared with and licensed to WRNN.
(d) Since June 11, 2018, WPWR-TV channel shares with WFLD.
(e) Station WPWR is an affiliate of The CW Television Network during prime time and other network time periods. MyNetworkTV programming is telecast during other time periods.
(f) Since July 18, 2018, WDCA channel shares with WTTG.
(g) Independent station.
(h) The Company also owns and operates full power station KFTC, Channel 26, Bemidji, MN as a satellite station of WFTC, Channel 29, Minneapolis, MN. Station KFTC is in addition to the 28 full power stations described in this section.
(i) Since June 6, 2018, WMYT-TV channel shares with WJZY.

In March 2017, the FCC concluded a voluntary auction to reclaim 84 megahertz, or MHz, of the television broadcast station spectrum. FOX Television Stations had three stations' bids to relinquish spectrum accepted by the FCC as part of the auction. As a result, the spectrum previously utilized by stations WDCA, Washington, DC; WMYT, Charlotte, NC; and WPWR, Chicago, IL has been relinquished to the FCC in June 2018 (WPWR-TV and WMYT-TV) and July 2018 (WDCA). In each of those markets, FOX Television Stations has begun channel sharing arrangements whereby both of its stations in the market operate using a single 6 MHz channel. This enables each of WDCA, WMYT and WPWR to continue its operations. For further information, see "—Government Regulation."

FOX Broadcasting Company

FOX Broadcasting Company, which we refer to as the FOX Network, has 208 affiliates, including 17 stations owned and operated by the Company, which reach approximately 99.9% of all U.S. television households. In general, each week the FOX Network regularly delivers to its affiliates 15 hours of prime-time programming, 60 minutes of late-night programming on Saturday and 60 minutes of news programming on Sunday. During the 2017-2018 traditional broadcast season, the FOX Network prime-time entertainment programming featured such series as *9-1-1*, *Bob's Burgers*, *Empire*, *Family Guy*, *The Gifted*, *Gotham*, *Lethal Weapon*, *The Orville*, *The Resident*, *Star* and *The Simpsons*; unscripted series such as *The Four: Battle for Stardom*, *Hell's Kitchen*, *Master Chef Junior* and *Showtime at the Apollo*; event series such as *The X-Files*; and event specials such as *A Christmas Story Live!* In addition, a significant component of the FOX Network programming consists of sports programming, with the FOX Network providing to its affiliates live coverage of the NFC of the NFL (including coverage of the NFC playoffs) and MLB (including post-season and the *World Series*), as well as live coverage of the Monster Energy NASCAR Cup Series (including the *Daytona 500*), USGA golf events (including the men's *U.S. Open*), college football and basketball, UFC and international soccer (including FIFA *World Cup* events). The Company has acquired rights to the NFL's Thursday Night Football package and began airing live coverage of these games in August 2018.

The FOX Network prime-time line-up is intended to appeal primarily to target audiences of 18 to 49-year old adults, the demographic group that advertisers seek to reach most often, with an emphasis on the 18 to 34-year old adult demographic coveted by advertisers. During the 2017-2018 traditional September to May broadcast season, the FOX Network ranked third among adults ages 18 to 49 (tied with ABC Television Network, or ABC, and based on Live+7 ratings), just one-tenth of a rating point behind CBS Television Network, or CBS. The FOX Network ranked second among adults ages 18 to 34 (based on Live+7 ratings). The FOX Network ranked second in prime-time programming among teens ages 12 to 17 (tied with ABC and CBS and based on Live+7 ratings). The FOX Network has ranked among the top two networks in adults ages 18 to 34 for the past 23 years (1995-1996 to 2017-2018) and in teens ages 12 to 17 for the past 27 years (1991-1992 to 2017-2018). The FOX Network's *9-1-1* ranked among the season's top three new entertainment series among adults ages 18 to 49, adults ages 18 to 34 and teens ages 12 to 17, while ranking second in the same measures among

new dramas. *Empire* ranked among the season's top five broadcast dramas among adults ages 18 to 34 and teens ages 12 to 17 for the fourth consecutive season. The FOX Network has seven of the season's top 20 new series, more than any other network, including: *9-1-1*, *The Orville*, *The Gifted*, *The Resident*, and *The Four: Battle for Stardom*. Inclusive of all telecasts, the median age of the FOX Network viewer is 51 years, as compared to 55 years for each of ABC and NBC Television Network, or NBC, and 60 years for CBS. Excluding all sports and repeat programming, the median age of the FOX Network viewer is 50 years, as compared to 56 years for ABC, 57 years for NBC and 61 years for CBS.

The FOX Network obtains programming from major television studios, including Twentieth Century Fox Television (which, after the closing of the transactions, will be owned by New Disney), and independent television production companies pursuant to license agreements. The terms of those agreements generally provide the FOX Network with the right to broadcast a television series for a minimum of four seasons.

National sports programming is obtained through license agreements with professional or collegiate sports leagues or organizations. The FOX Network's current licenses with the NFL, MLB, college football and basketball conferences, NASCAR, FIFA and USGA are secured by long-term agreements.

The FOX Network provides programming to its 208 affiliates in accordance with affiliation agreements of varying durations, which grant to each affiliate the right to broadcast network television programming on the affiliated station. Such agreements typically run three or more years and have staggered expiration dates. These affiliation agreements require affiliates to the FOX Network to carry the FOX Network programming in all time periods in which the FOX Network programming is offered to those affiliates, subject to certain exceptions stated in the affiliation agreements.

The FOX Network also distributes programming through its network-branded website, FOX.com, and its FOXNOW application which offer live streaming of the FOX Network shows and programming from many broadcast stations affiliated with the FOX Network, and licenses programming for distribution through the websites and applications of cable television systems, direct broadcast satellite operators, telecommunications companies and online video distributors.

MyNetworkTV

The programming distribution service, Master Distribution Service, Inc. (branded as MyNetworkTV), distributes two hours per night, Monday through Friday, of off-network programming from syndicators to its licensee stations. As of June 30, 2018, MyNetworkTV had license and delivery agreements covering 183 stations, including 10 stations owned and operated by the Company, reaching approximately 97% of U.S. households.

Competition. The network television broadcasting business is highly competitive. The FOX Network and MyNetworkTV compete for audiences, programming and advertising revenue with other broadcast networks, such as ABC, NBC, CBS and The CW Television Network, independent television stations, cable and direct broadcast satellite distribution services, cable and direct broadcast satellite television networks, as well as other media, including digital platforms, Internet-delivered free, advertising supported, subscription and rental services, and DVDs, Blu-rays and other physical media. In addition, the FOX Network and MyNetworkTV compete with other broadcast networks and programming distribution services to secure affiliations or station agreements with independently owned television stations in markets across the U.S. ABC, NBC and CBS each broadcasts a significantly greater number of hours of programming than the FOX Network and, accordingly, may be able to designate or change time periods in which programming is to be broadcast with greater flexibility than the FOX Network. In addition, future technological developments may affect competition within the broadcast television marketplace.

Each of the stations owned and operated by FOX Television Stations also competes for advertising revenues with other television stations, radio and cable systems in its respective market area, along with other advertising

media, such as digital platforms, Internet apps and websites, newspapers, magazines, outdoor advertising and direct mail. All of the stations owned and operated by FOX Television Stations are located in highly competitive markets. Additional items that are material to the competitive position of each of the television stations include management experience, authorized power and assigned frequency of that station. Competition for sales of broadcast advertising time is based primarily on the anticipated and actually delivered size and demographic characteristics of audiences as determined by various rating services, price, the time of day when the advertising is to be broadcast, competition from the other broadcast networks, cable television systems, direct broadcast satellite television, services and digital media and general economic conditions. Competition for audiences is based primarily on the selection of programming, the acceptance of which is dependent on the reaction of the viewing public, which is often difficult to predict.

Other Enterprises and Investments

FOX Studios lot. FOX also owns the FOX Studios lot in Los Angeles, California. The historic FOX Studios lot currently provides over 1.5 million square feet of space for both administration and production services including, but not limited to, 15 sound stages, 4 scoring and mixing stages, 2 broadcast studios, theaters, editing bays, dressing rooms, production offices and catering facilities. Following the distribution, the FOX Studios lot will provide two revenue streams: one through the lease of office space to RemainCo and the other through operation of studio facilities for use by third party productions**.** FOX will be responsible for management of the FOX Studios lot, including performing all elements of servicing and managing the facility and managing and providing studio operation services, including production operations and post-production services. FOX will lease office space on the FOX Studios lot to RemainCo for an initial term of seven years, subject to two five-year renewal options for RemainCo. See “The Transactions—Certain Agreements—Studio Lot Lease and Management Agreement.” The results attributable to the FOX Studios lot are reported in our Other, Corporate and Eliminations segment.

Roku. FOX also owns approximately 5% of Roku, a pioneer in streaming TV that connects users to movies, shows and music, enables content publishers to build and monetize large audiences and provides advertisers with unique capabilities to engage consumers. Roku operates the number one TV streaming platform in the U.S. as measured by total hours streamed, according to Kantar Millward Brown research. It had 22 million active accounts as of June 30, 2018 and streams billions of hours of content every quarter. Our interest in Roku is reported as an equity investment.

Government Regulation

The television broadcast industry in the U.S. is highly regulated by federal laws and regulations issued and administered by various agencies, including the FCC. The FCC regulates television broadcasting, and certain aspects of the operations of cable, satellite and other electronic media that compete with broadcasting, pursuant to the Communications Act. The introduction of new laws and regulations or changes in the enforcement or interpretation of existing laws and regulations could have a negative impact on the operations, prospects and financial performance of the Company.

Broadcast Licenses. The Communications Act permits the operation of television broadcast stations only in accordance with a license issued by the FCC upon a finding that the grant of the license would serve the public interest, convenience and necessity. The Company owns broadcast licensees in connection with its ownership and operation of television stations. Under the Communications Act, television broadcast licenses may be granted for a maximum term of eight years. Generally, the FCC renews broadcast licenses upon finding that the television station has served the public interest, convenience and necessity; there have been no serious violations by the licensee of the Communications Act or FCC rules and regulations; and there have been no other violations by the licensee of the Communications Act or FCC rules and regulations which, taken together, indicate a pattern of abuse. Currently, FOX Television Stations has no pending renewal applications for its television broadcast licenses.

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Ownership Regulations. Under the FCC's national television ownership rule, as established by Congress, one party may own television stations with a collective national audience reach of not more than 39% of all U.S. television households. Under the FCC's local television ownership rule, one party may own up to two television stations in the same DMA and there is also a presumptive prohibition on the ownership of two stations ranked among the top-four stations in a DMA based on audience share, measured as of the date an application for FCC approval of an acquisition is filed. In addition, the FCC's newspaper/broadcast cross-ownership rule previously prohibited common ownership of broadcast stations and daily newspapers in a single DMA. FOX Television Stations is in compliance with applicable ownership regulations.

In April 2017, the FCC reinstated the UHF discount, pursuant to which a UHF television station is attributed with reaching only 50% of the television households in its market for purposes of calculating national audience reach under the national ownership rule. In December 2017, the FCC issued a Notice of Proposed Rulemaking pursuant to which it will consider modifying, retaining or eliminating the 39% national television audience reach limitation (including possibly the UHF discount). If the FCC determines in the future to again eliminate the UHF discount, but does not eliminate or modify the national television audience reach limitation, the Company's ability to acquire television stations in additional markets may be affected.

In November 2017, the FCC issued a reconsideration order that eliminated the newspaper/broadcast cross-ownership rule, which prohibited common ownership of broadcast stations and daily newspapers in the same market, and relaxed the local television ownership rule so that, among other things, station owners could petition the FCC to permit ownership of two stations both ranked among the top four in a market. The reconsideration order is currently the subject of an appeal in the United States Court of Appeals for the Third Circuit. Prior to the elimination of the rule, the Company had operated under waivers of the cross-ownership rule because Company shareholders retained an attributable interest in *The New York Post,* a daily newspaper in the New York DMA, by virtue of the Murdoch Family Trust's ownership interest in both News Corp and the Company. If the elimination of the newspaper/broadcast cross-ownership rule is overturned by the court, the Company's operations or future conduct, including the acquisition of any broadcast networks, or stations or any newspapers, in the same local markets in which News Corp owns or operates newspapers or has acquired television stations, may affect News Corp's ability to own and operate its business in compliance with the rule. We have agreed with News Corp that, if we acquire newspapers, radio or television broadcast stations or television broadcast networks in the U.S., and such acquisition would impede or be reasonably likely to impede News Corp's business, then we will be required to take certain actions, including divesting assets, in order to permit News Corp to hold its media interests and to comply with applicable rules.

Under the Communications Act, no broadcast station licensees may be owned by a corporation if more than 25% of the corporation's stock is owned or voted by non-U.S. persons, their representatives, or by any other corporation organized under the laws of a foreign country. The FCC could review the Company's compliance with the foreign ownership regulations in connection with its consideration of FOX Television Stations' license renewal applications.

Carriage and Content Regulations. FCC regulations require each television broadcaster to elect, at three-year intervals, either to require carriage of its signal by MVPDs in the station's market or to negotiate the terms in which that broadcast station would permit transmission of its signal by the MVPDs within its market, which we refer to as the retransmission consent. Generally, FOX Television Stations has elected retransmission consent for all of its owned and operated stations.

Federal legislation limits the amount of commercial matter that may be broadcast during programming designed for children 12 years of age and younger. In addition, under FCC regulations, television stations are generally required to broadcast a minimum of three hours per week of programming, which, among other requirements, must serve, as a "significant purpose," the educational and informational needs of children 16 years of age and under. A television station found not to have complied with the programming requirements or commercial limitations could face sanctions, including monetary fines and the possible non-renewal of its license.

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FCC rules prohibit the broadcast by television and radio stations of indecent or profane material between the hours of 6:00 a.m. and 10:00 p.m. Federal law currently authorizes the FCC to impose fines of up to $350,000 per incident for violation of the prohibition against indecent and profane broadcasts. The FCC may impose fines for, and also has the power to pursue license revocation proceedings in cases of, serious or multiple violations of the indecency prohibition. Several complaints alleging the broadcast of indecent or profane material by FOX Television Stations are believed to be pending at the FCC (and it is not possible to predict the outcome of any such complaints).

Modifications to the Company's programming to reduce the risk of indecency violations could have an adverse effect on the competitive position of FOX Television Stations and the FOX Network. If indecency regulation is extended to Internet or cable and satellite programming, and such extension was found to be constitutional, some of the Company's other programming services could be subject to additional regulation that might affect subscription and viewership levels.

The FCC continues to enforce strictly its regulations concerning sponsorship identification, political advertising, children's television, environmental concerns, equal employment opportunity, technical operating matters and antenna tower maintenance. In addition, the Federal Trade Commission, or FTC, has increased its focus on unfair and deceptive advertising practices, particularly with respect to social media marketing. Both FCC and FTC rules and guidance require marketers to clearly and conspicuously disclose whenever there has been payment for a marketing message or when there is a material connection between an advertiser and a product endorser.

FCC rules also require the closed captioning of almost all broadcast and cable programming. In addition, Federal law requires affiliates of the four largest broadcast networks in the 25 largest markets to carry a specified minimum amount of hours of prime time or children's programming per calendar quarter with video descriptions, i.e., a verbal description of key visual elements inserted into natural pauses in the audio and broadcast over a separate audio channel. The same statute requires programming that was captioned on television to retain captions when distributed via Internet Protocol apps or services.

FCC regulations govern various aspects of the agreements between networks and affiliated broadcast stations, including, among other things, a mandate that television broadcast station licensees retain the right to reject or refuse network programming in certain circumstances or to substitute programming that the licensee reasonably believes to be of greater local or national importance.

Violation of FCC regulations can result in substantial monetary forfeitures, periodic reporting conditions, short-term license renewals and, in egregious cases, denial of license renewal or revocation of license. Violation of FTC-imposed obligations can result in enforcement actions, litigation, consent decrees and, ultimately, substantial monetary fines.

National Broadband Plan. In order to free up more spectrum for wireless broadband services, the FCC has promulgated a national Broadband Plan that is intended to incentivize current private-sector spectrum holders to return some of their spectrum to the government through such initiatives as voluntary "incentive" spectrum auctions and "repacking" of channel assignments to increase efficient spectrum usage. Over time, if voluntary measures fail to yield the amount of spectrum the FCC deems necessary for wireless broadband deployment, the Broadband Plan proposed various mandates to reclaim spectrum, such as forced channel sharing. The FCC already has conducted one voluntary "incentive" auction to reclaim spectrum from broadcasters willing to relinquish it. FOX Television Stations had three stations' bids to relinquish spectrum accepted by the FCC as part of that auction, which concluded in March 2017. Of its remaining stations, nine will be required to repack during a multi-year transition.

Privacy and Information Regulation

The laws and regulations governing the collection, use and transfer of consumer information are complex and rapidly evolving, particularly as they relate to the Company's digital businesses. The Company monitors and

considers these laws and regulations in the design and operation of digital content services and legal and regulatory compliance programs.

Federal laws and regulation affecting the Company's online services, websites and other business activities include: the Children's Online Privacy Protection Act (COPPA), which prohibits websites and online services from collecting personally identifiable information online from children under age 13 without prior parental consent; the Controlling the Assault of Non-Solicited Pornography and Marketing Act (CAN-SPAM), which regulates the distribution of unsolicited commercial emails, or "spam"; the Video Privacy Protection Act (VPPA), which prohibits the knowing disclosure of information that identifies a person as having requested or obtained specific video materials from a "video tape service provider"; and the Telephone Consumer Protection Act (TCPA), which restricts certain marketing communications, such as text and calls, without explicit consent. Although the media industry is also active in self-regulatory initiatives relating to advertising and online privacy, such initiatives may be replaced or superseded by government action. A number of privacy and data security bills that address the collection, maintenance and use of personal information, breach notification requirements and cybersecurity are pending or have been adopted at both the state and federal level. In addition, state attorneys general have made consumer privacy and data security an enforcement focus. Violations of applicable privacy and data security laws can result in significant monetary fines and other penalties and could harm our reputation even if we are not otherwise responsible for the violation.

Non-U.S. governments also have implemented privacy and data security laws and regulations, some of which could apply to us even if our business is conducted from the U.S. In addition, new privacy and data security laws and regulations continue to be introduced and assessed by non-U.S. governments. It is possible that our current data protection policies and practices may be deemed inconsistent with new legal requirements or interpretations thereof, and could result in the violation of these new laws and regulations. The EU General Data Protection Regulation (GDPR), in particular, regulates the collection, use and security of personal data and restricts the trans-border flow of such data, and can result in the imposition of significant fines for non-compliance.

Intellectual Property

The Company's intellectual property assets include copyrights in television programming and other publications, websites and technologies; trademarks, trade dress, service marks, logos, slogans, sound marks, design rights, symbols, characters, names, titles and trade names, domain names; patents or patent applications for inventions related to its products, business methods and/or services, trade secrets and know how; and licenses of intellectual property rights of various kinds. The Company derives value from these assets through the production, distribution and/or licensing of its television programming to domestic and international cable and satellite television services, video-on-demand services, operation of websites, and through the sale of products, such as collectible merchandise, apparel, books and publications, among others.

The Company devotes significant resources to protecting its intellectual property, relying upon a combination of copyright, trademark, unfair competition, patent, trade secret and other laws and contract provisions. There can be no assurance of the degree to which these measures will be successful in any given case. Policing unauthorized use of the Company's products and services and related intellectual property is often difficult and the steps taken may not in every case prevent the infringement by unauthorized third parties of the Company's intellectual property. The Company seeks to limit that threat through a combination of approaches, including offering legitimate market alternatives, deploying digital rights management technologies, pursuing legal sanctions for infringement, promoting appropriate legislative initiatives and international treaties and enhancing public awareness of the meaning and value of intellectual property and intellectual property laws. Piracy, including in the digital environment, continues to present a threat to revenues from products and services based on intellectual property.

Third parties may challenge the validity or scope of the Company's intellectual property from time to time, and such challenges could result in the limitation or loss of intellectual property rights. Even if not valid, such

claims may result in substantial costs and diversion of resources that could have an adverse effect on the Company's operations.

Employees

As of , 2018, FOX had approximately employees, of whom approximately were located in the U.S. The contracts with unions of which the Company's trade employees and others are members will expire during various times over the next several years. The Company believes its current relationships with employees are generally good.

Properties

FOX owns the FOX Studios lot in Los Angeles, California. The historic FOX Studios lot currently provides over 1.5 million square feet of space for both administration and production services including, but not limited to, 15 sound stages, 4 scoring and mixing stages, 2 broadcast studios, theaters, editing bays, dressing rooms, production offices and catering facilities. Following the distribution, the FOX Studios lot will provide two revenue streams – one through the lease of office space to RemainCo and the other through operation of studio facilities for use by third party productions**.** FOX will be responsible for management of the FOX Studios lot, including performing all elements of servicing and managing the facility and managing and providing studio operation services, including production operations and post-production services. FOX will lease office space on the FOX Studios lot to RemainCo for an initial term of seven years, subject to two five-year renewal options for RemainCo. See "The Transactions—Certain Agreements—Studio Lot Lease and Management Agreement" and "—Other Enterprises and Investments." The results attributable to the FOX Studios lot are reported in our Other, Corporate and Eliminations segment.

In addition to the FOX Studios lot in Los Angeles, California, FOX also owns and leases various real properties in the U.S. that are utilized in the conduct of its businesses. Each of these properties is considered to be in good condition, adequate for its purpose and suitably utilized according to the individual nature and requirements of the relevant operations. FOX's policy is to improve and replace property as considered appropriate to meet the needs of the individual operation.

Legal Proceedings

The Company may be involved in litigation from time to time in the ordinary course of business. The Company does not expect that the ultimate resolution of any such matters will have a material adverse effect on the Company's business, financial condition, results of operations or cash flows. However, the results of such matters cannot be predicted with certainty and the Company cannot assure you that the ultimate resolution of any legal or administrative proceeding or dispute will not have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. For additional information regarding legal proceedings, please see Note 11—Commitments and Contingencies to the notes accompanying the Company's historical combined financial statements included in this information statement.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion and analysis presented below are provided as a supplement to, refer to and should be read in conjunction with the audited combined financial statements and related notes and the unaudited pro forma combined financial information, each included in this information statement. The following discussion may contain forward-looking statements that reflect our plans, estimates and beliefs. The words "expect," "estimate," "anticipate," "predict," "believe," "project," and similar expressions, among others, generally identify "forward-looking statements," which speak only as of the date the statements were made. These statements appear in a number of places and include statements regarding our or our directors' and officers' intent, belief or current expectations with respect to, among other things, trends affecting our financial condition or results of operations, the outcome of contingencies such as litigation and investigations, and the expected timing, completion and effects of the transactions discussed in this information statement. The matters discussed in these forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those made, projected or implied in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in, or incorporated by reference to, this information statement, particularly under the headings "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements." FOX believes the assumptions underlying the combined financial statements are reasonable. However, the combined financial statements included herein may not necessarily reflect our results of operations, financial position and cash flows in the future or what they would have been had FOX been a separate, standalone, publicly traded company during the periods presented.

INTRODUCTION

The Proposed Distribution

On June 20, 2018, 21CF and Disney entered into the combination merger agreement, which includes as a condition to the consummation of the mergers that the distribution shall have been completed.

Prior to the completion of the mergers, 21CF and FOX will enter into the separation agreement, pursuant to which 21CF will, among other things, engage in the separation, whereby it will transfer to FOX the FOX business and certain other assets, and FOX will assume from 21CF certain liabilities associated with such businesses and certain other liabilities. 21CF will retain all assets and liabilities not transferred to FOX, including the Twentieth Century Fox film and television studios and certain cable and international television businesses. Following the separation and prior to the completion of the 21CF merger, in order to implement the distribution, 21CF will distribute all of the issued and outstanding common stock of FOX to 21CF stockholders (other than holders of the hook stock shares) on a pro rata basis, in accordance with the distribution merger agreement.

On the day the separation is completed, following the separation but prior to the distribution, FOX will pay to 21CF the dividend in the amount of $8.5 billion. FOX will arrange to incur indebtedness sufficient to fund the dividend, which indebtedness will be reduced after the 21CF merger by the amount of the cash payment.

At the open of business on the business day immediately following the date of the distribution, if the final estimate of the transaction tax is lower than $8.5 billion, Disney will make the cash payment to FOX, which cash payment will be the amount obtained by subtracting the final estimate of the transaction tax from $8.5 billion, up to a maximum cash payment of $2 billion. After the 21CF merger, FOX will promptly reduce the indebtedness incurred to fund the dividend by the amount of the cash payment.

To provide FOX with financing in connection with the dividend, 21st Century Fox America, Inc., which we refer to as 21CFA, a wholly owned subsidiary of 21CF, entered into the bridge commitment letter on behalf of FOX with the financial institutions party thereto which provides for borrowings of up to $9 billion. While 21CFA has entered into the bridge commitment letter, FOX intends to finance the majority of the dividend by obtaining permanent financing in the capital markets on a standalone basis.

Costs related to the distribution of approximately $75 million have been incurred by 21CF for fiscal 2018. These costs include accounting, legal, consulting and advisory fees. FOX has assumed all of these distribution costs incurred to date and anticipates that it will be responsible for all similar costs incurred prior to the distribution.

After the distribution, FOX expects to incur nonrecurring expenditures consisting primarily of employee-related costs, costs to establish certain standalone functions, broadcast and information technology systems and other transaction-related costs. Additionally, FOX's management expects to incur recurring costs as a result of becoming a standalone, publicly traded company, for transition services and from establishing or expanding the corporate support for its business, including shared services (advertising, affiliate and digital), information technology, human resources, treasury, tax, risk management, accounting and financial reporting, investor relations, governance, legal, procurement and other services. FOX's expected standalone results will also include additional incremental operating costs related to company-wide shared services, including shared technology platforms. FOX's management estimates that the total incremental recurring costs could range between $ million and $ million on an annual basis beyond the amounts included in these financial statements. This range is based on subjective estimates and assumptions. FOX expects its cash flows from operations, together with its access to capital markets, to be sufficient to fund these corporate expenses.

21CF's net investment in FOX, as of the distribution date, will be distributed to 21CF's stockholders through the distribution of all of the issued and outstanding shares of common stock of FOX to the holders of the outstanding shares of 21CF common stock (other than hook stock shares) on a pro rata basis pursuant to the distribution merger agreement. Following completion of the distribution, each 21CF stockholder (other than holders of the hook stock shares) will hold ownership interests in FOX and 21CF proportionally equal to its existing ownership interest in 21CF (excluding the holders of the hook stock shares). In the distribution, a portion of each share of 21CF common stock will be exchanged for 1/3 of one share of FOX common stock of the same class, and holders will continue to own the remaining portion of each such share of 21CF common stock.

Basis of Presentation

The combined financial data was prepared on a standalone basis, derived from the consolidated financial statements and accounting records of 21CF. These statements reflect the combined historical results of operations, financial position and cash flows of 21CF's domestic news, national sports and broadcast businesses and certain other assets and liabilities associated with such businesses in accordance with GAAP. For ease of reference, these Combined Financial Statements are collectively referred to as those of FOX.

The combined financial data is presented as if such businesses had been combined for all periods presented. All significant intracompany transactions and accounts within FOX have been eliminated. The assets and liabilities in the combined financial data has been reflected on a historical cost basis, as immediately prior to the distribution all of the assets and liabilities presented are wholly owned by 21CF and are being transferred to the combined FOX group at carry-over basis. The Combined Statements of Operations include allocations for certain support functions that are provided on a centralized basis within 21CF and not recorded at the business unit level, such as certain expenses related to finance, legal, insurance, information technology, compliance and human resources management activities, among others. 21CF does not routinely allocate these costs to any of its business units. These expenses have been allocated to FOX on the basis of direct usage when identifiable, with the remainder allocated on a pro rata basis of combined revenues, headcount or other relevant measures. Management believes the assumptions underlying the combined financial data, including the assumptions regarding allocating general corporate expenses from 21CF, are reasonable. Nevertheless, the combined financial data may not include all of the actual expenses that would have been incurred by FOX and may not reflect FOX's combined results of operations, financial position and cash flows had it been a standalone, publicly traded company during the periods presented. Actual costs that would have been incurred if FOX had been a standalone, publicly traded company would depend on multiple factors, including organizational structure and strategic decisions made in various areas, including information technology and infrastructure.

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The income tax benefit (expense) in the Combined Statements of Operations has been calculated as if FOX filed a separate tax return and was operating as a standalone business. Therefore, cash tax payments and items of current and deferred taxes may not be reflective of FOX's actual tax balances prior to or subsequent to the distribution. In addition, as a result of the distribution, FOX expects to receive a step-up in tax basis based on the amount of the taxable gain recognized in connection with the separation resulting in an annual tax deduction over the next 15 years. See "Unaudited Pro Forma Combined Financial Information" for further details.

Management's discussion and analysis of financial condition and results of operations is intended to help provide an understanding of the Company's financial condition, changes in financial condition and results of operations. This discussion is organized as follows:

- ***Overview of the Company's Business***—This section provides a general description of the Company's businesses, as well as developments that occurred either during fiscal 2018 or early fiscal 2019 that the Company believes are important in understanding its results of operations and financial condition or to disclose known trends.
- ***Results of Operations***—This section provides an analysis of the Company's results of operations for fiscal 2018, 2017 and 2016. This analysis is presented on both a combined and a segment basis. In addition, a brief description is provided of significant transactions and events that impact the comparability of the results being analyzed.
- ***Liquidity and Capital Resources***—This section provides an analysis of the Company's cash flows for fiscal 2018, 2017 and 2016, as well as a discussion of the Company's commitments that existed as of June 30, 2018. Included is a discussion of the amount of financial capacity available to fund the Company's future commitments and obligations, as well as a discussion of other financing arrangements.
- ***Critical Accounting Policies***—This section discusses accounting policies considered important to the Company's financial condition and results of operations, and which require significant judgment and estimates on the part of management in application. In addition, Note 2—Summary of Significant Accounting Policies to the accompanying Combined Financial Statements of FOX summarizes the Company's significant accounting policies, including the critical accounting policy discussion found in this section.

OVERVIEW OF THE COMPANY'S BUSINESS

The Company is a news, sports and broadcast company, which manages and reports its businesses in the following segments:

- **Cable Network Programming**, which principally consists of the production and licensing of news and sports content distributed primarily through cable television systems, direct broadcast satellite operators, telecommunication companies and online video distributors (collectively, multi-channel video programming distributors or MVPDs), in the U.S.
- **Television**, which principally consists of the acquisition, marketing and distribution of broadcast network programming nationally under the FOX brand and the operation of 28 full power broadcast television stations, including 11 duopolies, in the U.S. (of these stations, 17 are affiliated with the FOX Network, nine are affiliated with MyNetworkTV, one is affiliated with both The CW Television Network and MyNetworkTV and one is an independent station).
- **Other, Corporate and Eliminations**, which principally consists of corporate overhead costs, intracompany eliminations and the FOX Studios lot. The FOX Studios lot, located in Los Angeles, California, provides television and film production services along with office space, studio operation services and includes all operations of the facility.

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Cable Network Programming and Television

The Company's cable networks derive a majority of their revenues from monthly affiliate fees received from MVPDs based on the number of their subscribers and from the sale of advertising revenue. Affiliate fee revenues are net of the amortization of cable distribution investments (capitalized fees paid to U.S. MVPDs to typically facilitate the carriage of a domestic cable network). The Company defers the cable distribution investments and amortizes the amounts on a straight-line basis over the contract period. Cable television systems and direct broadcast satellite operators are currently the predominant means of distribution of the Company's program services, which online video distributors have become an increasingly significant share of overall distribution.

The television operations derive revenues primarily from the sale of advertising and affiliate fee revenue. Adverse changes in general market conditions for advertising may affect revenues.

U.S. law governing retransmission consent revenue, recognized as affiliate fees, provides a mechanism for the television stations owned by the Company to seek and obtain payment from MVPDs who carry the Company's broadcast signals. Retransmission consent revenue consists of per subscriber-based compensatory fees paid to the Company by MVPDs that distribute the signals of the Company's owned and operated television stations. The Company also receives compensation, primarily related to the distribution of the FOX Network programming, from independently owned television stations that are affiliated with the FOX Network.

The most significant operating expenses of the Cable Network Programming segment and the Television segment are acquisition and production expenses related to programming, marketing and promotional expenses, and expenses related to operating the technical facilities of the cable network or broadcaster. Marketing and promotional expenses relate to improving the market visibility and awareness of the cable network or broadcaster and its programming. Additional expenses include salaries, employee benefits, rent and other routine overhead expenses.

The profitability of U.S. national sports contracts is based on the Company's best estimates at June 30, 2018 of attributable revenues and costs; such estimates may change in the future and such changes may be significant. Should revenues decline materially from estimates applied at June 30, 2018, amortization of rights may be accelerated. Should revenues improve as compared to estimated revenues, the Company may have improved results related to the contract, which may be recognized over the remaining contract term.

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RESULTS OF OPERATIONS

Results of Operations—Fiscal 2018 versus Fiscal 2017

	For the years ended June 30,			
	2018	2017	Change	% Change
	(in millions, except %)			
Revenues				
Affiliate fee	$ 4,923	$ 4,294	$ 629	15 %
Advertising	4,598	5,151	(553)	(11)%
Other	632	476	156	33 %
Total revenues	10,153	9,921	232	2 %
Operating expenses	(6,505)	(6,100)	(405)	7 %
Selling, general and administrative	(1,209)	(1,092)	(117)	11 %
Depreciation and amortization	(171)	(169)	(2)	1 %
Impairment and restructuring charges	(16)	(165)	149	(90)%
Interest expense	(43)	(23)	(20)	87 %
Other, net	(39)	(131)	92	(70)%
Income before income tax benefit (expense)	2,170	2,241	(71)	(3)%
Income tax benefit (expense)	58	(832)	890	**
Net income	2,228	1,409	819	58 %
Less: Net income attributable to redeemable noncontrolling interests	(41)	(37)	(4)	11 %
Net income attributable to FOX	$ 2,187	$ 1,372	$ 815	59 %

** not meaningful

Overview—The Company's revenues increased 2% for fiscal 2018, as compared to fiscal 2017, primarily due to higher affiliate fee and other revenues partially offset by lower advertising revenue. The increase in affiliate fee revenue was primarily attributable to higher average rates per subscriber across all networks. The increase in other revenue was primarily due to the sublicensing of Big Ten Network programming rights to third party networks. The decrease in advertising revenue was primarily due to the comparative effect of the broadcast of the NFL's *Super Bowl LI* in February 2017 and lower U.S. political advertising revenue due to the impact of the 2016 presidential election last year partially offset by the broadcast of a portion of the FIFA *World Cup* in the current year.

Operating expenses increased 7% for fiscal 2018, as compared to fiscal 2017, primarily due to higher sports programming rights amortization and production costs, including the expansion of Big Ten Network programming rights and addition of FIFA *World Cup* programming.

Selling, general and administrative expenses increased 11% for fiscal 2018, as compared to fiscal 2017, primarily due to higher personnel expenses, including incremental compensation expense of approximately $25 million resulting from the modification of equity awards related to the transactions (See Note 9—Equity-based Compensation to the accompanying Combined Financial Statements of FOX under the heading "Performance Stock Units"), and higher legal costs.

Impairment and restructuring charges—See Note 4—Restructuring Programs to the accompanying Combined Financial Statements of FOX.

Interest expense—Interest expense increased $20 million for fiscal 2018, as compared to fiscal 2017, primarily due to the bridge commitment letter which was entered into during fiscal 2018.

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Other, net—See Note 16—Additional Financial Information to the accompanying Combined Financial Statements of FOX under the heading "Other, net."

Income tax benefit (expense)—The Company's tax provision and related effective tax rate of (3)% for fiscal 2018 was lower than the statutory rate of 28% primarily due to a provisional $607 million tax benefit which reflects the effects of the legislation in the U.S. passed on December 22, 2017, commonly referred to as the Tax Cuts and Jobs Act (See Note 2—Summary of Significant Accounting Policies to the accompanying Combined Financial Statements of FOX under the heading "U.S. Tax Reform").

The Company's tax provision and related effective tax rate of 37% for fiscal 2017 was higher than the statutory rate of 35% primarily from state taxes partially offset by the benefit from domestic production activities.

Net income—Net income increased 58% for fiscal 2018, as compared to fiscal 2017, primarily due to the income tax benefit as a result of the Tax Act.

Results of Operations—Fiscal 2017 versus Fiscal 2016

The following table sets forth the Company's operating results for fiscal 2017, as compared to fiscal 2016:

	For the years ended June 30,			
	2017	2016	Change	% Change
	(in millions, except %)			
Revenues				
Affiliate fee	$ 4,294	$ 3,814	$ 480	13 %
Advertising	5,151	4,707	444	9 %
Other	476	373	103	28 %
Total revenues	9,921	8,894	1,027	12 %
Operating expenses	(6,100)	(5,559)	(541)	10 %
Selling, general and administrative	(1,092)	(1,149)	57	(5)%
Depreciation and amortization	(169)	(170)	1	(1)%
Impairment and restructuring charges	(165)	(55)	(110)	**
Interest expense	(23)	(18)	(5)	28 %
Other, net	(131)	(100)	(31)	31 %
Income before income tax expense	2,241	1,843	398	22 %
Income tax expense	(832)	(736)	(96)	13 %
Net income	1,409	1,107	302	27 %
Less: Net income attributable to redeemable noncontrolling interests	(37)	(35)	(2)	6 %
Net income attributable to FOX	$ 1,372	$ 1,072	$ 300	28 %

** not meaningful

Overview—The Company's revenues increased 12% for fiscal 2017, as compared to fiscal 2016, primarily due to higher affiliate fee and advertising revenues. The increase in affiliate fee revenue was primarily attributable to higher average rates per subscriber across all networks. The increase in advertising revenue was primarily due to the broadcast of *Super Bowl LI* in February 2017, higher ratings and pricing at *FOX News* and higher ratings and two additional games for the 2016 MLB World Series, partially offset by lower entertainment ratings at the FOX Network, compared to fiscal 2016, including the absence of *American Idol* in fiscal 2016.

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Operating expenses increased 10% for fiscal 2017, as compared to fiscal 2016, primarily due to higher sports programming rights amortization at the Television segment, including *Super Bowl LI*, and at the Cable Network Programming segment.

Selling, general and administrative expenses decreased 5% for fiscal 2017, as compared to fiscal 2016, primarily due to lower compensation expense.

Impairment and restructuring charges—See Note 4—Restructuring Programs to the accompanying Combined Financial Statements of FOX.

Other, net—See Note 16—Additional Financial Information to the accompanying Combined Financial Statements of FOX under the heading "Other, net."

Income tax expense—The Company's tax provision and related effective tax rate of 37% for fiscal 2017 was higher than the statutory rate of 35% primarily from state taxes partially offset by the benefit from domestic production activities.

The Company's tax provision and related effective tax rate of 40% for fiscal 2016 was higher than the statutory rate of 35% primarily due to increases in the net provision for uncertain tax positions and state taxes partially offset by the benefit from domestic production activities.

Net income—Net income increased 27% for fiscal 2017, as compared to fiscal 2016, primarily due to higher operating results partially offset by higher restructuring charges.

Segment Analysis

The Company's operating segments have been determined in accordance with the Company's internal management structure, which is organized based on operating activities. The Company evaluates performance based upon several factors, of which the primary financial measure is segment operating income before depreciation and amortization, or Segment OIBDA. Due to the integrated nature of these operating segments, estimates and judgments are made in allocating certain assets, revenues and expenses.

Segment OIBDA is defined as Revenues less Operating expenses and Selling, general and administrative expenses. Segment OIBDA does not include: Amortization of cable distribution investments, Depreciation and amortization, Impairment and restructuring charges, Interest expense, Other, net and Income tax benefit (expense). Management believes that Segment OIBDA is an appropriate measure for evaluating the operating performance of the Company's business segments because it is the primary measure used by the Company's chief operating decision maker to evaluate the performance of and allocate resources to the Company's businesses.

Management believes that information about Total Segment OIBDA assists all users of the Company's Combined Financial Statements by allowing them to evaluate changes in the operating results of the Company's portfolio of businesses separate from non-operational factors that affect net income, thus providing insight into both operations and the other factors that affect reported results. Total Segment OIBDA provides management, investors and equity analysts a measure to analyze the operating performance of the Company's business and its enterprise value against historical data and competitors' data, although historical results, including Segment OIBDA and Total Segment OIBDA, may not be indicative of future results (as operating performance is highly contingent on many factors, including customer tastes and preferences).

Total Segment OIBDA may be considered a non-GAAP measure and should be considered in addition to, not as a substitute for, net income, cash flow and other measures of financial performance reported in accordance with GAAP. In addition, this measure does not reflect cash available to fund requirements and excludes items, such as depreciation and amortization and impairment charges, which are significant components in assessing the Company's financial performance.

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Fiscal 2018 versus Fiscal 2017

The following table reconciles Income before income tax benefit (expense) to Total Segment OIBDA for fiscal 2018, as compared to fiscal 2017:

	For the years ended June 30,			
	2018	2017	Change	% Change
	(in millions, except %)			
Income before income tax benefit (expense)	$2,170	$2,241	$ (71)	(3)%
Add				
Amortization of cable distribution investments	53	57	(4)	(7)%
Depreciation and amortization	171	169	2	1 %
Impairment and restructuring charges	16	165	(149)	(90)%
Interest expense	43	23	20	87 %
Other, net	39	131	(92)	(70)%
Total Segment OIBDA	$2,492	$2,786	$(294)	(11)%

The following table sets forth the computation of Total Segment OIBDA for fiscal 2018, as compared to fiscal 2017:

	For the years ended June 30,			
	2018	2017	Change	% Change
	(in millions, except %)			
Revenues	$ 10,153	$ 9,921	$ 232	2 %
Operating expenses	(6,505)	(6,100)	(405)	7 %
Selling, general and administrative	(1,209)	(1,092)	(117)	11 %
Amortization of cable distribution investments	53	57	(4)	(7)%
Total Segment OIBDA	$ 2,492	$ 2,786	$(294)	(11)%

The following tables set forth the Company’s Revenues and Segment OIBDA for fiscal 2018, as compared to fiscal 2017:

	For the years ended June 30,			
	2018	2017	Change	% Change
	(in millions, except %)			
Revenues				
Cable Network Programming	$ 5,049	$4,323	$ 726	17 %
Television	5,106	5,600	(494)	(9)%
Other, Corporate and Eliminations	(2)	(2)	—	— %
Total revenues	$10,153	$9,921	$ 232	2 %

	For the years ended June 30,			
	2018	2017	Change	% Change
	(in millions, except %)			
Segment OIBDA				
Cable Network Programming	$2,308	$2,055	$ 253	12 %
Television	379	909	(530)	(58)%
Other, Corporate and Eliminations	(195)	(178)	(17)	(10)%
Total Segment OIBDA	$2,492	$2,786	$(294)	(11)%

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Cable Network Programming (50% and 44% of the Company's combined revenues in fiscal 2018 and 2017, respectively)

	For the years ended June 30,			
	2018	2017	Change	% Change
	(in millions, except %)			
Revenues				
Affiliate fee	$ 3,541	$ 3,059	$ 482	16 %
Advertising and other	1,508	1,264	244	19 %
Total revenues	5,049	4,323	726	17 %
Operating expenses	(2,394)	(1,974)	(420)	21 %
Selling, general and administrative	(400)	(351)	(49)	14 %
Amortization of cable distribution investments	53	57	(4)	(7)%
Segment OIBDA	$ 2,308	$ 2,055	$ 253	12 %

Revenues at the Cable Network Programming segment increased for fiscal 2018, as compared to fiscal 2017, primarily due to higher affiliate fee and advertising and other revenues. The increase in affiliate fee revenue was primarily attributable to higher average rates per subscriber across all networks partially offset by the impact of lower average number of subscribers at certain networks. The increase in advertising and other revenues was primarily due to the sublicensing of Big Ten Network programming rights to third party networks which also increased operating expenses by an equal amount. Also contributing to the increase in advertising and other revenues was higher pricing at the news channels and higher viewership at FS1, including the addition of the FIFA *World Cup* and the expansion of Big Ten Network programming rights.

Cable Network Programming segment OIBDA increased for fiscal 2018, as compared to fiscal 2017, primarily due to the revenue increases noted above partially offset by higher expenses. Operating expenses increased principally due to higher sports programming rights amortization and production costs, including the expansion of Big Ten Network programming rights and the addition of the FIFA *World Cup*. Selling, general and administrative expenses increased primarily due to higher personnel and legal costs.

Television (50% and 56% of the Company's combined revenues in fiscal 2018 and 2017, respectively)

	For the years ended June 30,			
	2018	2017	Change	% Change
	(in millions, except %)			
Revenues				
Advertising	$ 3,478	$ 4,076	$(598)	(15)%
Affiliate fee and other	1,628	1,524	104	7 %
Total revenues	5,106	5,600	(494)	(9)%
Operating expenses	(4,113)	(4,128)	15	— %
Selling, general and administrative	(614)	(563)	(51)	9 %
Segment OIBDA	$ 379	$ 909	$(530)	(58)%

Revenues at the Television segment decreased for fiscal 2018, as compared to fiscal 2017, as lower advertising revenue was partially offset by higher affiliate fee and other revenues. The decrease in advertising revenue was due to lower NFL revenue primarily due to the comparative effect of the broadcast of *Super Bowl LI* in February 2017 of approximately $425 million, lower ratings and the broadcast of one less postseason game combined with lower ratings for the MLB World Series games and lower political advertising revenue due to the 2016 presidential election. These decreases were partially offset by the broadcast of a portion of the FIFA *World Cup* and the expansion of Big Ten Network programming in fiscal 2018. The increase in affiliate fee and

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other revenues was primarily due to contractual rate increases related to affiliate agreements partially offset by the absence of revenue generated by one of the Company's television stations granting a license in fiscal 2017 to permit the commercial use of adjacent wireless spectrum in that market.

Television Segment OIBDA decreased for fiscal 2018, as compared to fiscal 2017, primarily due to the revenue decreases noted above, as well as increased expenses. Operating expenses remained relatively consistent as the decreased expenses due to the absence of the NFL's *Super Bowl LI* were offset by higher sports programming rights amortization and production costs primarily due to the broadcast of a higher number of college football games, the addition of the FIFA *World Cup* and contractual rate increases with the NFL and MLB. Selling, general and administrative expenses increased primarily due to higher compensation, legal and facility costs. The absence of the NFL's *Super Bowl LI* in the current year decreased Segment OIBDA by approximately $100 million.

Fiscal 2017 versus Fiscal 2016

The following table reconciles Income before income tax expense to Total Segment OIBDA for fiscal 2017, as compared to fiscal 2016:

	For the years ended June 30,			
	2017	2016	Change	% Change
	(in millions, except %)			
Income before income tax expense	$2,241	$1,843	$ 398	22 %
Add				
Amortization of cable distribution investments	57	62	(5)	(8)%
Depreciation and amortization	169	170	(1)	(1)%
Impairment and restructuring charges	165	55	110	**
Interest expense	23	18	5	28 %
Other, net	131	100	31	31 %
Total Segment OIBDA	$2,786	$2,248	$ 538	24 %

** not meaningful

The following table sets forth the computation of Total Segment OIBDA for fiscal 2017, as compared to fiscal 2016:

	For the years ended June 30,			
	2017	2016	Change	% Change
	(in millions, except %)			
Revenues	$ 9,921	$ 8,894	$1,027	12 %
Operating expenses	(6,100)	(5,559)	(541)	10 %
Selling, general and administrative	(1,092)	(1,149)	57	(5)%
Amortization of cable distribution investments	57	62	(5)	(8)%
Total Segment OIBDA	$ 2,786	$ 2,248	$ 538	24 %

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The following tables set forth the Company's Revenues and Segment OIBDA for fiscal 2017, as compared to fiscal 2016:

	For the years ended June 30,			
	2017	2016	Change	% Change
	(in millions, except %)			
Revenues				
Cable Network Programming	$4,323	$3,837	$ 486	13 %
Television	5,600	5,060	540	11 %
Other, Corporate and Eliminations	(2)	(3)	1	33 %
Total revenues	$9,921	$8,894	$1,027	12 %

	For the years ended June 30,			
	2017	2016	Change	% Change
	(in millions, except %)			
Segment OIBDA				
Cable Network Programming	$2,055	$1,659	$ 396	24 %
Television	909	768	141	18 %
Other, Corporate and Eliminations	(178)	(179)	1	1 %
Total Segment OIBDA	$2,786	$2,248	$ 538	24 %

Cable Network Programming (44% and 43% of the Company's combined revenues in fiscal 2017 and 2016, respectively.)

	For the years ended June 30,			
	2017	2016	Change	% Change
	(in millions, except %)			
Revenues				
Affiliate fee	$ 3,059	$ 2,725	$ 334	12 %
Advertising and other	1,264	1,112	152	14 %
Total revenues	4,323	3,837	486	13 %
Operating expenses	(1,974)	(1,841)	(133)	7 %
Selling, general and administrative	(351)	(399)	48	(12)%
Amortization of cable distribution investments	57	62	(5)	(8)%
Segment OIBDA	$ 2,055	$ 1,659	$ 396	24 %

Revenues at the Cable Network Programming segment increased for fiscal 2017, as compared to fiscal 2016, primarily due to higher affiliate fee and advertising and other revenues. The increase in affiliate fee revenue was primarily attributable to higher average rates per subscriber across all networks partially offset by the impact of lower average number of subscribers at certain networks. The increase in advertising and other revenues was primarily due to higher ratings and pricing at *FOX News* and higher ratings from the broadcast of the MLB postseason games at FS1.

Cable Network Programming Segment OIBDA increased for fiscal 2017, as compared to fiscal 2016, primarily due to the revenue increases noted above partially offset by higher expenses. Operating expenses increased principally due to higher sports programming rights amortization and production costs, including the MLB and NASCAR rights. Selling, general and administrative expenses decreased primarily due to lower compensation expenses, including the impact of the management and employee transitions and restructuring at the Cable Network Programming segment (See Note 4—Restructuring Programs to the accompanying Combined Financial Statements of Fox under the heading "Fiscal 2017").

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Television (56% and 57% of the Company's combined revenues in fiscal 2017 and 2016, respectively)

	For the years ended June 30,			
	2017	2016	Change	% Change
	(in millions, except %)			
Revenues				
Advertising	$ 4,076	$ 3,767	$ 309	8 %
Affiliate fee and other	1,524	1,293	231	18 %
Total revenues	5,600	5,060	540	11 %
Operating expenses	(4,128)	(3,721)	(407)	11 %
Selling, general and administrative	(563)	(571)	8	(1)%
Segment OIBDA	$ 909	$ 768	$ 141	18 %

Revenues at the Television segment increased for fiscal 2017, as compared to fiscal 2016, primarily due to higher advertising and affiliate fee and other revenues. The increase in advertising revenue was primarily due to revenues resulting from the broadcast of the NFL's *Super Bowl LI* in February 2017 of approximately $425 million, the MLB World Series which benefited from two additional games and higher ratings, higher political advertising related to the 2016 U.S. elections, the broadcast of one additional NFL divisional playoff game and higher ratings and pricing of the NFL postseason. Partially offsetting these increases in advertising revenue were lower entertainment advertising revenue due to lower overall entertainment ratings, including the absence of *American Idol* and the *Emmy Awards,* and lower NFL regular season ratings. The increase in affiliate fee and other revenues was primarily due to contractual rate increases related to affiliate agreements, higher subscription video-on-demand revenue at the FOX Network and revenue generated by one of the Company's television stations granting a license in fiscal 2017 to permit the commercial use of adjacent wireless spectrum in that market.

Television Segment OIBDA increased for fiscal 2017, as compared to fiscal 2016, primarily due to the revenue increases noted above, partially offset by higher expenses. Operating expenses increased primarily due to higher sports programming rights amortization and production costs at the FOX Network, including the NFL's *Super Bowl LI* and one additional NFL divisional playoff game, and higher marketing and promotional expenses at the FOX Network related to new television series. Partially offsetting these increases in operating expenses were a decrease in entertainment programming rights amortization at the FOX Network, primarily due to the absence of *American Idol* and the mix of programming in the current year compared to the prior year. The broadcast of the NFL's *Super Bowl LI* in the current year increased Segment OIBDA by approximately $100 million.

LIQUIDITY AND CAPITAL RESOURCES

Current Financial Condition

Historically, 21CF has provided capital, cash management and other treasury services to the Company. 21CF will continue to provide treasury services to the Company until the distribution is consummated. Prior to December 31, 2017, substantially all of the cash balances were swept to 21CF on a daily basis and the Company received capital from 21CF for the Company's cash needs. Effective January 1, 2018, the Company no longer participates in 21CF's capital and cash management accounts. The Company's combined Total assets as of June 30, 2018 included $2.5 billion in Cash and cash equivalents, which reflects $600 million, which was contributed by 21CF in accordance with the combination merger agreement, plus all net cash generated beginning January 1, 2018 by the Company's business and assets. In accordance with the separation agreement, at the time of the separation and distribution, the Company will be entitled to such cash amounts reduced by (i) applicable operational taxes, (ii) 30% of all cash dividends declared by 21CF from December 13, 2017 through the distribution, (iii) 30% of all unallocated shared overhead and corporate costs from December 13, 2017 through the distribution, (iv) an allocated amount of shared overhead corporate costs consistent with 21CF's historical approach to such allocation, and (v) certain other expenses related to the separation and the distribution. The obligations described in clauses (i)—(v) are not reflected in the $2.5 billion in Cash and cash

equivalents as of June 30, 2018. The amounts for these contractual obligations will likely be material in the aggregate. This process of determining the net cash generation by our business and the contractual reductions will continue through the consummation of the separation and distribution in accordance with the separation agreement. See "Unaudited Pro Forma Combined Financial Information" for further details.

The Company's primary future cash needs will be centered on operating activities, working capital and strategic investments. Following the distribution, the Company's capital structure and sources of liquidity will change significantly from its historical capital structure. The Company's ability to fund its cash needs will depend on its ongoing ability to generate and raise cash in the future. Although the Company believes that its future cash from operations, together with its access to capital markets, will provide adequate resources to fund its operating and financing needs, its access to, and the availability of, financing on acceptable terms in the future will be affected by many factors, including: (i) its credit rating, (ii) the liquidity of the overall capital markets and (iii) the current state of the U.S. economy. There can be no assurances that the Company will continue to have access to the capital markets on acceptable terms. See "Risk Factors" for a further discussion.

The Company's principal source of liquidity is internally generated funds which are highly dependent upon the continuation of affiliation agreements and the state of the advertising markets. As of June 30, 2018, the Company's combined Total assets included $2.5 billion in Cash and cash equivalents, and the Company had no third-party debt or public debt outstanding. In addition, the Company expects to establish a revolving credit facility and has access to the worldwide capital markets, subject to market conditions.

Immediately prior to the distribution, FOX will pay to 21CF the dividend in the amount of $8.5 billion, in immediately available funds. FOX will arrange to incur indebtedness sufficient to fund the dividend, which indebtedness will be reduced after the 21CF merger by the amount of the cash payment.

At the open of business on the business day immediately following the date of the distribution, if the final estimate of the transaction tax is lower than $8.5 billion, Disney will make the cash payment to FOX, which cash payment will be the amount obtained by subtracting the final estimate of the transaction tax from $8.5 billion, up to a maximum cash payment of $2 billion. After the 21CF merger, FOX will promptly reduce the indebtedness incurred to fund the dividend by the amount of the cash payment.

To provide FOX with financing in connection with the dividend, 21CFA entered into the bridge commitment letter on behalf of FOX with the financial institutions party thereto which provides for borrowings of up to $9 billion. While 21CFA has entered into the bridge commitment letter, FOX intends to finance the majority of the dividend by obtaining permanent financing in the capital markets on a standalone basis.

The principal uses of cash that affect the Company's liquidity position include the following: the acquisition of rights and related payments for entertainment and sports programming; operational expenditures including marketing and promotional expenses; expenses related to operating the technical facilities of the cable network or broadcaster; employee and facility costs; capital expenditures; and acquisitions.

In addition to the acquisitions, sales and possible acquisitions disclosed elsewhere, the Company has evaluated, and expects to continue to evaluate, possible acquisitions and dispositions of certain businesses and assets. Such transactions may be material and may involve cash, the Company's securities or the assumption of additional indebtedness.

Sources and Uses of Cash—Fiscal 2018 vs. Fiscal 2017

Net cash provided by operating activities for fiscal 2018 and 2017 was as follows (in millions):

For the years ended June 30,	2018	2017
Net cash provided by operating activities	$1,317	$1,655

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The decrease in net cash provided by operating activities during fiscal 2018, as compared to fiscal 2017, is primarily due to higher payments for sports programming rights at the FOX Network.

Net cash provided by (used in) investing activities for fiscal 2018 and 2017 was as follows (in millions):

For the years ended June 30,	2018	2017
Net cash provided by (used in) investing activities	$128	$(242)

The change in net cash provided by (used in) investing activities during fiscal 2018, as compared to fiscal 2017, was primarily due to cash received from the FCC's reverse auction for broadcast spectrum (See Note 3—Acquisitions, Disposals and Other Transactions to the accompanying Combined Financial Statements of FOX under the heading "Fiscal 2017").

Net cash provided by (used in) financing activities for fiscal 2018 and 2017 was as follows (in millions):

For the years ended June 30,	2018	2017
Net cash provided by (used in) financing activities	$1,036	$(1,431)

The change in net cash provided by (used in) financing activities during fiscal 2018, as compared to fiscal 2017, was primarily due to net transfers from 21CF of $1,113 million in fiscal 2018 as compared to net transfers to 21CF of $1,395 million in fiscal 2017.

Sources and Uses of Cash—Fiscal 2017 vs. Fiscal 2016

Net cash provided by operating activities for fiscal 2017 and 2016 was as follows (in millions):

For the years ended June 30,	2017	2016
Net cash provided by operating activities	$1,655	$1,097

The increase in net cash provided by operating activities during fiscal 2017, as compared to fiscal 2016, is primarily due to higher operating results for the Company and higher programming rights amortization over cash payments for sports programming rights at the FOX Network partially offset by higher restructuring payments in fiscal 2017.

Net cash used in investing activities for fiscal 2017 and 2016 was as follows (in millions):

For the years ended June 30,	2017	2016
Net cash used in investing activities	$(242)	$(168)

The increase in net cash used in investing activities during fiscal 2017, as compared to fiscal 2016, was primarily due to higher capital expenditures.

Net cash used in financing activities for fiscal 2017 and 2016 was as follows (in millions):

For the years ended June 30,	2017	2016
Net cash used in financing activities	$(1,431)	$(913)

The increase in net cash used in financing activities during fiscal 2017, as compared to fiscal 2016, was primarily due to an increase in net transfers to 21CF of $518 million.

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Commitments

The Company has commitments under certain firm contractual arrangements, which we refer to as firm commitments, to make future payments. These firm commitments secure the future rights to various assets and services to be used in the normal course of operations. The following table summarizes the Company's material firm commitments as of June 30, 2018:

	As of June 30, 2018				
	Payments due by period				
	Total	1 year	2 - 3 years	4 - 5 years	After 5 years
	(in millions)				
Operating leases and service agreements					
Land and buildings	$ 138	$ 15	$ 28	$ 18	$ 77
Other	127	50	36	28	13
Other commitments					
Sports programming rights	29,827	3,624	7,993	8,370	9,840
Entertainment programming rights	881	703	83	79	16
Other commitments and contractual obligations	648	147	189	127	185
Total commitments, borrowings and contractual obligations	$31,621	$4,539	$ 8,329	$ 8,622	$ 10,131

The firm commitments above do not include obligations and commitments related to the separation and distribution.

For additional details on commitments see Note 11—Commitments and Contingencies to the accompanying Combined Financial Statements of FOX under the headings "Operating leases and service agreements," "Sports programming rights" and "Other commitments and contractual obligations."

Pension and other postretirement benefits and uncertain tax benefits

The table excludes the Company's direct pension obligations and the gross unrecognized tax benefits for uncertain tax positions as the Company is unable to reasonably predict the ultimate amount and timing. The Company made contributions of $30 million and $29 million to its direct pension plans in fiscal 2018 and 2017, respectively. The Company would not be required to make any material contributions to its direct pension plans for the immediate future. Required direct pension plan contributions for the next fiscal year are not expected to be material but the Company may make voluntary contributions in future periods.

Contingencies

See Note 11—Commitments and Contingencies to the accompanying Combined Financial Statements of FOX under the heading "Contingencies."

CRITICAL ACCOUNTING POLICIES

An accounting policy is considered to be critical if it is important to the Company's financial condition and results and if it requires significant judgment and estimates on the part of management in its application. The development and selection of these critical accounting policies have been determined by management of the Company. For the Company's summary of significant accounting policies, see Note 2—Summary of Significant Accounting Policies to the accompanying Combined Financial Statements of FOX.

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Principles of Combination

The Combined Financial Statements include certain assets and liabilities that have historically been held at 21CF's corporate level but are specifically identifiable or otherwise attributable to the Company. All significant intracompany transactions and accounts within the Company's combined businesses have been eliminated.

Intercompany transactions with 21CF or its affiliates and the Company are reflected in the historical Combined Financial Statements. All significant intercompany balances between 21CF and the Company have been included within the 21CF investment in these Combined Financial Statements.

Use of Estimates

See Note 2—Summary of Significant Accounting Policies to the accompanying Combined Financial Statements of FOX under the heading "Use of Estimates."

Revenue Recognition

Revenue is recognized when control of the promised goods or services is transferred to the Company's customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. The Company considers the terms of each arrangement to determine the appropriate accounting treatment.

Cable Network Programming and Television

The Company generates advertising revenue from sales of commercial time within the Company's network programming to be aired by television networks and cable channels, and from sales of broadcast advertising time on the Company's owned television stations and various digital properties. Advertising revenue is recognized as the commercials are aired, net of agency commissions. Certain of the Company's advertising contracts have guarantees of a certain number of targeted audience views, referred to as impressions. Revenues for any audience deficiencies are deferred until the guaranteed number of impressions is met, by providing additional advertisements. Advertising contracts, which are generally short-term, are billed monthly for the spots aired during the month, with payments due shortly after the invoice date.

The Company generates affiliate fee revenue from affiliate agreements with MVPDs for cable network programming and for the broadcast of the Company's owned and operated television stations. In addition, the Company generates affiliate fee revenue from affiliate agreements with independently owned television stations that are affiliated with the FOX Network and receive retransmission consent fees from MVPDs for their signals. Affiliate fee revenue is recognized at a point in time when the network programming is made available to the customer. For contracts with affiliate fees based on the number of the affiliate's subscribers, revenues are recognized based on the contractual rate multiplied by the number of subscribers each period. For contracts with fixed affiliate fees, revenues are recognized based on the relative standalone selling price of the network programming provided over the contract term. Affiliate contracts are generally multi-year contracts with payments due monthly.

The Company classifies the amortization of cable distribution investments (capitalized fees paid to MVPDs to facilitate carriage of a cable network) against affiliate fee revenue in accordance with ASC 606-10-32-25 through 27, "Revenue Recognition—Consideration Payable to a Customer." The Company defers the cable distribution investments and amortizes the amounts on a straight-line basis over the contract period.

Programming

Costs incurred in acquiring program rights or producing programs are accounted for in accordance with ASC 920, "Entertainment—Broadcasters." Program rights and the related liabilities are recorded at the gross

amount of the liabilities when the license period has begun, the cost of the program is determinable and the program is accepted and available for airing. Television broadcast network entertainment programming, which includes acquired series, co-produced series, movies and other programs, are amortized primarily on an accelerated basis. Management regularly reviews, and revises when necessary, its total revenue estimates on a contract basis, which may result in a change in the rate of amortization and/or a write-down of the asset to fair value.

The Company has single and multi-year contracts for broadcast rights of programs and sporting events. The costs of multi-year national sports contracts at the FOX Network and the national sports channels are primarily charged to expense and allocated to segments based on the ratio of each current period's attributable revenue for each contract to the estimated total remaining attributable revenue for each contract. Estimates can change and accordingly, are reviewed periodically and amortization is adjusted as necessary. Such changes in the future could be material. The recoverability of certain sports rights contracts for content broadcast on the FOX Network and the national sports channels is assessed on an aggregate basis.

Goodwill and Intangible Assets

The Company's intangible assets include goodwill, FCC licenses, MVPD affiliate agreements and relationships and trademarks and other copyrighted products. Intangible assets acquired in business combinations are recorded at their estimated fair value at the date of acquisition. Goodwill is recorded as the difference between the consideration transferred to acquire entities and the estimated fair values assigned to their tangible and identifiable intangible net assets and is assigned to one or more reporting units for purposes of testing for impairment. The judgments made in determining the estimated fair value assigned to each class of intangible assets acquired, their reporting unit, as well as their useful lives can significantly impact net income.

The Company accounts for its business combinations under the acquisition method of accounting. The total cost of acquisitions is allocated to the underlying net assets, based on their respective estimated fair values. The excess of the purchase price over the estimated fair values of the tangible net assets acquired is recorded as intangibles, including goodwill. Amounts recorded as goodwill are assigned to one or more reporting units. Determining the fair value of assets acquired and liabilities assumed requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, asset lives and market multiples, among other items. Identifying reporting units and assigning goodwill to them requires judgment involving the aggregation of business units with similar economic characteristics and the identification of existing business units that benefit from the acquired goodwill. The Company allocates goodwill to disposed businesses using the relative fair value method.

Carrying values of goodwill and intangible assets with indefinite lives are reviewed at least annually for possible impairment in accordance with ASC 350 "Intangibles—Goodwill and Other." The Company's impairment review is based on, among other methods, a discounted cash flow approach that requires significant management judgment. The Company uses its judgment in assessing whether assets may have become impaired between annual valuations. Indicators such as unexpected adverse economic factors, unanticipated technological change or competitive activities, loss of key personnel and acts by governments and courts, may signal that an asset has become impaired.

The Company uses direct valuation methods to value identifiable intangibles for acquisition accounting and impairment testing. The direct valuation method used for FCC licenses requires, among other inputs, the use of published industry data that are based on subjective judgments about future advertising revenues in the markets where the Company owns television stations. This method also involves the use of management's judgment in estimating an appropriate discount rate reflecting the risk of a market participant in the U.S. broadcast industry. The resulting fair values for FCC licenses are sensitive to these long-term assumptions and any variations to such assumptions could result in an impairment to existing carrying values in future periods and such impairment could be material.

During fiscal 2018, the Company determined that the goodwill and indefinite-lived intangible assets included in the accompanying Combined Balance Sheet of FOX as of June 30, 2018 were not impaired. The Company determined there are no reporting units with goodwill considered to be at risk and will continue to monitor its goodwill and intangible assets for possible future impairment.

See Note 8—Goodwill and Intangible Assets, net to the accompanying Combined Financial Statements of FOX under the heading “Annual Impairment Review” for further discussion.

Income Taxes

The Company’s operations have historically been included in the tax returns filed by the respective 21CF entities of which the Company’s businesses are a part. Income tax benefit (expense) and other income tax related information contained in these Combined Financial Statements are presented on a separate return basis as if the Company filed its own tax returns. Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining the Company’s tax expense and in evaluating its tax positions, including evaluating uncertainties under ASC 740, “Income Taxes.”

The Company records valuation allowances to reduce deferred tax assets to the amount that is more likely than not to be realized. In making this assessment, management analyzes future taxable income, reversing temporary differences and ongoing tax planning strategies. Should a change in circumstances lead to a change in judgment about the realizability of deferred tax assets in future years, the Company would adjust related valuation allowances in the period that the change in circumstances occurs, along with a corresponding increase or charge to income.

For information regarding the impact of the Tax Act, see Note 2—Summary of Significant Accounting Policies to the accompanying Combined Financial Statements of FOX under the heading “U.S. Tax Reform.”

Recent Accounting Pronouncements

See Note 2—Summary of Significant Accounting Policies to the accompanying Combined Financial Statements of FOX under the heading “Recently Adopted and Recently Issued Accounting Guidance and U.S. Tax Reform.”

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QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company has exposure to one type of market risk: changes in stock prices.

Stock Prices

The Company has a common stock investment in a publicly traded company that is subject to market price volatility. This investment is in available-for-sale securities. Information on the Company's investment with exposure to stock price risk is presented below:

	As of June 30,	
	2018	2017
	(in millions)	
Fair Value		
Total fair value of the common stock investment	$ 257	$ —
Sensitivity Analysis		
Potential change in fair values resulting from a 10% adverse change in quoted market prices: loss[(a)]	$ (26)	$ —

(a) Upon adoption of ASU 2016-01 (as defined in Note 2—Summary of Significant Accounting Policies to the accompanying Combined Financial Statements of FOX under the heading "Recently Adopted and Recently Issued Accounting Guidance and U.S. Tax Reform") on July 1, 2018, the Company will record any changes in fair value of the Company's investments in available-for-sale securities to Other, net in the Combined Statements of Operations.

Concentrations of Credit Risk

See Note 2—Summary of Significant Accounting Policies to the accompanying Combined Financial Statements of FOX under the heading "Concentrations of Credit Risk."

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MANAGEMENT

Executive Officers and Directors Following the Distribution

The following table sets forth information as of , 2018 regarding individuals who are expected to serve as our executive officers and/or directors. We are in the process of identifying additional individuals who will serve on our Board of Directors following the distribution, and we expect to provide information regarding these individuals in an amendment to this information statement. After the completion of the distribution, we expect to have a Board of Directors initially consisting of directors. Our amended and restated certificate of incorporation will provide that there be no fewer than directors. A majority of our directors will be independent directors who meet the criteria for independence set forth in the Nasdaq Listing Rules. See "—Director Nomination Process" below for further information.

Name	Age	Position
Lachlan K. Murdoch	47	Chairman and Chief Executive Officer
K. Rupert Murdoch	87	Co-Chairman
John P. Nallen	61	Chief Operating Officer
Viet D. Dinh	50	Chief Legal and Policy Officer
Steven Tomsic	49	Chief Financial Officer

Biographies of Executive Officers and Directors

Lachlan K. Murdoch will serve as our Chairman and Chief Executive Officer. He has been Executive Chairman of the board of directors of 21CF since 2015 after serving as Co-Chairman since 2014. He has served as a director of 21CF since 1996. Mr. L.K. Murdoch has served as Executive Chairman of Nova Entertainment, an Australian media company, since 2009. He has served as the Executive Chairman of Illyria Pty Ltd, a private company, since 2005. Mr. L.K. Murdoch served as a director of Ten Network Holdings Limited, an Australian media company, from 2010 to 2014 and as its Non-Executive Chairman from 2012 to 2014, after serving as its Acting Chief Executive Officer from 2011 to 2012. He has served as a director of News Corp since 2013 and as its Co-Chairman since 2014. Mr. L.K. Murdoch served as an advisor to 21CF from 2005 to 2007, and served as its Deputy Chief Operating Officer from 2000 to 2005. Mr. L.K. Murdoch is the son of Mr. K.R. Murdoch.

Mr. L.K. Murdoch brings a wealth of knowledge regarding our operations, as well as management and strategic skills, to our Board of Directors. With his extensive experience serving in several senior leadership positions within 21CF, including currently as Executive Chairman and previously as Deputy Chief Operating Officer, as well as his extensive expertise in the media industry, Mr. L.K. Murdoch offers our Board of Directors strong leadership in developing global strategies and guiding the overall corporate agenda.

K. Rupert Murdoch AC will serve as our Co-Chairman. He has been Executive Chairman of 21CF's board of directors since 2015 after serving as Chief Executive Officer of 21CF from 1979 to 2015 and its Chairman since 1991. Mr. K.R. Murdoch serves as Executive Chairman of *FOX News* channel and FOX Business Network, each a subsidiary of 21CF. He also has served as the Executive Chairman of News Corp since 2012. Mr. K.R. Murdoch is the father of Mr. L.K. Murdoch.

Mr. K.R. Murdoch has been the driving force behind the evolution of 21CF from the single, family-owned Australian newspaper he took over in 1953 to the global public media and entertainment company it is today. Mr. K.R. Murdoch brings to our Board invaluable knowledge and expertise regarding our history and provides strong operational leadership and broad strategic vision for us.

John P. Nallen will serve as our Chief Operating Officer. He has served as Senior Executive Vice President and Chief Financial Officer of 21CF since 2013. He served as a director of Sky plc from 2015 to October 2018. He previously served as Executive Vice President and Deputy Chief Financial Officer of 21CF from 2001 to 2013. Prior to joining 21CF in 1995, he worked for 16 years at Arthur Andersen where he was a partner in its Media and Entertainment Practice.

Viet D. Dinh will serve as our Chief Legal and Policy Officer. Mr. Dinh served as a partner of Kirkland & Ellis LLP until September 2018, and was the Founding Partner of Bancroft PLLC in 2003, where he practiced law until the firm was acquired by Kirkland & Ellis LLP in 2016. He was a Georgetown University law professor for 20 years and acted as an Assistant Attorney General for Legal Policy in the U.S. Department of Justice from 2001 to 2003. He served as a director of 21CF from 2004 to September 2018, a director of LPL Financial Holdings Inc. from 2015 to September 2018, a director of Scientific Games Corporation from 2017 to September 2018 and a director of Revlon, Inc. from 2012 to 2017.

Steven Tomsic will serve as our Chief Financial Officer. He served as Deputy Chief Financial Officer of 21CF since March 2017, which followed his appointment to Executive Vice President, Corporate Finance of 21CF in November 2015. His move to the U.S. followed a well-established career spanning 13 years with 21CF-related entities across the world. Most recently, Mr. Tomsic was the Chief Financial Officer of Sky Deutschland, a media company, for the five years preceding his move to 21CF Corporate in 2015. Before that, Mr. Tomsic served in various financial positions in 21CF's European and Asian corporate and channels businesses, at Sky Italia and at FOXTEL. Prior to joining 21CF, Mr. Tomsic worked in Australia at the Boston Consulting Group and in corporate finance at Nomura and ANZ Bank.

Committees of Our Board of Directors

Effective upon the completion of the distribution, our Board of Directors will have the following committees, each of which will operate under a written charter that will be posted to our website prior to the distribution.

Audit Committee

The Audit Committee will be established in accordance with Rule 10A-3 under the Exchange Act and the Nasdaq Listing Rules, subject to phase-in Nasdaq rules applicable to newly public companies. Among other things, the Audit Committee will assist the Board in its oversight of (i) the integrity of our financial statements and our financial reporting processes and systems of internal control; (ii) the qualifications, independence and performance of our independent registered public accounting firm and the performance of our corporate auditors and corporate audit function; (iii) our compliance with legal and regulatory requirements involving financial, accounting and internal control matters; (iv) investigations into complaints concerning financial and compliance matters; (v) risks that may have a significant impact on our financial statements; and (vi) the review, approval and ratification of transactions with related persons. The Audit Committee will be comprised of members that meet the independence requirements under the SEC rules and the Nasdaq Listing Rules and the Audit Committee charter. Each of the members of the Audit Committee will be financially literate in accordance with Nasdaq Listing Rules. The Audit Committee will also have at least one member who meets the definition of an "audit committee financial expert" under SEC rules. The initial members of the Audit Committee will be determined prior to the distribution date.

Compensation Committee

The primary responsibilities of the Compensation Committee will be, among other things: (i) to review and approve goals and objectives relevant to the compensation of the CEO, to evaluate the performance of the CEO in light of these goals and objectives and other factors the Compensation Committee deems appropriate, and, based on this review and evaluation, to recommend to the Board the compensation of the CEO; (ii) to consider, authorize and oversee the incentive compensation plans in which our executive officers participate and our equity-based plans and recommend changes in such plans to the Board as needed, and to exercise all authority of the Board with respect to the administration of such plans, including the granting of awards under our incentive compensation plans and equity-based plans; (iii) to review and approve equity awards and other fixed and performance-based compensation, benefits and terms of employment of our executive officers and such other senior executives identified by the Compensation Committee after consultation with our CEO and other members

of management; (iv) to review and approve employment and severance arrangements for executive officers, including employment agreements, separation agreements and similar plans or agreements; (v) to review the Company's recruitment, retention, compensation, termination and severance policies for senior executives; (vi) to review and assist with the development of executive succession plans and to consult with the CEO and other executive officers regarding the selection of senior executives; (vii) to review the compensation of non-executive directors for service on the Board and its committees and recommend changes in compensation to the Board; (viii) to review our compensation policies and practices to determine whether they create risk-taking incentives that are reasonably likely to have a material adverse impact on us; (ix) to establish and periodically review stock ownership guidelines for executive officers and monitor compliance with ownership guidelines by executive officers and non-executive directors; and (x) to review and approve the creation or revision of any clawback policy allowing us to recoup compensation paid to executive officers.

Subject to the phase-in Nasdaq rules applicable to newly public companies, the Compensation Committee will be comprised of members that meet the independence requirements under the SEC rules and in the Nasdaq Listing Rules and the Compensation Committee charter. At least two members of the Compensation Committee will be "non-employee directors" (within the meaning of Rule 16b-3 of the Exchange Act). The initial members of the Compensation Committee will be determined prior to the distribution date.

Nominating and Corporate Governance Committee

The primary responsibilities of the Nominating and Corporate Governance Committee will be, among other things: (i) to review the qualifications of candidates for director suggested by Board of Director members, stockholders, management and others in accordance with criteria recommended by the Nominating and Corporate Governance Committee and approved by our Board of Directors; (ii) to maintain procedures for the consideration of Board candidates recommended for the Committee's consideration by the Company's stockholders; (iii) to consider the performance of incumbent directors in determining whether to nominate them for re-election; (iv) to recommend to our Board of Directors a slate of nominees for election or re-election to our Board of Directors at each annual meeting of stockholders; (v) to recommend to our Board of Directors candidates to be elected to our Board of Directors as necessary to fill vacancies and newly created directorships; (vi) to advise and make recommendations to our Board of Directors on corporate governance matters; and (vii) to review communications from our stockholders. The Nominating and Corporate Governance Committee will also make recommendations to our Board of Directors as to determinations of director independence and conduct an annual self-evaluation for our Board of Directors.

Subject to the phase-in Nasdaq rules applicable to newly public companies, the Nominating and Corporate Governance Committee will be comprised of members that meet the independence requirements set forth in the Nasdaq Listing Rules and in accordance with the Nominating and Corporate Governance Committee charter. The initial members of the Nominating and Corporate Governance Committee will be determined prior to the distribution date.

Compensation Committee Interlocks and Insider Participation

During our fiscal 2018, we were not a standalone, publicly traded company, and did not have a compensation committee or any other committee serving a similar function. Decisions as to the compensation of those who are expected to serve as our executive officers were made by 21CF, as described in the section of this information statement captioned "—Compensation Discussion and Analysis."

Standard of Business Conduct and Code of Ethics

Prior to the completion of the distribution, we intend to adopt Standards of Business Conduct. These Standards of Business Conduct will confirm our commitment to conduct our affairs in compliance with all applicable laws and regulations and observe the highest standards of business ethics. The Standards of Business

Conduct will also apply to ensure compliance with stock exchange requirements and to ensure accountability at a senior management level for that compliance. We intend that the spirit, as well as the letter, of the Standards of Business Conduct be followed by all directors, officers and employees of us and our subsidiaries and divisions. This will be communicated to each new director, officer and employee.

To promote further ethical and responsible decision-making, our Board of Directors intends to establish a Code of Ethics for the chief executive officer and senior financial officers that will be incorporated by reference into the Standards of Business Conduct.

A copy of our Standards of Business Conduct and Code of Ethics will be available on our website immediately prior to the distribution.

Director Nomination Process

Our initial Board of Directors will be selected by 21CF's board of directors. We intend to establish a Nominating and Corporate Governance Committee which will develop criteria for filling vacant Board of Director positions, taking into consideration such factors as it deems appropriate, including the candidate's education and background; his or her general business experience and familiarity with our businesses; and whether he or she possesses unique expertise or perspective that will be of value to us. We believe candidates should not have any interests that would materially impair their ability to exercise independent judgment or otherwise discharge the fiduciary duties owed as a director to us and our stockholders. Directors must demonstrate personal integrity and ethical character, and value and appreciate these qualities in others. It is expected that each director will devote the necessary time to the fulfillment of his or her duties as a director. In this regard, the Nominating and Corporate Governance Committee will consider the number and nature of each director's other commitments, including other directorships. Although we do not anticipate the Board of Directors will have a formal policy with respect to diversity in identifying director nominees, the Nominating and Corporate Governance Committee will seek to promote through the nomination process an appropriate diversity on the Board of Directors of professional background, experience, expertise, perspective, age, gender, ethnicity and country of citizenship. In addition, we expect the Board of Directors to evaluate diversity as part of its annual review and evaluation of its conduct and performance.

After completing this evaluation, the Nominating and Corporate Governance Committee will make recommendations to the full Board of Directors which in turn will make the final determination whether to nominate or appoint the new director after considering the Nominating and Corporate Governance Committee's recommendation.

Director Independence

Our Corporate Governance Guidelines will provide that a majority of our Board of Directors will consist of independent directors, subject to the phase-in Nasdaq rules applicable to newly public companies. These standards will be available on our website prior to the distribution date. Our Board of Directors is expected to annually determine the independence of directors based on a review by the directors and recommendation of our Nominating and Governance Committee.

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EXECUTIVE COMPENSATION

Introduction

Prior to the distribution, we have been a wholly owned subsidiary of 21CF. Until the distribution, our compensation decisions will be made by 21CF's senior management and the Compensation Committee of 21CF's board of directors. We expect that our executive compensation program following the distribution will generally include elements that are the same as or similar to 21CF's executive compensation program. Our Compensation Committee will review all aspects of compensation and may make adjustments that it believes are appropriate in structuring our executive compensation arrangements.

If we had been a reporting company, our named executive officers for fiscal year 2018 would have been:

- Mr. Lachlan K. Murdoch, our Chairman and Chief Executive Officer;
- Mr. K. Rupert Murdoch, our Co-Chairman; and
- John P. Nallen, our Chief Operating Officer (our principal financial officer during fiscal 2018).

With respect to these named executive officers, historical compensation information as required pursuant to the rules of the SEC has been incorporated by reference to the "Compensation Discussion and Analysis" and "Executive Compensation" sections of 21CF's Annual Proxy Statement, a copy of which is filed as an exhibit to the registration statement on Form 10 of which this information statement is a part, which we refer to as the 21CF Annual Proxy.

Historical compensation information is not provided for our other executive officers, Viet D. Dinh and Steven Tomsic, because Mr. Dinh was not employed by 21CF or FOX at any time during fiscal year 2018, and Mr. Tomsic was not an executive officer of 21CF or FOX at any time during fiscal year 2018.

Compensation Philosophy

The compensation philosophy of 21CF and its Compensation Committee is described below. Following the distribution, our Compensation Committee will review and consider this philosophy and may make adjustments as appropriate. The current compensation philosophy of 21CF and its Compensation Committee for our Company aims to achieve the following: 21CF's strategy and goal of creating long-term growth and value for stockholders drives its philosophy and how 21CF designs executive compensation programs and practices.

21CF's executives lead and manage one of the world's leading media and entertainment companies in a fast-changing, competitive environment, and their responsibilities span operations around the world. 21CF executives are critical to the value 21CF creates for its stockholders.

21CF's compensation philosophy aims to achieve the following:

- Provide a compensation program that drives performance;
- Ensure its compensation policies and practices support both annual and long-term growth for stockholders; and
- Structure compensation packages to attract, retain and motivate the top executive talent necessary for 21CF's success today and in the future.

In designing compensation programs for its named executive officers, 21CF's Compensation Committee is guided by the following objectives:

- 21CF's compensation programs should incorporate a mix of fixed and performance-based compensation in the form of base salary, annual bonus compensation, performance-based long-term incentives and retirement and other benefit programs (as described below) to enable 21CF to attract the highest quality talent;

- 21CF's individual pay decisions should consider trends in the industry in which the Company operates and competes and the executive's performance, contributions, breadth and complexity of the role, and individual skills;
- 21CF's compensation programs should be communicated and implemented as clearly, specifically and transparently as possible; and
- 21CF's incentive programs should respond to unique market requirements and provide a strong link between pay and performance.

Primary Elements of Compensation

Base Salary: One element of compensation needed to attract and retain an employee in any organization is base salary. Base salary is the fixed element of an executive officer's annual cash compensation and does not vary with performance. We expect that the base salaries for our executive officers will be established in the context of the nature of the executive officer's particular position, the responsibilities associated with that position, length of service with the Company, experience, expertise, knowledge and qualifications, market factors, the industry in which we operate and compete, recruitment and retention factors, our Chief Executive Officer's recommendations (with the exception of his own base salary) and our overall compensation philosophy.

Performance-Based Annual Bonus Compensation: Our executive officers also are expected to be eligible for performance-based annual bonus compensation. The executive officers have a direct influence on our operations and strategy. We expect that our Compensation Committee will adopt a performance-based annual bonus framework which fosters a performance-driven, pay-for-performance culture that aligns our executive officers' interests with those of our stockholders while also rewarding the executive officers for superior individual achievements.

Long-Term Equity-Based Incentive Awards: We anticipate having our executive officers participate in long-term equity incentive compensation programs. We are still evaluating and determining the design of our long-term equity incentive awards. We expect that our Compensation Committee will design a framework for equity awards that aligns our executives' compensation with the long-term performance of our company and links our executives' interests directly with those of our stockholders.

Retirement Benefits: We anticipate providing our executive officers with retirement benefits that we believe are an important retention tool. Specifically, we expect that our executives will be eligible to participate in a broad-based, tax-qualified defined benefit pension plan and a supplemental executive retirement plan that will increase the retirement benefits of participants above the amounts available under the broad-based plan, as limited by the Code. In addition, we anticipate allowing our eligible executives to participate in an individual supplemental employee retirement agreement plan, which will provide enhanced retirement benefits to the executives, including enhanced retirement health benefits to the executives and their spouses.

Perquisites: We anticipate providing executive officers with limited types of perquisites and other personal benefits that are reasonable and consistent with our overall compensation philosophy. Perquisites, if any, will constitute a very small percentage of each named executive officer's total compensation package.

Potential Payments Upon Termination

See the 21CF Annual Proxy for a discussion of the 21CF employment agreements that covered our named executive officers during fiscal year 2018 and the payments and benefits our named executive officers could have become entitled to from 21CF upon certain qualifying terminations of employment occurring on the last day of 21CF's 2018 fiscal year. We anticipate entering into new employment agreements with each of our executive officers, including our fiscal year 2018 named executive officers.

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It is not anticipated that the cessation of any of our executive officers' employment from 21CF or the commencement of the executive officers' employment with FOX will entitle them to severance payments.

New Equity Incentive Plan

It is anticipated that prior to the distribution, we will adopt the FOX , referred to herein as the Plan. 21CF, as our sole stockholder, will approve the Plan prior to the distribution date, and the Plan will become effective on the distribution date. It is expected that a summary of certain terms of the Plan will be included in a future amendment to this information statement, together with the full text of the Plan, which will be filed as an exhibit to a future amendment of the registration statement on Form 10 of which this information statement is a part. The terms of the Plan that will be in effect following the distribution have not yet been finalized; changes to the Plan, some of which may be material, may be made prior to the distribution.

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COMPENSATION OF DIRECTORS

Compensation of Non-Employee Directors

Following the distribution, director compensation will be determined by our Board of Directors with the assistance of its Compensation Committee. It is anticipated that such compensation will consist of an annual retainer, an annual equity award, annual fees for serving as committee chairs and other types of compensation.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Procedures for Approval of Related Person Transactions

The Audit Committee will establish procedures for the review, approval or ratification of related person transactions. We expect that pursuant to these procedures, the Audit Committee will review and approve (i) all related person transactions when and if required to do so by applicable rules and regulations; (ii) all transactions between us or any of our subsidiaries and any of our executive officers, directors, director nominees, directors emeritus or any of their immediate family members and (iii) all transactions between us or any of our subsidiaries and any security holder who is known by us to own more than five percent of any class of our voting securities or any immediate family members of such security holder, other than transactions that (a) are available to all employees generally and (b) are made in the ordinary course of business and have an aggregate dollar amount or value of less than $120,000 (either individually or in combination with a series of related transactions).

Agreements with 21CF

We have entered into certain agreements governing our separation from, and our relationship with, 21CF. For more information, see "The Transactions—Certain Agreements."

Other Related Person Transactions

In fiscal 2018, FOX Television Stations entered into an arrangement in the ordinary course of business with Vertical Networks, a digital media company founded by Ms. Elisabeth Murdoch, who serves as its Chair and is a majority investor, for the development, production and distribution of a limited run syndicated program with an option to pick-up the series. Ms. Murdoch is the daughter of Mr. K.R. Murdoch, who will be our Co-Chairman, and the sister of Mr. L.K. Murdoch, who will be our Chief Executive Officer and Chairman.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Before the distribution, all of the outstanding shares of FOX common stock will be owned beneficially and of record by 21CF. The following table sets forth information regarding the anticipated beneficial ownership of FOX class A common stock and FOX class B common stock immediately following the completion of the distribution for each person who is known by us to beneficially own more than 5% of 21CF class B common stock. The beneficial ownership of our common stock presented in the table is based on beneficial ownership of 21CF class A common stock and 21CF class B common stock, as set forth in the footnotes to the table and calculated as of September 17, 2018, and the distribution of shares of FOX class A common stock and FOX class B common stock for shares of 21CF class A common stock and 21CF class B common stock, respectively.

Security Ownership of Certain Beneficial Owners

	Common Stock Beneficially Owned(1)				
	Number of Shares Beneficially Owned		Option Shares(2)	Percent of Class(3)	
Name and Address of Beneficial Owner	FOX class A common stock	FOX class B common stock(4)	FOX class A common stock	FOX class A common stock	FOX class B common stock
Murdoch Family Trust(5)	19,000	102,207,826	—	*	38.4%

* Represents the expected beneficial ownership of less than one percent of the issued and outstanding FOX class A common stock or FOX class B common stock, as applicable, on the distribution date.

(1) This table does not include, unless otherwise indicated, any shares of FOX class A common stock or any shares of FOX class B common stock or other equity securities of the Company that may be held by pension and profit-sharing plans of other corporations or endowment funds of educational and charitable institutions for which various directors and officers serve as directors or trustees.

(2) No options are outstanding.

(3) Applicable percentage of ownership is based on 352,324,179 shares of FOX class A common stock and 266,173,651 shares of FOX class B common stock, equivalent to 1/3 of 1,056,972,538 shares of class A common stock and 1/3 of 798,520,953 shares of class B common stock, respectively, outstanding as of September 17, 2018, for such stockholder or group of stockholders, as applicable.

(4) Estimated beneficial ownership of FOX class B common stock as reported in the above table, equivalent to 1/3 of 21CF class B common stock, has been determined in accordance with Rule 13d-3 of the Exchange Act. Unless otherwise indicated, beneficial ownership of FOX class B common stock represents both sole voting and sole investment power.

(5) Estimated beneficial ownership of the FOX class A common stock, equivalent to 1/3 of 21CF class A common stock, is based on beneficial ownership of 21CF class A common stock as of November 10, 2008 as reported on Form 4 filed with the SEC on November 13, 2008. Estimated beneficial ownership of FOX class B common stock is based on beneficial ownership of 21CF class B common stock as of December 31, 2014, as reported on Schedule 13G/A filed with the SEC on February 13, 2015. Cruden Financial Services LLC, a Delaware limited liability company, or Cruden Financial Services, the corporate trustee of the Murdoch Family Trust, has the power to vote and to dispose or direct the vote and disposition of the reported 21CF class B common stock. In addition, Cruden Financial Services has the power to exercise the limited vote and to dispose or direct the limited vote and disposition of the reported 21CF class A common stock. As a result of Mr. K.R. Murdoch's ability to appoint certain members of the board of directors of Cruden Financial Services, Mr. K.R. Murdoch may be deemed to be a beneficial owner of the shares beneficially owned by the Murdoch Family Trust. Mr. K.R. Murdoch, however, disclaims any beneficial ownership of such shares. Some of the Murdoch Family Trust's shares of the 21CF class A common stock and 21CF class B common stock may be pledged from time to time to secure loans with certain banks.

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Security Ownership of Directors and Executive Officers

The following table sets forth information regarding the anticipated beneficial ownership of FOX class A common stock and FOX class B common stock immediately following the completion of the distribution by each of (1) our directors, (2) our named executive officers, and (3) our directors and executive officers as a group. The beneficial ownership of our common stock presented in the table is based on beneficial ownership of 21CF class A common stock and 21CF class B common stock, as set forth in the footnotes to the table and calculated as of September 17, 2018, and the distribution of shares of FOX class A common stock and FOX class B common stock for shares of 21CF class A common stock and 21CF class B common stock, respectively. The address of each director, director nominee and executive officer shown in the table below is c/o New Fox, Inc., 1211 Avenue of the Americas, New York, New York 10036.

	Common Stock Beneficially Owned(1)				
	Number of Shares Beneficially Owned		Option Shares(2)	Percent of Class(3)	
Name	FOX class A common stock(4)	FOX class B common stock(5)	FOX class A common stock	FOX class A common stock	FOX class B common stock
K. Rupert Murdoch(6)	2,973,116	103,629,866	—	*	38.9%
Lachlan K. Murdoch(7)	47,702	1,952	—	*	*
John P. Nallen	105,293	—	—	*	—
All current directors and executive officers as a group (total of 5)	3,141,608	103,632,154	—	*	38.9%

* Represents the expected beneficial ownership of less than one percent of the issued and outstanding FOX class A common stock or FOX class B common stock, as applicable, on the distribution date.

(1) This table does not include, unless otherwise indicated, any shares of FOX class A common stock or any shares of FOX class B common stock or other equity securities of the Company that may be held by pension and profit-sharing plans of other corporations or endowment funds of educational and charitable institutions for which various directors and officers serve as directors or trustees.

(2) No options are outstanding.

(3) Applicable percentage of ownership is based on 352,324,179 shares of FOX class A common stock and 266,173,651 shares of FOX class B common stock, equivalent to 1/3 of 1,056,972,538 shares of class A common stock and 1/3 of 798,520,953 shares of class B common stock, respectively, outstanding as of September 17, 2018, for such stockholder or group of stockholders, as applicable.

(4) Estimated beneficial ownership of FOX class A common stock, equivalent to 1/3 of 21CF class A common stock, includes for the following director stock-settled DSUs, which are paid in 21CF class A common stock as of the first trading day of the quarter five years following the date of grant or as of the date of the director's end of service: 4,851 DSUs held by Mr. L.K. Murdoch.

(5) Estimated beneficial ownership of FOX class B common stock as reported in the above table, equivalent to 1/3 of 21CF class B common stock, has been determined in accordance with Rule 13d-3 of the Exchange Act. Unless otherwise indicated, beneficial ownership of FOX class B common stock represents both sole voting and sole investment power.

(6) Estimated beneficial ownership of FOX common stock, equivalent to 1/3 of 21CF common stock, is based on beneficial ownership of reported 21CF common stock. Beneficial ownership of 21CF common stock includes 57,000 shares of 21CF class A common stock and 306,623,480 shares of 21CF class B common stock beneficially owned by the Murdoch Family Trust. Mr. K.R. Murdoch may be deemed to be a beneficial owner of the shares beneficially owned by the Murdoch Family Trust. Mr. K.R. Murdoch, however, disclaims any beneficial ownership of such shares. Beneficial ownership of 21CF common stock reported also includes 4,250,000 shares of 21CF class B common stock held by the K. Rupert Murdoch 2004 Revocable Trust, of which Mr. K.R. Murdoch holds a beneficial and trustee interest. Beneficial ownership of 21CF common stock also includes 8,729,432 shares of 21CF class A common stock held by the GCM Trust that is administered by independent trustees for the benefit of Mr. K.R. Murdoch's minor children; however, Mr. K.R. Murdoch disclaims beneficial ownership of such shares.

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(7) Estimated beneficial ownership of FOX common stock, equivalent to 1/3 of 21CF common stock, is based on beneficial ownership of reported 21CF common stock. Beneficial ownership of 21CF common stock includes 137,801 shares of 21CF class A common stock held by the LKM Family Trust, which is administered by an independent trustee for the benefit of Mr. L.K. Murdoch, his immediate family members and certain charitable organizations.

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DESCRIPTION OF OUR CAPITAL STOCK

Our certificate of incorporation and bylaws will be amended and restated prior to the distribution. The following is a summary of the material terms of our capital stock that will be contained in our amended and restated certificate of incorporation and our amended and restated bylaws, and is qualified in its entirety by reference to these documents. You should refer to our amended and restated certificate of incorporation, and our amended and restated bylaws, the forms of which are included as exhibits to the registration statement of which this information statement is a part.

General

Prior to the separation and distribution, shares of 21CF common stock provided you with rights and privileges with respect to the consolidated businesses of 21CF. Immediately following the separation and distribution, you will no longer hold shares that provide you with rights and privileges with respect to the consolidated businesses of 21CF, but instead you will hold shares in two separate companies, RemainCo and FOX. Your shares of RemainCo will subsequently be exchanged for the 21CF merger consideration in the 21CF merger. As a stockholder of FOX, you will hold shares that provide you with rights and privileges with respect to a company engaged in the FOX business that formerly was part of 21CF. The shares of FOX class A common stock or FOX class B common stock that you will receive in the distribution will have the same rights as the respective shares of 21CF class A common stock or 21CF class B common stock that you currently hold. These rights and privileges are summarized below and are set forth more fully in the amended and restated certificate of incorporation and amended and restated bylaws of FOX, filed as Exhibits 3.1 and 3.2, respectively, to the Form 10 registration statement of which this information statement is a part. You will receive shares of FOX class A common stock and FOX class B common stock on a pro rata basis (unless you are a holder of the hook stock), as described in more detail under "The Transactions—The Distribution."

Prior to the distribution date, 21CF, as our sole stockholder, will approve and adopt our amended and restated certificate of incorporation, and our Board of Directors will approve and adopt our amended and restated bylaws. Our authorized share capital consists of 6,000,000,000 shares of class A common stock, par value $0.01 per share, 3,000,000,000 shares of class B common stock, par value $0.01 per share, 100,000,000 shares of series common stock, par value $0.01 per share, and 100,000,000 shares of preferred stock, par value $0.01 per share. The General Corporation Law of Delaware, as amended, which we refer to as the DGCL, may also affect the terms of FOX class A common stock and FOX class B common stock. FOX's Board of Directors is authorized to issue the preferred stock and the series common stock in one or more series. Immediately following the distribution, FOX expects that approximately   shares of its common stock will be issued and outstanding and that no shares of preferred stock will be issued and outstanding.

Description of FOX class A common stock and FOX class B common stock

FOX class A common stock voting rights

A holder of FOX class A common stock may only vote under the following circumstances:

- on a proposal to dissolve FOX or to adopt a plan of liquidation of FOX, and with respect to any matter to be voted on by our stockholders following adoption of a proposal to dissolve FOX or to adopt a plan of liquidation of FOX;
- on a proposal to sell, lease or exchange all or substantially all of FOX's property and assets;
- on a proposal to adopt an agreement of merger or consolidation in which FOX is a constituent corporation, as a result of which our stockholders prior to the merger or consolidation would own less than sixty percent (60%) of the voting power or capital stock of the surviving corporation or consolidated entity (or the direct or indirect parent of the surviving corporation or consolidated entity) following the merger or consolidation; and

- with respect to any matter to be voted on by our stockholders during a period during which a dividend (or part of a dividend) in respect of FOX class A common stock has been declared and remains unpaid following the payment date with respect to such dividend (or part thereof).

Other than as set forth in the preceding paragraph and as provided by law, a holder of a share of FOX class A common stock will have no right to vote.

The holders of FOX class A common stock entitled to vote on a particular matter shall vote in the same manner and subject to the same conditions as the holders of FOX class B common stock, preferred stock or series common stock.

At annual and extraordinary general meetings of stockholders:

- a majority in voting power of all of the outstanding shares of the stock entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for all purposes; and
- each holder of FOX class A common stock represented at a meeting of stockholders shall be entitled to cast one vote for each share of FOX class A common stock entitled to vote at the meeting.

All voting, except as may be required by law, including voting for the election of directors may be by a voice vote; provided, however, that upon demand by a stockholder entitled to vote or by his or her proxy, or upon resolution by our Board of Directors in its discretion or by action of the chairman of the meeting, in his or her discretion, a stock vote may be taken. Every stock vote shall be taken by written ballots, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting.

Unless otherwise to be provided by our amended and restated certificate of incorporation or our amended and restated bylaws, or provided by the rules or regulations of any stock exchange applicable to us or applicable law or pursuant to any regulation applicable to us or our securities, (a) at all meetings of stockholders for the election of directors, a plurality of the votes cast shall be sufficient to elect directors and (b) any other question brought before any meeting of stockholders shall be determined by the affirmative vote of a majority of the votes cast thereon by the holders represented and entitled to vote at the meeting.

FOX class B common stock voting rights

As a general matter, holders of FOX class B common stock are entitled to one vote per share on all matters on which stockholders have the right to vote.

All voting, except as may be required by law, including voting for the election of directors may be by a voice vote; provided, however, that upon demand by a stockholder entitled to vote or by his or her proxy, or upon resolution by our Board of Directors in its discretion or by action of the chairman of the meeting, in his or her discretion, a stock vote may be taken. Every stock vote shall be taken by written ballots, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting.

Unless otherwise to be provided by our amended and restated certificate of incorporation or our amended and restated bylaws, or provided by the rules or regulations of any stock exchange applicable to us, applicable law or pursuant to any regulation applicable to us or our securities, (a) at all meetings of stockholders for the election of directors, a plurality of the votes cast shall be sufficient to elect directors, and (b) any other question brought before any meeting of stockholders shall be determined by the affirmative vote of a majority of the votes cast thereon by the holders represented and entitled to vote at the meeting.

Ownership of class A common stock and class B common stock by the Murdoch Family Trust and K. Rupert Murdoch

As a result of his ability to appoint certain members of the board of directors of the corporate trustee of the Murdoch Family Trust, which, based on its current ownership of 21CF common stock, will beneficially own less than one percent of the outstanding FOX class A common stock and 38.4% of FOX class B common stock immediately following the distribution, K. Rupert Murdoch may be deemed to be a beneficial owner of the shares beneficially owned by the Murdoch Family Trust. K. Rupert Murdoch, however, disclaims any beneficial ownership of these shares. Also, K. Rupert Murdoch will, based on the current ownership of 21CF common stock, beneficially own or be deemed to beneficially own an additional less than one percent of FOX class B common stock and less than one percent of FOX class A common stock immediately following the distribution. Thus, K. Rupert Murdoch may be deemed to beneficially own in the aggregate less than one percent of FOX class A common stock and 38.9% of FOX class B common stock immediately following the distribution. This concentration of voting power could discourage third parties from making proposals involving an acquisition of FOX. Additionally, the ownership concentration of FOX class B common stock by the Murdoch Family Trust increases the likelihood that proposals submitted for stockholder approval that are supported by the Murdoch Family Trust will be adopted and proposals that the Murdoch Family Trust does not support will not be adopted, whether or not such proposals to stockholders are also supported by the other holders of FOX class B common stock.

Dividends

Holders of FOX class A common stock and FOX class B common stock are, generally, entitled to such dividends, if any, as may be declared by our Board of Directors from time to time in its sole discretion out of our assets or legally available funds, subject to the following provisions:

- if dividends are declared on FOX class A common stock or FOX class B common stock that are payable in shares of common stock, or securities convertible into, or exercisable or exchangeable for common stock (to be defined in our amended and restated certificate of incorporation), the dividends payable to the holders of FOX class A common stock shall be paid only in shares of FOX class A common stock (or securities convertible into, or exercisable or exchangeable for FOX class A common stock), the dividends payable to holders of FOX class B common stock shall be paid only in shares of FOX class B common stock (or securities convertible into, or exercisable or exchangeable for FOX class B common stock), and such dividends shall be paid in the same number of shares (or fraction thereof) on a per share basis of FOX class A common stock and FOX class B common stock (or securities convertible into, or exercisable or exchangeable for the same number of shares (or fraction thereof) on a per share basis of such class of common stock), respectively; and
- in no event shall the shares of the FOX class A common stock or FOX class B common stock be split, divided, or combined unless the outstanding shares of the other class shall be proportionately split, divided or combined.

Any dividends declared by our Board of Directors on a share of common stock shall be declared in equal amounts with respect to each share of FOX class A common stock and FOX class B common stock (as determined in good faith by our Board of Directors in its sole discretion), provided that in the case of dividends payable in shares of our common stock, or securities convertible into, or exercisable or exchangeable for, our common stock, or dividends or other distributions (including, without limitation, any distribution pursuant to a stock dividend or a “spin-off,” “split-off” or “split-up” reorganization or similar transaction) payable in shares or other equity interests of any corporation or other entity, which immediately prior to the time of the distribution is a subsidiary of FOX and which possesses authority to issue FOX class A common stock or equity interests and FOX class B common stock or equity interests (or securities convertible into, or exercisable or exchangeable for, such shares or equity interests) with voting characteristics identical or comparable to those of FOX class A common stock and FOX class B common stock, respectively, such dividends shall be paid as it will be provided for in our amended and restated certificate of incorporation.

Preferred Stock and Series Common Stock

Our amended and restated certificate of incorporation will authorize our Board of Directors to designate and issue from time to time one or more series of preferred stock or series common stock without stockholder approval, provided that our Board of Directors shall not issue any shares of preferred stock or series common stock which entitle the holders thereof to more than one vote per share without an affirmative vote of the majority of the holders capital stock of FOX entitled to vote generally in the election of directors. Under the terms of our amended and restated certificate of incorporation, our Board of Directors will be authorized, subject to limitations prescribed by the DGCL, and by our amended and restated certificate of incorporation, to issue up to one hundred million (100,000,000) shares of preferred stock and up to one hundred million (100,000,000) shares of series common stock, each in one or more series, without further action by the holders of our common stock. Our Board of Directors is vested with the authority to fix by resolution the designations, preferences and relative, participating, optional or other special rights, and such qualifications, limitations or restrictions thereof, including, without limitation, redemption rights, dividend rights, liquidation preferences and conversion or exchange rights of any class or series of preferred stock, and to fix the number of classes or series of preferred stock or series common stock, the number of shares constituting any such class or series and the voting powers for each class or series.

Our board of director's authority to issue preferred stock or series common stock could potentially be used to discourage attempts by third parties to obtain control of us through a merger, tender offer, proxy contest or otherwise by making such attempts more difficult or more costly. Our Board of Directors may issue preferred stock or series common stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of common stock. There are no current agreements or understandings with respect to the issuance of preferred stock and our Board of Directors has no present intention to issue any shares of preferred stock or series common stock.

Anti-Takeover Effects of Various Provisions of Delaware Law, Our Amended and Restated Certificate of Incorporation and Our Amended and Restated Bylaws

Size of Board and Vacancies; Removal

Subject to the rights of the holders of any series of preferred stock or series common stock, our amended and restated certificate of incorporation and amended and restated bylaws will provide that the total number of directors constituting the entire Board of Directors shall be not less than three (3), with the then-authorized number of directors being fixed from time to time exclusively by the Board of Directors. Subject to the rights of the holders of any series of preferred stock or series common stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Any director so chosen shall hold office until the next election of directors and until his or her successor shall be elected and qualified. No decrease in the number of directors shall shorten the term of any incumbent director.

Stockholder Action by Written Consent

Subject to the rights of the holders of any series of preferred stock or series common stock, our amended and restated certificate of incorporation and amended and restated bylaws will provide that our stockholders may act only at an annual or special meeting of stockholders and may not act by written consent (unless there are three record holders or fewer).

Amendment of Bylaws

Our amended and restated certificate of incorporation will provide that the Board of Directors will be authorized to adopt, repeal, alter or amend our bylaws by a vote of a majority of the entire Board of Directors. In

addition to any requirements of law and any other provision of our amended and restated certificate of incorporation, our stockholders will be able to, with the affirmative vote of holders of 65% or more of the combined voting power of the then outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class, adopt, amend or repeal any provision of our bylaws.

Transfer Restrictions

Our amended and restated certificate of incorporation will provide that an Owner (as it will be defined in our amended and restated certificate of incorporation) of shares of FOX class A common stock or FOX class B common stock may not sell, exchange or otherwise transfer Ownership (as it will be defined in our amended and restated certificate of incorporation) of such shares to any person who has made an Offer (as it will be defined in our amended and restated certificate of incorporation) pursuant to such Offer unless such Offer relates to both FOX class A common stock and FOX class B common stock, or another Offer or Offers are contemporaneously made with such Offer by such person such that, between all the Offers, they relate to both FOX class A common stock and FOX class B common stock, and the terms and conditions of such Offer or Offers as they relate to each of the shares of FOX class A common stock and FOX class B common stock are Comparable (as it will be defined in our amended and restated certificate of incorporation). We shall, to the extent required by law, note on the certificates of our common stock that shares represented by such certificates are subject to the restrictions set forth in this paragraph.

Stockholder Meetings

Subject to the rights of the holders of any series of preferred stock or series common stock, our amended and restated certificate of incorporation and amended and restated bylaws will provide that special meetings of stockholders (i) may be called by the Board of Directors pursuant to a resolution approved by a majority of the total number of directors then constituting the entire Board of Directors, (ii) may be called by the chairman or a vice or deputy chairman of our Board of Directors or (iii) shall be called by the secretary of FOX upon the written request of holders of record of not less than 20% of the outstanding shares of FOX class B common stock, proposing a proper matter for stockholder action under the DGCL at such special meeting, provided that (a) no such special meeting of stockholders shall be called pursuant to clause (iii) if the written request by such holders is received less than 135 days prior to the first anniversary of the date of the preceding annual meeting of stockholders of FOX and (b) any special meeting called pursuant to clause (iii) shall be held not later than 100 days following receipt of the written request by such holders, on such date and at such time and place as determined by the Board of Directors.

Requirements for Advance Notice of Stockholder Nominations and Proposals

Subject to the rights of the holders of any series of preferred stock or series common stock, our amended and restated bylaws will contain advance-notice and other procedural requirements that apply to stockholder nominations of persons for election to our Board of Directors at any annual meeting of stockholders and to stockholder proposals that stockholders take any other action at any annual meeting. In the case of any annual meeting, a stockholder proposing to nominate a person for election to our Board of Directors or proposing other business will be required to give our secretary written notice of the proposal at our principal executive offices not later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the first anniversary of the preceding year’s annual meeting. These stockholder proposal deadlines will be subject to exceptions if the annual meeting date is set more than 30 days before or 70 days after such anniversary date, in which case notice by such stockholder, to be timely, must be so delivered not earlier than the close of business on the 120th day prior to the date of the current year’s annual meeting and not later than the close of business on the later of the 90th day prior to the date of the current year’s annual meeting, or the 10th day following the day on which public announcement of the date of the current year’s annual meeting is first made. If a special meeting of stockholders is called for the election of directors, a stockholder proposing to nominate a person for that election must give our secretary written notice of the proposal at our principal executive offices not later than the close of

business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting. Our amended and restated bylaws will prescribe specific information that any such stockholder notice must contain, including, without limitation, a description of the proposal, the reasons for the proposal, and other specified matters.

These advance-notice provisions may have the effect of precluding a contest for the election of our directors or the consideration of stockholder proposals if the proper procedures are not followed, and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its own proposal, without regard to whether consideration of those nominees or proposals might be harmful or beneficial to us and our stockholders.

Forum Selection

Our amended and restated bylaws will provide that, unless FOX consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) will, to the fullest extent permitted by law, be the sole and exclusive forum for any derivative action, action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or stockholder of FOX to FOX or its stockholders, action asserting a claim arising pursuant to, or seeking to enforce any right, obligation or remedy under, the DGCL, action as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware or action asserting a claim governed by the internal affairs doctrine.

Any person or entity purchasing or otherwise acquiring any interest in FOX common stock will be deemed to have received notice of and consented to the foregoing forum selection bylaw, which could limit FOX stockholders' ability to choose the judicial forum for disputes with FOX. The enforceability of similar forum selection clauses in other companies' bylaws or similar governing documents has been challenged in legal proceedings, and it is possible that in connection with any action a court could find the forum selection clause to be contained in the FOX amended and restated bylaws to be inapplicable or unenforceable in such action.

Authorized but Unissued Shares

Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without your approval. We may use additional shares for a variety of purposes, including future public offerings to raise additional capital, to fund acquisitions and as employee compensation. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution or winding up of FOX, after distribution in full of the preferential and/or other amounts to be distributed to the holders of shares of any outstanding series of preferred stock or series common stock, the holders of shares of FOX class A common stock, FOX class B common stock and, to the extent fixed by our Board of Directors with respect thereto, the series common stock and preferred stock shall be entitled to receive all of our remaining assets available for distribution to our stockholders, ratably in proportion to the number of shares held by them (or, with respect to any series of the series common stock or preferred stock, as so fixed by our Board of Directors).

No Preemptive Rights

No holder of any FOX common stock or any class authorized at the distribution date will have any preemptive rights to subscribe to any FOX securities of any kind or class.

Listing

We intend to apply to list our shares of FOX class A common stock and FOX class B common stock on Nasdaq under the symbols "   " and "   ," respectively.

Sale of Unregistered Securities

On May 3, 2018, FOX issued 100 shares of its common stock to 21CF pursuant to Section 4(a)(2) of the Securities Act. FOX did not register the issuance of the issued shares under the Securities Act because the issuance did not constitute a public offering.

Since the incorporation of FOX, the Company has not issued any securities or exchanged or modified any outstanding securities, which have not been registered. Immediately prior to the distribution, FOX will incur indebtedness sufficient to fund the dividend to be paid to 21CF in the amount of $8.5 billion. Such indebtedness may be incurred by the issuance by the Company of debt securities in one or more transactions that will not be registered under the Securities Act, in reliance upon one or more exemptions from registration under the Securities Act.

Limitation of Liability for Officers and Directors and Insurance

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties as directors. Our amended and restated certificate of incorporation and amended and restated bylaws will include provisions that exculpate and indemnify, to the fullest extent allowable under the DGCL, the personal liability of directors or officers for monetary damages by reason of the fact that he or she is or was a director or officer of FOX or any of its direct or indirect subsidiaries or is or was serving at the request of FOX as a director or officer of any other corporation, partnership, joint venture, trust or other enterprise against any expense, as the case may be. Our amended and restated bylaws will also provide that we must indemnify and advance reasonable expenses to our directors and officers, subject to our receipt of an undertaking from the indemnified party as may be required under such bylaws or the DGCL. We are also expressly authorized to carry directors' and officers' insurance, at our own expense, to protect us, our directors, officers and certain employees for some liabilities, whether we would have the power to indemnify our directors, officers or employees from such liabilities under the DGCL or not. The limitation of liability and indemnification provisions to be included in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. However, this provision does not limit or eliminate our rights, or those of any stockholder, to seek non-monetary relief such as injunction or rescission in the event of a breach of a director's duty of care. The provisions will not alter the liability of directors under the federal securities laws. In addition, your investment may be adversely affected to the extent that, in a class action or direct suit, we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

We intend to obtain insurance policies that insure our directors and officers and those of our subsidiaries against certain liabilities they may incur in their capacity as directors and officers. The insurance will provide coverage, subject to its terms and conditions, if FOX is unable (e.g., due to bankruptcy) or unwilling to indemnify the directors and officers for a covered wrongful act.

Transfer Agent and Registrar

After the distribution, the transfer agent and registrar for our common stock will be Computershare Trust Company, N.A.

DESCRIPTION OF OTHER INDEBTEDNESS

Immediately prior to the distribution, FOX will pay to 21CF the dividend in the amount of $8.5 billion in immediately available funds. FOX will arrange to incur indebtedness sufficient to fund the dividend, which indebtedness will be reduced after the 21CF merger by the amount of the cash payment.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a general discussion of the U.S. federal income tax consequences of the distribution to U.S. holders, as defined below, of 21CF common stock. The following discussion is based on the Code, the Treasury regulations promulgated under the Code, and interpretations of such authorities by the courts and the IRS, all as they exist as of the date of this information statement and all of which are subject to change, possibly with retroactive effect. Any such change could affect the accuracy of the statements and conclusions set forth in this discussion. This discussion assumes that the distribution and the mergers will be completed in accordance with the combination merger agreement and as further described in this information statement. Neither 21CF nor FOX intend to request any ruling from the IRS as to the U.S. federal income tax consequences of the distribution. Consequently, no assurance can be given that the IRS will not challenge the conclusions described in this discussion or that a court would not sustain such a challenge.

This discussion is limited to holders of 21CF common stock that are U.S. holders, as defined below, and hold such stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). Further, this discussion does not purport to consider all aspects of U.S. federal income taxation that may be relevant to U.S. holders in light of their particular circumstances, nor does it apply to U.S. holders subject to special treatment under the U.S. federal income tax laws, such as: tax-exempt entities; partnerships, S corporations or other pass through entities; persons who are subject to the alternative minimum tax; former citizens or long-term residents of the U.S.; persons who acquire their shares of 21CF common stock pursuant to the exercise of employee stock options or otherwise as compensation; banks, insurance companies and other financial institutions; regulated investment companies and real estate investment trusts; dealers or brokers in securities, commodities or foreign currencies; traders who elect to apply a mark-to-market method of accounting; persons who have a functional currency other than the U.S. dollar; persons who hold their shares of 21CF common stock as part of a straddle, hedge, conversion, constructive sale, synthetic security, integrated investment or other risk-reduction transaction for U.S. federal income tax purposes; and persons who actually or constructively own more than 5% of either class of 21CF common stock.

In addition, this disclosure does not address the application or the consequences of the distribution to persons who actually or constructively own both 21CF common stock and Disney common stock immediately prior to the distribution. The application and the consequences of the rules described below to a U.S. holder, as defined below, who owns shares of both 21CF common stock and Disney common stock immediately prior to the distribution may differ from the application and the consequences of such rules to a U.S. holder who owns solely 21CF common stock or solely Disney common stock immediately prior to the distribution. U.S. holders who own shares of both 21CF common stock and Disney common stock immediately prior to the distribution should consult their tax advisors regarding the application and the consequences of the rules below to them, in light of their particular circumstances.

This discussion does not address any U.S. federal estate, gift or other non-income tax consequences or any state, local or foreign tax consequences.

For purposes of this discussion, a U.S. holder is a beneficial owner of shares of 21CF common stock (other than the hook stock shares) that is, for U.S. federal income tax purposes:

- an individual who is a citizen or a resident of the U.S.;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, organized in or under the laws of the U.S., any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if (i) a court within the U.S. is able to exercise primary jurisdiction over its administration and one or more United States persons (within the meaning of Section 7701(a)(30) of the Code) have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

If an entity or an arrangement treated as a partnership for U.S. federal income tax purposes holds shares of 21CF common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, any entity treated as a partnership for U.S. federal income tax purposes that holds shares of 21CF common stock, and any partners in such partnerships, should consult their tax advisors regarding the tax consequences of the distribution and the mergers.

21CF STOCKHOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE DISTRIBUTION TO THEM, INCLUDING THE APPLICABILITY AND EFFECT OF FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX LAWS, IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

The U.S. federal income tax consequences of the receipt by 21CF stockholders of FOX common stock in the distribution are uncertain. A distribution undertaken in connection with an acquisition where cash comprises a substantial portion of the aggregate consideration can prevent the distribution from qualifying as tax-free as a result of the “anti-device” requirement under Section 355 of the Code. The determination of whether the distribution can satisfy the anti-device requirement is complex, inherently factual in nature, and subject to significant uncertainty because the law is unclear. As a result, counsel cannot opine that the distribution will be tax-free to 21CF stockholders under Section 355 of the Code. Although New Disney intends to report the distribution as taxable to 21CF stockholders, 21CF stockholders will not be prohibited from taking a contrary position. 21CF stockholders are urged to consult their tax advisors regarding the U.S. federal income tax consequences of the distribution to them. Assuming that the distribution does not qualify as a distribution described in Section 355 of the Code, the U.S. federal income tax consequences of the distribution to U.S. holders of 21CF common stock will be as follows:

A U.S. holder who receives shares of FOX common stock in the distribution in exchange for a portion of its shares of 21CF common stock will generally recognize gain or loss equal to the excess of (a) the sum of the fair market value of the FOX common stock and any cash received in lieu of any fractional share of FOX common stock over (b) such U.S. holder’s adjusted tax basis in the portion of its 21CF common stock exchanged therefor. Such capital gain or loss generally will be long-term capital gain or loss if the holding period for the portion of the 21CF common stock exchanged is greater than one year as of the closing date of the distribution. The deductibility of capital losses is subject to limitations. If a U.S. holder acquired different blocks of shares of 21CF common stock at different times or at different prices, gain or loss must be determined separately with respect to each block of shares of 21CF common stock. The U.S. holder’s adjusted tax basis in the shares of FOX common stock received in the distribution will equal the fair market value of such shares at the time of the distribution and the holding period for such shares will begin on the day after the day on which the distribution occurs.

WHERE YOU CAN FIND MORE INFORMATION

FOX has filed a registration statement on Form 10 with the SEC with respect to the shares of FOX common stock being distributed as contemplated by this information statement. This information statement is a part of, and does not contain all of the information set forth in, the registration statement on Form 10 and the exhibits and schedules to such registration statement. For further information with respect to FOX and its common stock, please refer to the registration statement, including its exhibits and schedules. Statements made in this information statement relating to any contract or other document are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. You may review a copy of the registration statement, including its exhibits and schedules, at the SEC's public reference room, located at 100 F Street, N.E., Washington, D.C. 20549, by calling the SEC at 1-800-SEC-0330 as well as on the Internet website maintained by the SEC at www.sec.gov. Information contained on any website referenced in this information statement is not incorporated by reference in this information statement.

As a result of the distribution, FOX will become subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, will file periodic reports, proxy statements and other information with the SEC.

FOX intends to furnish holders of its common stock with annual reports containing financial statements prepared in accordance with GAAP and audited and reported on, with an opinion expressed, by an independent registered public accounting firm.

You should rely only on the information contained in this information statement or to which this information statement has referred you. FOX has not authorized any person to provide you with different information or to make any representation not contained in this information statement.

Confidential Treatment Requested by New Fox, Inc.
Pursuant to 17 C.F.R. Section 200.83

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Confidential Treatment Requested by New Fox, Inc.
Pursuant to 17 C.F.R. Section 200.83

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Twenty-First Century Fox, Inc.:

Opinion on the Financial Statements

We have audited the accompanying combined balance sheets of New Fox (the "Company") as of June 30, 2018 and 2017, the related combined statements of operations, comprehensive income, cash flows and equity for each of the three years in the period ended June 30, 2018, and the related notes (collectively referred to as the "combined financial statements"). In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the Company at June 30, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2018, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 2018.

/s/ Ernst & Young LLP

New York, New York

October 9, 2018

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Confidential Treatment Requested by New Fox, Inc.
Pursuant to 17 C.F.R. Section 200.83

NEW FOX
COMBINED STATEMENTS OF OPERATIONS
(IN MILLIONS)

	For the years ended June 30,		
	2018	2017	2016
Revenues	$ 10,153	$ 9,921	$ 8,894
Operating expenses	(6,505)	(6,100)	(5,559)
Selling, general and administrative	(1,209)	(1,092)	(1,149)
Depreciation and amortization	(171)	(169)	(170)
Impairment and restructuring charges	(16)	(165)	(55)
Interest expense	(43)	(23)	(18)
Other, net	(39)	(131)	(100)
Income before income tax benefit (expense)	2,170	2,241	1,843
Income tax benefit (expense)	58	(832)	(736)
Net income	2,228	1,409	1,107
Less: Net income attributable to redeemable noncontrolling interests	(41)	(37)	(35)
Net income attributable to New Fox	$ 2,187	$ 1,372	$ 1,072

The accompanying notes are an integral part of these Audited Combined Financial Statements.

Confidential Treatment Requested by New Fox, Inc.
Pursuant to 17 C.F.R. Section 200.83

NEW FOX
COMBINED STATEMENTS OF COMPREHENSIVE INCOME
(IN MILLIONS)

	For the years ended June 30,		
	2018	**2017**	**2016**
Net income	$2,228	$1,409	$1,107
Other comprehensive income (loss), net of tax			
Unrealized holding gains on securities	130	—	—
Benefit plan adjustments	10	10	(22)
Other comprehensive income (loss), net of tax	140	10	(22)
Comprehensive income	2,368	1,419	1,085
Less: Net income attributable to redeemable noncontrolling interests	(41)	(37)	(35)
Comprehensive income attributable to New Fox	$2,327	$1,382	$1,050

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NEW FOX
COMBINED BALANCE SHEETS
(IN MILLIONS)

	As of June 30,	
	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,500	$ 19
Receivables, net	1,833	1,693
Inventories, net	1,180	1,052
Other	67	43
Total current assets	5,580	2,807
Non-current assets		
Property, plant and equipment, net	1,169	1,123
Intangible assets, net	2,866	3,121
Goodwill	2,747	2,750
Other non-current assets	759	547
Total assets	$13,121	$10,348
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable, accrued expenses and other current liabilities	$ 1,759	$ 2,042
Total current liabilities	1,759	2,042
Non-current liabilities		
Other liabilities	422	505
Deferred income taxes	1,071	1,554
Redeemable noncontrolling interests	275	154
Commitments and contingencies		
Equity		
Twenty-First Century Fox, Inc. investment	9,513	6,152
Accumulated other comprehensive income (loss)	81	(59)
Total equity	9,594	6,093
Total liabilities and equity	$13,121	$10,348

The accompanying notes are an integral part of these Audited Combined Financial Statements.

Confidential Treatment Requested by New Fox, Inc.
Pursuant to 17 C.F.R. Section 200.83

NEW FOX
COMBINED STATEMENTS OF CASH FLOWS
(IN MILLIONS)

	For the years ended June 30,		
	2018	2017	2016
OPERATING ACTIVITIES			
Net income	$2,228	$ 1,409	$1,107
Adjustments to reconcile net income to cash provided by operating activities			
Depreciation and amortization	171	169	170
Amortization of cable distribution investments	53	57	62
Impairment and restructuring charges	16	165	55
Other, net	39	131	100
Deferred income taxes	(603)	92	139
Change in operating assets and liabilities, net of acquisitions and dispositions			
Receivables and other assets	(166)	(172)	(218)
Inventories net of program rights payable	(228)	21	(252)
Accounts payable and other liabilities	(193)	(217)	(66)
Net cash provided by operating activities	1,317	1,655	1,097
INVESTING ACTIVITIES			
Property, plant and equipment	(215)	(191)	(107)
Proceeds from the relinquishment of spectrum	354	—	—
Other investing activities, net	(11)	(51)	(61)
Net cash provided by (used in) investing activities	128	(242)	(168)
FINANCING ACTIVITIES			
Net transfers from (to) 21CF	1,113	(1,395)	(877)
Distributions and other	(77)	(36)	(36)
Net cash provided by (used in) financing activities	1,036	(1,431)	(913)
Net increase (decrease) in cash and cash equivalents	2,481	(18)	16
Cash and cash equivalents, beginning of year	19	37	21
Cash and cash equivalents, end of year	$2,500	$ 19	$ 37

The accompanying notes are an integral part of these Audited Combined Financial Statements.

Confidential Treatment Requested by New Fox, Inc.
Pursuant to 17 C.F.R. Section 200.83

NEW FOX
COMBINED STATEMENTS OF EQUITY
(IN MILLIONS)

	Twenty-First Century Fox, Inc. Investment	Accumulated Other Comprehensive (Loss) Income	Total Equity
Balance, June 30, 2015	$ 6,575	$ (47)	$ 6,528
Net income attributable to New Fox	1,072	—	1,072
Other comprehensive loss	—	(22)	(22)
Other	(31)	—	(31)
Net decrease in Twenty-First Century Fox, Inc. investment	(1,144)	—	(1,144)
Balance, June 30, 2016	$ 6,472	$ (69)	$ 6,403
Net income attributable to New Fox	1,372	—	1,372
Other comprehensive income	—	10	10
Other	(107)	—	(107)
Net decrease in Twenty-First Century Fox, Inc. investment	(1,585)	—	(1,585)
Balance, June 30, 2017	$ 6,152	$ (59)	$ 6,093
Net income attributable to New Fox	2,187	—	2,187
Other comprehensive income	—	140	140
Other	(121)	—	(121)
Net increase in Twenty-First Century Fox, Inc. investment	1,295	—	1,295
Balance, June 30, 2018	$ 9,513	$ 81	$ 9,594

The accompanying notes are an integral part of these Audited Combined Financial Statements.

Confidential Treatment Requested by New Fox, Inc.
Pursuant to 17 C.F.R. Section 200.83

NEW FOX

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

The Proposed Distribution

On June 20, 2018, Twenty-First Century Fox, Inc., a Delaware corporation, and its subsidiaries (together, "Twenty-First Century Fox" or "21CF") and The Walt Disney Company ("Disney") entered into the combination merger agreement, which includes as a condition to the consummation of the mergers that the distribution shall have been consummated.

Prior to the completion of the mergers, 21CF and its wholly owned subsidiary, New Fox ("FOX" or the "Company"), will enter into the separation agreement, pursuant to which 21CF will, among other things, engage in the separation, whereby it will transfer to FOX a portfolio of 21CF's news, sports and broadcast businesses, including the *FOX News* channel, FOX Business Network, FOX Broadcasting Company ("FOX Network"), FOX Sports, FOX Television Stations Group, and sports cable networks FS1, FS2, FOX Deportes and Big Ten Network (collectively, the "FOX business"), and certain other assets, and FOX will assume from 21CF certain liabilities associated with such businesses and certain other liabilities. 21CF will retain all assets and liabilities not transferred to FOX, including the Twentieth Century Fox film and television studios and certain cable and international television businesses. Following the separation and prior to the completion of the 21CF merger, in order to implement the distribution, 21CF will distribute all of the issued and outstanding common stock of FOX to 21CF's stockholders (other than holders that are subsidiaries of 21CF (the "hook stock shares")) on a pro rata basis, in accordance with the distribution merger agreement.

Immediately prior to the distribution, FOX will pay to 21CF a dividend in the amount of $8.5 billion (the "dividend"), in immediately available funds. FOX will arrange to incur indebtedness sufficient to fund the dividend, which indebtedness will be reduced after the 21CF merger by the amount of the cash payment, as defined below.

At the open of business on the business day immediately following the date of the distribution, if the final estimate of the taxes in respect of the separation and distribution and divestitures (as well as certain taxes related to the operations of the FOX business from and after January 1, 2018 through the closing of the transactions) (collectively, the "transaction tax"), is lower than $8.5 billion, Disney will make a cash payment to FOX (the "cash payment"), which cash payment will be the amount obtained by subtracting the final estimate of the transaction tax from $8.5 billion, up to a maximum cash payment of $2 billion. After the 21CF merger, FOX will promptly reduce the indebtedness incurred to fund the dividend by the amount of the cash payment.

To provide FOX with financing in connection with the dividend, 21st Century Fox America, Inc. ("21CFA"), a wholly owned subsidiary of 21CF, entered into a commitment letter on behalf of FOX with the financial institutions party thereto (the "bridge commitment letter") which provides for borrowings of up to $9 billion. Given 21CF's current debt ratings, FOX pays a commitment fee of 0.1%. While 21CFA has entered into the bridge commitment letter, FOX intends to finance the majority of the dividend by obtaining permanent financing in the capital markets on a standalone basis.

Costs related to the distribution of approximately $75 million have been incurred by 21CF for the fiscal year ended June 30, ("fiscal") 2018. These costs include accounting, legal, consulting and advisory fees. FOX has assumed all of these distribution costs incurred to date and anticipates that it will be responsible for all similar costs incurred prior to the distribution.

After the distribution, FOX expects to incur nonrecurring expenditures consisting primarily of employee-related costs, costs to establish certain standalone functions, broadcast and information technology systems and

Confidential Treatment Requested by New Fox, Inc.
Pursuant to 17 C.F.R. Section 200.83

NEW FOX

NOTES TO THE COMBINED FINANCIAL STATEMENTS

other transaction-related costs. Additionally, FOX's management expects to incur recurring costs as a result of becoming a standalone public company, for transition services and from establishing or expanding the corporate support for its business, including shared services (advertising, affiliate and digital), information technology, human resources, treasury, tax, risk management, accounting and financial reporting, investor relations, governance, legal, procurement and other services. FOX's expected standalone results will also include additional incremental operating costs related to company-wide shared services, including shared technology platforms.

Unless the context otherwise requires, references in these Notes to the Combined Financial Statements to "the Company," "FOX," "we," "us" and "our" refer to New Fox and its combined subsidiaries. References in these Notes to the "21CF" refers to Twenty-First Century Fox, Inc., a Delaware corporation and its subsidiaries (other than, after the distribution, New Fox and its combined subsidiaries), unless the context requires.

Basis of Presentation

These Combined Financial Statements were prepared on a standalone basis, derived from the consolidated financial statements and accounting records of 21CF. These statements reflect the combined historical results of operations, financial position and cash flows of 21CF's domestic news, national sports and broadcast businesses and certain other assets and liabilities associated with such businesses in accordance with U.S. generally accepted accounting principles ("GAAP"). For ease of reference, these Combined Financial Statements are collectively referred to as those of FOX.

These financial statements are presented as if such businesses had been combined for all periods presented. All significant intracompany transactions and accounts within FOX have been eliminated. The assets and liabilities in the Combined Financial Statements have been reflected on a historical cost basis, as immediately prior to the distribution all of the assets and liabilities presented are wholly owned by 21CF and are being transferred to the combined FOX group at carry-over basis. The Combined Statements of Operations include allocations for certain support functions that are provided on a centralized basis within 21CF and not recorded at the business unit level, such as certain expenses related to finance, legal, insurance, information technology, compliance and human resources management activities, among others. 21CF does not routinely allocate these costs to any of its business units. These expenses have been allocated to FOX on the basis of direct usage when identifiable, with the remainder allocated on a pro rata basis of combined revenues, headcount or other relevant measures. Management believes the assumptions underlying the Combined Financial Statements, including the assumptions regarding allocating general corporate expenses from 21CF, are reasonable. Nevertheless, the Combined Financial Statements may not include all of the actual expenses that would have been incurred by FOX and may not reflect FOX's combined results of operations, financial position and cash flows had it been a standalone company during the periods presented. Actual costs that would have been incurred if FOX had been a standalone company would depend on multiple factors, including organizational structure and strategic decisions made in various areas, including information technology and infrastructure.

Historically, 21CF has provided capital, cash management and other treasury services to the Company. 21CF will continue to provide treasury services to the Company until the distribution is consummated. Prior to December 31, 2017, substantially all of the cash balances were swept to 21CF on a daily basis and the Company received capital from 21CF for the Company's cash needs. Effective January 1, 2018, the Company no longer participates in 21CF's capital and cash management accounts. The Company's combined Total assets as of

June 30, 2018 included $2.5 billion in Cash and cash equivalents, which reflects $600 million, which was contributed by 21CF in accordance with the combination merger agreement, plus all net cash generated beginning January 1, 2018 by the Company's business and assets. In accordance with the separation agreement, at the time of the separation and distribution, the Company will be entitled to such cash amounts reduced by (i) applicable operational taxes, (ii) 30% of all cash dividends declared by 21CF from December 13, 2017 through the distribution, (iii) 30% of all unallocated shared overhead and corporate costs from December 13, 2017 through the distribution, (iv) an allocated amount of shared overhead corporate costs consistent with 21CF's historical approach to such allocation, and (v) certain other expenses related to the separation and the distribution. The obligations described in clauses (i) – (v) are not reflected in the $2.5 billion in Cash and cash equivalents as of June 30, 2018. The amounts for these contractual obligations will likely be material in the aggregate. This process of determining the net cash generation by our business and contractual reductions will continue through the consummation of the separation and distribution in accordance with the separation agreement.

The income tax benefit (expense) in the Combined Statements of Operations has been calculated as if FOX filed a separate tax return and was operating as a standalone business. Therefore, cash tax payments and items of current and deferred taxes may not be reflective of FOX's actual tax balances prior to or subsequent to the distribution. In addition, as a result of the distribution, FOX expects to receive a step-up in tax basis based on the amount of the taxable gain recognized in connection with the separation resulting in an annual tax deduction over the next 15 years.

FOX manages and reports its businesses in the following three segments (Cable Network Programming, Television and Other, Corporate and Eliminations). (See Note 14—Segment Information for further discussion of each of the segments).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of combination

The Combined Financial Statements include certain assets and liabilities that have historically been held at 21CF's corporate level but are specifically identifiable or otherwise attributable to the Company. All significant intracompany transactions and accounts within the Company's combined businesses have been eliminated.

Intercompany transactions with 21CF or its affiliates and the Company are reflected in the historical Combined Financial Statements. All significant intercompany balances between 21CF and the Company have been included within the 21CF investment in these Combined Financial Statements.

Any change in the Company's ownership interest in a combined subsidiary, where a controlling financial interest is retained, is accounted for as a capital transaction. When the Company ceases to have a controlling interest in a combined subsidiary, the Company will recognize a gain or loss in net income upon deconsolidation.

The Company's fiscal year ends on June 30 of each year.

Use of estimates

The preparation of the Company's Combined Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts that are reported in the Combined Financial Statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future, actual results may differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and marketable securities with original maturities of three months or less.

Receivables

Receivables are presented net of an allowance for doubtful accounts, which is an estimate of amounts that may not be collectible. The allowance for doubtful accounts is estimated based on historical experience, receivable aging, current economic trends and specific identification of certain receivables that are at risk of not being paid.

Receivables, net consist of:

	As of June 30,	
	2018	2017
	(in millions)	
Total receivables	$ 1,866	$ 1,763
Allowances for doubtful accounts	(28)	(68)
Total receivables, net	1,838	1,695
Less: current receivables, net	(1,833)	(1,693)
Non-current receivables, net	$ 5	$ 2

Inventories

Programming Rights

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 920, “Entertainment—Broadcasters,” costs incurred in acquiring program rights or producing programs for the Cable Network Programming and Television segments, are capitalized and amortized over the license period or projected useful life of the programming. Program rights and the related liabilities are recorded at the gross amount of the liabilities when the license period has begun, the cost of the program is determinable and the program is accepted and available for airing. Television broadcast network entertainment programming, which includes acquired series, co-produced series, movies and other programs, are amortized primarily on an accelerated basis.

The Company has single and multi-year contracts for broadcast rights of programs and sporting events. The Company evaluates the recoverability of the unamortized costs associated therewith, using total estimated advertising and other revenues attributable to the program material and considering the Company’s expectations of the programming usefulness of the program rights. The recoverability of certain sports rights contracts for content broadcast on the FOX Network and the national sports channels is assessed on an aggregate basis. Where an evaluation indicates that these multi-year contracts will result in an asset that is not recoverable, amortization of rights is accelerated. The costs of multi-year national sports contracts at the FOX Network and the national sports channels are primarily amortized based on the ratio of each current period’s attributable revenue for each contract to the estimated total remaining attributable revenue for each contract. Estimates can change and, accordingly, are reviewed periodically and amortization is adjusted as necessary. Such changes in the future could be material.

Investments

Investments in and advances to entities or joint ventures in which the Company has significant influence, but less than a controlling voting interest, are accounted for using the equity method. Significant influence is generally presumed to exist when the Company owns an interest between 20% and 50% and exercises significant influence.

Investments in which the Company has no significant influence (generally less than a 20% ownership interest) are designated as available-for-sale investments if readily determinable market values are available. If an investment's fair value is not readily determinable, the Company accounts for its investment at cost. The Company reports available-for-sale investments at fair value based on quoted market prices. Unrealized gains and losses on available-for-sale investments are included in Accumulated other comprehensive income (loss) net of applicable taxes and other adjustments until the investment is sold or considered impaired.

Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is provided using the straight-line method over an estimated useful life of three to 40 years. Leasehold improvements are amortized using the straight-line method over the shorter of their useful lives or the life of the lease. Costs associated with the repair and maintenance of property are expensed as incurred. Changes in circumstances, such as technological advances, or changes to the Company's business model or capital strategy, could result in the actual useful lives differing from the Company's estimates. In those cases where the Company determines that the estimated useful life of property, plant and equipment should be shortened, the Company would depreciate the asset over its revised remaining useful life, thereby increasing depreciation expense.

Goodwill and Intangible assets

The Company's intangible assets include goodwill, Federal Communications Commission ("FCC") licenses, multi-channel video programming distributor ("MVPD") affiliate agreements and relationships, and trademarks and other copyrighted products. Intangible assets acquired in business combinations are recorded at their estimated fair value at the date of acquisition. Goodwill is recorded as the difference between the consideration transferred to acquire entities and the estimated fair values assigned to their tangible and identifiable intangible net assets. In accordance with ASC 350 "Intangibles—Goodwill and Other" ("ASC 350"), the Company's goodwill and indefinite-lived intangible assets, which primarily consist of FCC licenses, are tested annually for impairment, or earlier, if events occur or circumstances change that would more likely than not reduce the fair value below its carrying amount. The impairment assessment of indefinite-lived intangibles compares the fair value of the assets to their carrying value. Intangible assets with finite lives are generally amortized over their estimated useful lives.

The Company's goodwill impairment reviews are performed using a two-step process. The first step of the process is to compare the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds its carrying amount, the goodwill of the reporting unit is not impaired and the second step of the impairment review is not necessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment review is required to be performed to estimate the implied fair value of the reporting unit's goodwill. The implied fair value of the reporting unit's goodwill is compared with the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

When a business within a reporting unit is disposed of, goodwill is allocated to the disposed business using the relative fair value method.

Asset impairments

Investments

The Company determines the fair value of its public company investments by reference to their publicly traded stock prices. With respect to private company investments, the Company makes its estimate of fair value by considering other available information, including recent investee equity transactions, discounted cash flow analyses, estimates based on comparable public company operating multiples and, in certain situations, balance sheet liquidation values. If the fair value of the investment has dropped below the carrying amount, management considers several factors when determining whether an other-than-temporary decline in market value has occurred, including the length of time and extent to which the market value has been below cost, the financial condition and near-term prospects of the issuer of the security, the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in market value and other factors influencing the fair market value, such as general market conditions.

The Company regularly reviews available-for-sale investment securities and investments accounted for at cost for other-than-temporary impairment based on criteria that include the extent to which the investment's carrying value exceeds its related market value or estimated fair value, the duration of the decline, the Company's ability to hold until recovery and the financial strength and specific prospects of the issuer of the security.

Long-lived assets

ASC 360, "Property, Plant, and Equipment," and ASC 350 require that the Company periodically review the carrying amounts of its long-lived assets, including property, plant and equipment and finite-lived intangible assets, to determine whether current events or circumstances indicate that such carrying amounts may not be recoverable. If the carrying amount of the asset is greater than the expected undiscounted cash flows to be generated by such asset, an impairment adjustment is recognized if the carrying value of such asset exceeds its fair value. The Company generally measures fair value by considering sale prices for similar assets or by discounting estimated future cash flows using an appropriate discount rate. Considerable management judgment is necessary to estimate the fair value of assets; accordingly, actual results could vary significantly from such estimates. Assets to be disposed of are carried at the lower of their financial statement carrying amount or fair value less their costs to sell.

Revenue recognition

Revenue is recognized when control of the promised goods or services is transferred to the Company's customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. The Company considers the terms of each arrangement to determine the appropriate accounting treatment.

Cable Network Programming and Television

The Company generates advertising revenue from sales of commercial time within the Company's network programming to be aired by television networks and cable channels, and from sales of broadcast advertising time on the Company's owned television stations and various digital properties. Advertising revenue is recognized as the commercials are aired, net of agency commissions. Certain of the Company's advertising contracts have guarantees of a certain number of targeted audience views, referred to as impressions. Revenues for any audience deficiencies are deferred until the guaranteed number of impressions is met, by providing additional advertisements. Advertising contracts, which are generally short-term, are billed monthly for the spots aired during the month, with payments due shortly after the invoice date.

The Company generates affiliate fee revenue from affiliate agreements with MVPDs for cable network programming and for the broadcast of the Company's owned and operated television stations. In addition, the Company generates affiliate fee revenue from affiliate agreements with independently owned television stations that are affiliated with the FOX Network and receive retransmission consent fees from MVPDs for their signals. Affiliate fee revenue is recognized at a point in time when the network programming is made available to the customer. For contracts with affiliate fees based on the number of the affiliate's subscribers, revenues are recognized based on the contractual rate multiplied by the number of subscribers each period. For contracts with fixed affiliate fees, revenues are recognized based on the relative standalone selling price of the network programming provided over the contract term. Affiliate contracts are generally multi-year contracts with payments due monthly.

The Company classifies the amortization of cable distribution investments (capitalized fees paid to MVPDs to facilitate carriage of a cable network) against affiliate fee revenue in accordance with ASC 606-10-32-25 through 27, "Revenue Recognition—Consideration Payable to a Customer." The Company defers the cable distribution investments and amortizes the amounts on a straight-line basis over the contract period.

Advertising expenses

The Company expenses advertising costs as incurred in accordance with ASC 720-35, "Other Expenses—Advertising Cost." Advertising expenses recognized totaled $392 million, $366 million and $349 million for fiscal 2018, 2017 and 2016, respectively.

Income taxes

The Company accounts for income taxes in accordance with ASC 740, "Income Taxes" ("ASC 740"). ASC 740 requires an asset and liability approach for financial accounting and reporting for income taxes. Under the asset and liability approach, deferred taxes are provided for the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Valuation allowances are established where management determines that it is more likely than not that some portion or all of a deferred tax asset will not be realized.

The Company's operations have historically been included in the tax returns filed by the respective 21CF entities of which the Company's businesses are a part. Income tax benefit (expense) and other income tax related information contained in these Combined Financial Statements are presented on a separate return basis as if the Company filed its own tax returns.

Equity-based compensation

The Company employees have historically participated in 21CF's equity-based compensation plans. Equity-based compensation expense has been allocated to the Company based on the awards and terms previously granted to the Company employees. Until consummation of the distribution, the Company will continue to participate in 21CF's equity-based compensation plans and record equity-based compensation expense based on the equity-based awards granted to the Company's employees. The Company accounts for share-based payments in accordance with ASC 718, "Compensation—Stock Compensation" ("ASC 718"). ASC 718 requires that the cost resulting from all share-based payment transactions be recognized in the Combined Financial Statements. ASC 718 establishes fair value as the measurement objective in accounting for share-based payment arrangements and requires all companies to apply a fair value-based measurement method in accounting for generally all share-based payment transactions with employees (See Note 9—Equity-Based Compensation).

Financial instruments

The carrying value of the Company's financial instruments, such as cash and cash equivalents, receivables, payables and cost method investments, approximate fair value. The fair value of financial instruments is generally determined by reference to market values resulting from trading on a national securities exchange or in an over-the-counter market.

Concentrations of credit risk

Cash and cash equivalents are maintained with several financial institutions. The Company has deposits held with banks that exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and, therefore, bear minimal credit risk.

Generally, the Company does not require collateral to secure receivables. As of June 30, 2018 and 2017, the Company had two customers that accounted for approximately 21% of the Company's receivables.

Recently Adopted and Recently Issued Accounting Guidance and U.S. Tax Reform

Adopted

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09"). The core principle of ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, ASU 2014-09 requires additional disclosure around the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted the requirements of ASU 2014-09 as of July 1, 2017, utilizing the full retrospective method of transition which required each prior reporting period presented to be restated. ASU 2014-09 did not have a material effect on the Company's Combined Financial Statements.

In March 2016, the FASB issued ASU 2016-09, "Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting" ("ASU 2016-09"). The amendments in ASU 2016-09 simplify various aspects related to how share-based payments are accounted for and presented in the financial statements, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. On July 1, 2017, the Company adopted ASU 2016-09. In accordance with ASU 2016-09, the Company will prospectively recognize all excess tax benefits and tax deficiencies in Income tax benefit (expense) in the Statements of Operations. ASU 2016-09 did not have a material effect on the Company's Combined Financial Statements.

On July 1, 2017, the Company early adopted ASU 2017-07, "Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost" ("ASU 2017-07"). ASU 2017-07 requires an employer to report the service cost component of net benefit cost in the same line item as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations. ASU 2017-07 did not have a material effect on the Company's Combined Financial Statements.

Issued

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities" ("ASU 2016-01"). The amendments

in ASU 2016-01 address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 is effective for the Company for annual and interim reporting periods beginning July 1, 2018. In accordance with ASU 2016-01, the Company will prospectively record changes in fair value of available- for-sale investments in net income rather than in Accumulated other comprehensive income (loss). On July 1, 2018, the Company will record a cumulative-effect adjustment to the 21CF investment for the balance of unrealized holding gains on securities in Accumulated other comprehensive income (loss) as of June 30, 2018 (See Note 16—Additional Financial Information under the heading "Accumulated Other Comprehensive Income (Loss)"). Cost method investments that do not have readily determinable fair values will be recognized prospectively at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The adjustments related to the observable price changes will be recognized in net income.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" ("ASU 2016-02"). ASU 2016-02 requires recognition of lease assets and liabilities on the balance sheet and disclosure of key information about leasing arrangements. ASU 2016-02 will be effective for the Company for annual and interim reporting periods beginning July 1, 2019. The Company is currently evaluating the impact ASU 2016-02 will have on its Combined Financial Statements. Since the Company has a significant amount of minimum lease commitments (See Note 11—Commitments and Contingencies), the Company expects that the impact of recognizing lease assets and liabilities will be significant to the Company's Combined Balance Sheet.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments" ("ASU 2016-15"). ASU 2016-15 addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. ASU 2016-15 is effective for the Company for annual and interim reporting periods beginning July 1, 2018. The Company does not expect the adoption of this standard to have a significant impact on the Combined Financial Statements.

In October 2016, the FASB issued ASU 2016-16, "Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory" ("ASU 2016-16"). ASU 2016-16 requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory. ASU 2016-16 is effective for the Company for annual and interim reporting periods beginning July 1, 2018. The Company does not expect the adoption of this standard to have a significant impact on the Combined Financial Statements.

In January 2017, the FASB issued ASU 2017-01, "Business Combinations (Topic 805): Clarifying the Definition of a Business" ("ASU 2017-01"). The objective of ASU 2017-01 is to clarify the definition of a business in order to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill and consolidation. ASU 2017-01 is effective for the Company for annual and interim reporting periods beginning July 1, 2018. The Company does not expect the adoption of this standard to have a significant impact on the Combined Financial Statements.

In January 2017, the FASB issued ASU 2017-04, "Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment" ("ASU 2017-04"). The objective of ASU 2017-04 is to simplify how an entity is required to test goodwill for impairment. Under current GAAP, entities are required to test goodwill for impairment using a two-step approach. Under the amendments in ASU 2017-04, an entity should perform its goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. ASU 2017-04 is effective for the Company for annual and interim reporting periods beginning July 1, 2020. The Company is currently evaluating the impact ASU 2017-04 will have on its Combined Financial Statements.

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In August 2018, the FASB issued ASU 2018-14, "Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans" ("ASU 2018-14"). The amendments in ASU 2018-14 modify certain aspects of disclosure about defined benefit pension and other postretirement plans. ASU 2018-14 will be effective for the Company for annual reporting periods beginning July 1, 2020. Early adoption is permitted. The Company is currently evaluating the impact ASU 2018-14 will have on its Combined Financial Statements.

U.S. Tax Reform

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act significantly revises the future ongoing U.S. corporate income tax by, among other things, lowering U.S. corporate income tax rates and implementing a territorial tax system. Since the Company has a June 30 fiscal year-end, the lower corporate income tax rate will be phased in, resulting in a U.S. statutory federal rate of approximately 28% for fiscal 2018, and 21% for subsequent fiscal years.

The SEC has issued guidance that would allow for a measurement period of up to one year after the enactment date of the Tax Act to finalize the recording of the related tax impacts. As of June 30, 2018, the Company has not completed its analysis of the accounting for all the tax effects of the Tax Act but has recorded a provisional net tax benefit of $607 million for those items which it could reasonably estimate and which are discussed below. The Company currently anticipates finalizing its provisional amounts by the end of the current calendar year based on future interpretive guidance expected to be issued by the U.S. Treasury and the additional time required to refine calculations. There may be adjustments to the provisional amounts recorded during the measurement period and such adjustments could possibly be material.

For fiscal 2018, the Company recorded a provisional income tax benefit of $607 million to adjust its net deferred tax liability position in accordance with the Tax Act. The net deferred tax liability represents future tax obligations. Among the Company's more significant net deferred tax liabilities are basis differences and amortization, and sports rights contracts. The final amount of the adjustment to the net deferred tax liability could be revised based on changes in interpretations of the Tax Act and any updates or changes to estimates based on additional information the Company obtains or analyzes.

In February 2018, the FASB issued ASU 2018-02, "Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income" ("ASU 2018-02"). The objective of ASU 2018-02 is to eliminate the stranded tax effects resulting from the Tax Act and to improve the usefulness of information reported to financial statement users. ASU 2018-02 is effective for the Company for annual and interim reporting periods beginning July 1, 2019. Early adoption is permitted, including adoption in any interim period. The Company is currently evaluating the impact ASU 2018-02 will have on its Combined Financial Statements.

NOTE 3. ACQUISITIONS, DISPOSALS AND OTHER TRANSACTIONS

Fiscal 2019

In the first quarter of fiscal 2019, the Company invested, in the aggregate, approximately $100 million in cash for a minority equity interest in Caffeine, a social broadcasting platform for gaming, entertainment and other creative content, and Caffeine Studios, a newly formed venture that is jointly owned by the Company and Caffeine.

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Fiscal 2017

In March 2017, the FCC concluded a voluntary auction to reclaim television broadcast station spectrum. The Company had three stations' bids of $354 million to relinquish spectrum accepted by the FCC as part of the auction. As a result, spectrum previously utilized by its television stations in Washington, DC, Charlotte, NC and Chicago, IL designated market areas, in which the Company operates duopolies, has been relinquished to the FCC. The proceeds were received in July 2017 and the Company recorded a pre-tax gain of $102 million for the portion of spectrum relinquished to the FCC prior to June 30, 2018, which was included in Other, net in the Combined Statements of Operations for fiscal 2018. The Company will record a nominal pre-tax gain in fiscal 2019 for the remaining spectrum to be relinquished to the FCC. These television stations will continue broadcasting using the spectrum of the existing the FOX Network owned and operated station in that market.

NOTE 4. RESTRUCTURING PROGRAMS

Fiscal 2017

In fiscal 2017, the Company recorded restructuring charges of $160 million primarily related to costs in connection with management and employee transitions and restructuring at the Cable Network Programming segment.

Fiscal 2016

In fiscal 2016, the Company recorded restructuring charges of $55 million primarily related to a voluntary resignation program extended to certain employees across all segments as part of ongoing efforts to transform certain functions and reduce costs. Costs related to the voluntary resignation program are accrued over the relevant service period when the Company and the employee agree on the specific terms of the voluntary resignation.

Changes in the restructuring program liabilities were as follows:

	One time termination benefits
	(in millions)
Balance, June 30, 2015	$ —
Additions	(55)
Payments	43
Balance, June 30, 2016	$ (12)
Additions	(160)
Payments	73
Other	6
Balance, June 30, 2017	$ (93)
Additions	(11)
Payments	66
Other	1
Balance, June 30, 2018	$ (37)

Restructuring charges are recorded in Impairment and restructuring charges in the Combined Statements of Operations. As of June 30, 2018 and 2017, restructuring liabilities of approximately $20 million and $60 million,

respectively, were included in Accounts payable, accrued expenses and other current liabilities in the Combined Balance Sheets and the balance of the accrual was included in Non-current Other liabilities in the Combined Balance Sheets.

NOTE 5. INVENTORIES, NET

The Company's inventories were comprised of the following:

	As of June 30,	
	2018	2017
	(in millions)	
Sports programming rights	$ 983	$ 862
Entertainment programming rights	318	320
Total inventories, net	1,301	1,182
Less: current portion of inventories, net	(1,180)	(1,052)
Total non-current inventories, net	$ 121	$ 130

NOTE 6. FAIR VALUE

In accordance with ASC 820, "Fair Value Measurement," fair value measurements are required to be disclosed using a three-tiered fair value hierarchy which distinguishes market participant assumptions into the following categories: (i) inputs that are quoted prices in active markets ("Level 1"); (ii) inputs other than quoted prices included within Level 1 that are observable, including quoted prices for similar assets or liabilities ("Level 2"); and (iii) inputs that require the entity to use its own assumptions about market participant assumptions ("Level 3").

The following tables present information about financial assets and liabilities carried at fair value on a recurring basis. As of June 30, 2018 and 2017, there were no assets or liabilities in the Level 2 category.

	Fair value measurements As of June 30, 2018		
	Total	Level 1	Level 3
	(in millions)		
Assets			
Investments[a]	$ 257	$ 257	$ —
Redeemable noncontrolling interests[b]	(275)	—	(275)
Total	$ (18)	$ 257	$(275)

	Fair value measurements As of June 30, 2017		
	Total	Level 1	Level 3
	(in millions)		
Redeemable noncontrolling interests[b]	$(154)	$ —	$(154)
Total	$(154)	$ —	$(154)

(a) Represents investments in available-for-sale securities.

(b) The Company utilizes the market approach valuation technique for its Level 3 fair value measures. Inputs to such measures could include observable market data obtained from independent sources such as broker

quotes and recent market transactions for similar assets. It is the Company's policy to maximize the use of observable inputs in the measurement of its Level 3 fair value measurements. To the extent observable inputs are not available, the Company utilizes unobservable inputs based upon the assumptions market participants would use in valuing the liability. Examples of utilized unobservable inputs are future cash flows and long term growth rates.

Redeemable Noncontrolling Interests

The Company accounts for redeemable noncontrolling interests in accordance with ASC 480-10-S99-3A, "Distinguishing Liabilities from Equity" ("ASC 480-10-S99-3A"), because their exercise is outside the control of the Company. The redeemable noncontrolling interests recorded at fair value are put arrangements held by the noncontrolling interests in one of the Company's majority-owned sports networks.

The changes in redeemable noncontrolling interests classified as Level 3 measurements were as follows:

	For the years ended June 30,		
	2018	2017	2016
		(in millions)	
Beginning of year	$ (154)	$ (45)	$ (15)
Net income	(41)	(37)	(35)
Distributions	41	35	36
Accretion	(121)	(107)	(31)
End of year	$ (275)	$ (154)	$ (45)

Significant unobservable inputs used in the fair value measurement of the Company's redeemable noncontrolling interests are OIBDA projections (generally 3% average growth rate). Significant increases (decreases) in growth rates and multiples would result in a significantly higher (lower) fair value measurement.

The fair value of the redeemable noncontrolling interests in the sports network was determined by applying a multiples-based formula. As of June 30, 2018, the redeemable noncontrolling interests are not exercisable. A portion of the minority shareholder's put right will become exercisable in July 2019.

Assetsand Liabilities Measured at Fair Value on a Nonrecurring Basis

The Company's assets measured at fair value on a nonrecurring basis include investments, long-lived assets, indefinite-lived intangible assets and goodwill. The Company reviews the carrying amounts of such assets whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable or at least annually for indefinite-lived intangible assets and goodwill. Any resulting asset impairment would require that the asset be recorded at its fair value. The resulting fair value measurements of the assets are considered to be Level 3 measurements.

NOTE 7. PROPERTY, PLANT AND EQUIPMENT, NET

	Useful lives	As of June 30, 2018	As of June 30, 2017
		(in millions)	
Land		$ 126	$ 126
Buildings and leaseholds	5 to 40 years	1,143	1,093
Machinery and equipment	3 to 20 years	1,558	1,474
Total property, plant and equipment, gross		2,827	2,693
Less: accumulated depreciation and amortization		(1,658)	(1,570)
Total property, plant and equipment, net		$ 1,169	$ 1,123

Depreciation and amortization related to Property, plant and equipment was $157 million, $154 million and $155 million for fiscal 2018, 2017 and 2016, respectively.

Total operating lease expense, including corporate allocations, was approximately $105 million for fiscal 2018 and approximately $95 million for fiscal 2017 and 2016.

NOTE 8. GOODWILL AND INTANGIBLE ASSETS, NET

The changes in the carrying values of the Company's intangible assets and related accumulated amortization were as follows:

	Intangible assets not subject to amortization				
	FCC licenses	Other	Total	Amortizable intangible assets, net(a)	Total intangible assets, net
			(in millions)		
Balance, June 30, 2017	$2,408	$642	$3,050	$ 71	$ 3,121
Dispositions(b)	(241)	—	(241)	—	(241)
Amortization	—	—	—	(14)	(14)
Balance, June 30, 2018	$2,167	$642	$2,809	$ 57	$ 2,866

(a) Net of accumulated amortization of $114 million and $100 million as of June 30, 2018 and 2017, respectively. The average useful life of other intangible assets ranges from five to 20 years.
(b) See Note 3—Acquisitions, Disposals and Other Transactions.

Amortization related to finite-lived intangible assets was $14 million for fiscal 2018 and $15 million for fiscal 2017 and 2016.

Based on the current balance of finite-lived intangible assets, the estimated amortization expense for each of the succeeding five fiscal years is as follows:

	For the years ending June 30, 2019	2020	2021	2022	2023
			(in millions)		
Estimated amortization expense(a)	$14	$14	$14	$ 4	$ 4

(a) These amounts may vary as acquisitions and dispositions occur in the future.

The carrying value of goodwill, by segment, was as follows:

	As of June 30,	
	2018	2017
	(in millions)	
Cable Network Programming	$ 919	$ 918
Television	1,828	1,832
Total goodwill	$2,747	$2,750

The carrying amount of Television segment goodwill was net of accumulated impairments of $371 million as of June 30, 2018 and 2017.

Annual Impairment Review

Goodwill

The Company's goodwill impairment reviews are determined using a two-step process. The first step of the process is to compare the fair value of a reporting unit with its carrying amount, including goodwill. In performing the first step, the Company determines the fair value of a reporting unit by using a market-based valuation approach methodology. Determining fair value requires the exercise of significant judgments, including judgments about appropriate company earnings multiples and relevant comparable transactions, as applicable, and the amount and timing of expected future cash flows. The cash flows employed in the analyses are based on the Company's estimated outlook. In assessing the reasonableness of its determined fair values, the Company evaluates its results against other value indicators, such as comparable public company trading values. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not impaired and the second step of the impairment review is not necessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment review is required to be performed to estimate the implied fair value of the reporting unit's goodwill. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. That is, the estimated fair value of the reporting unit is allocated to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination and the estimated fair value of the reporting unit was the purchase price paid. The implied fair value of the reporting unit's goodwill is compared with the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

FCC licenses

The Company performs impairment reviews consisting of a comparison of the estimated fair value of the Company's FCC licenses with their carrying amount on a station-by-station basis using a discounted cash flow valuation method, assuming a hypothetical start-up scenario for a broadcast station in each of the markets the Company operates in. The significant assumptions used are the discount rate and terminal growth rates and operating margins, as well as industry data on future advertising revenues in the markets where the Company owns television stations. These assumptions are based on actual historical performance and estimates of future performance in each market.

Fiscal 2018 and 2017

During fiscal 2018 and 2017, the Company determined that the goodwill and indefinite-lived intangible assets included in the Combined Balance Sheets as of June 30, 2018 and 2017, respectively, were not impaired.

NOTE 9. EQUITY-BASED COMPENSATION

Until consummation of the distribution from 21CF, the Company's employees participate in 21CF's equity plans. 21CF has plans authorized to grant equity awards of 21CF stock to the Company's employees. The equity-based compensation expense recorded by the Company, in the periods presented, includes the expense associated with the employees historically attributable to the Company's operations, as well as the expense associated with the allocation of equity-based compensation expense for corporate employees.

The Company Incentive Plan

The Company participates in 21CF's 2013 Long-Term Incentive Plan (the "2013 Plan"), under which equity-based compensation, including stock options, performance stock units ("PSUs"), restricted stock, restricted stock units ("RSUs") and other types of awards, may be granted. The Company's employees are eligible to participate in the 2013 Plan. The Compensation Committee of 21CF's Board ("21CF's Compensation Committee") determines the recipients, type of award to be granted and amounts of awards to be granted under the 2013 Plan.

The fair value of equity-based compensation under the Plans is calculated according to the type of award issued.

Performance Stock Units

PSUs are fair valued on the date of grant and expensed over the service period using a straight-line method as the awards cliff vest at the end of the three-year performance period. Certain of these awards have a graded vesting provision and the expense recognition is accelerated. The Company also estimates the number of shares expected to vest which is based on management's determination of the probable outcome of the performance condition, which requires considerable judgment. The Company records a cumulative adjustment in periods that the Company's estimate of the number of shares expected to vest changes. Additionally, the Company ultimately adjusts the expense recognized to reflect the actual vested shares following the resolution of the performance conditions. The number of shares that will be issued upon vesting of PSUs can range from 0% to 200% (limited to 150% for certain executives) of the target award, based on 21CF's three-year total shareholder return ("TSR") as measured against the three-year TSR of the companies that comprise the Standard and Poor's 500 Index (excluding financial, real estate and energy sector companies) and other performance measures. The fair value of the TSR condition is determined using a Monte Carlo simulation model.

Certain employees of the Company received a grant of PSUs that has a three-year performance measurement period beginning in July of each fiscal year. The awards are subject to the achievement of one or more pre-established objective performance measures determined by 21CF's Compensation Committee. The awards issued will generally be settled in shares of 21CF's class A common stock upon vesting and are subject to the participants' continued employment with 21CF. After the separation and distribution, certain awards will convert into equity awards of the Company and will generally be settled in shares of the Company's class A common stock. Any person who holds PSUs shall have no ownership interest in the shares of class A common stock to which such PSUs relate until and unless shares of class A common stock are delivered to the holder. In fiscal 2018, 2017 and 2016, a total of approximately 3.1 million, 3.3 million and 2.8 million PSUs were granted, respectively.

In February 2018, 21CF's Compensation Committee determined that, upon vesting, the outstanding PSU awards for the fiscal 2016-2018 performance period granted to all participants in the PSU award program, including 21CF's named executive officers, will be paid out based on the target number of PSUs awarded in

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accordance with the original vesting schedule. As of June 30, 2018, there were approximately 2.2 million PSUs outstanding for the 2016-2018 performance period. The total incremental compensation expense resulting from the modification was approximately $25 million.

Retention Awards

21CF's Compensation Committee made a special grant of approximately 2.6 million restricted stock units ("Retention RSUs") to certain of the Company's senior executives. The Retention RSU grants will vest 50% at the time of the mergers and 50% on the 15-month anniversary of the mergers, subject to each executive's continued employment through the applicable vesting date or an earlier qualifying termination of employment.

The following table summarizes the activity related to target PSUs and RSUs granted to the Company's employees to be settled in stock (PSUs and RSUs in thousands):

	Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Number of shares	Weighted average grant-date fair value	Number of shares	Weighted average grant-date fair value	Number of shares	Weighted average grant-date fair value
PSUs and RSUs						
Unvested units at beginning of the year	7,102	$ 28.62	6,125	$ 32.96	6,033	$ 30.64
Granted	5,698	32.21	3,312	24.49	3,354	30.34
Vested[(a)]	(1,112)	34.59	(1,297)	34.91	(2,691)	26.23
Cancelled	(792)	30.28	(1,038)	33.18	(571)	24.73
Unvested units at the end of the year[(b)]	10,896	$ 29.77	7,102	$ 28.62	6,125	$ 32.96

(a) The fair value and intrinsic value of PSUs held by the Company's employees that vested during fiscal 2018, 2017 and 2016 was $31 million, $30 million and $73 million, respectively.
(b) The intrinsic value of unvested target PSUs and RSUs held by the Company's employees as of June 30, 2018 was approximately $540 million.

The following table summarizes the Company's equity-based compensation:

	For the years ended June 30,		
	2018	2017	2016
		(in millions)	
Equity-based compensation[(a)]	$ 100	$ 57	$ 89
Intrinsic value of all settled equity-based awards[(b)]	$ 31	$ 38	$ 84
Tax benefit on vested equity-based awards	$ 9	$ 14	$ 32

(a) Includes allocated expense for both executive directors and corporate executives of 21CF, allocated using a proportional allocation driver, which management has deemed to be reasonable.
(b) Includes cash-settled PSUs and RSUs.

As of June 30, 2018, the Company's total estimated compensation cost, not yet recognized, related to non-vested equity awards held by the Company's employees for all plans presented was approximately $130 million and is expected to be recognized over a weighted average period between one and two years.

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NOTE 10. RELATED PARTY TRANSACTIONS AND 21CF INVESTMENT

Related Party Transactions

In the ordinary course of business, the Company enters into transactions with related parties, including subsidiaries and equity affiliates of 21CF, to buy and/or sell programming and purchase and/or sell advertising. The following table sets forth the net revenue from related parties included in the Combined Statements of Operations:

	For the years ended June 30,		
	2018	2017	2016
		(in millions)	
Related party revenue, net of expense	$ 146	$ 143	$ 137

The following table sets forth the amounts due to related parties on the Combined Balance Sheets:

	As of June 30,	
	2018	2017
	(in millions)	
Due to related parties	$143	$225

Corporate Allocations and 21CF Investment

Historically, 21CF has provided services to and funded certain expenses for the Company such as: global real estate and occupancy costs and employee benefits (“Direct Corporate Expenses”). In addition, the Company’s Combined Financial Statements include general corporate expenses of 21CF which were not historically allocated to the Company for certain support functions that are provided on a centralized basis within 21CF and not recorded at the business unit level, such as expenses related to finance, legal, insurance, information technology, compliance and human resources management activities, among others (“General Corporate Expenses”). For purposes of these standalone Combined Financial Statements, the General Corporate Expenses have been allocated to the Company. The General Corporate Expenses are included in the Combined Statements of Operations in Selling, general and administrative expenses and Other, net, as appropriate, and accordingly as a component of the 21CF investment in the Combined Balance Sheets. These expenses have been allocated to the Company on the basis of direct usage when identifiable, with the remainder allocated on a pro rata basis of combined revenues, headcount or other relevant measures of the Company. Management believes the assumptions underlying the Combined Financial Statements, including the assumptions regarding allocating General Corporate Expenses from 21CF are reasonable. Nevertheless, the Combined Financial Statements may not include all of the actual expenses that would have been incurred and may not reflect the Company’s combined results of operations, financial position and cash flows had it been a standalone company during the periods presented. Actual costs that would have been incurred if the Company had been a standalone company would depend on multiple factors, including organizational structure and strategic decisions made in various areas, including information technology and infrastructure. For the purposes of these standalone Combined Financial Statements, the corporate allocations recorded for fiscal 2018, 2017 and 2016 of $334 million, $267 million and $255 million, respectively, were General Corporate Expenses of 21CF which were not historically allocated to the Company.

Intercompany transactions with 21CF or its affiliates and the Company are reflected in the historical Combined Financial Statements. All significant intercompany balances between 21CF and the Company are reflected in the Combined Statements of Cash Flows as a financing activity and in the Combined Balance Sheets as a 21CF investment.

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The following table summarizes the components of the net increase (decrease) in the 21CF investment for fiscal 2018, 2017 and 2016:

	For the years ended June 30,		
	2018	2017	2016
		(in millions)	
Cash pooling and general financing activities[a]	$ 961	$(1,852)	$(1,399)
Corporate allocations	334	267	255
Net increase (decrease) in the 21CF investment	$1,295	$(1,585)	$(1,144)

(a) The nature of activities included in the line item ‘Cash pooling and general financing activities’ includes financing activities for capital transfers, cash sweeps, other treasury services and Direct Corporate Expenses. As part of this activity and prior to December 31, 2017, the majority of the cash balances are swept to 21CF on a daily basis and the Company receives capital from 21CF for the Company’s cash needs. Effective January 1, 2018, the Company no longer participates in 21CF’s capital and cash management accounts (See Note 1—Description of Business and Basis of Presentation under the heading “Basis of Presentation”).

NOTE 11. COMMITMENTS AND CONTINGENCIES

The Company has commitments under certain firm contractual arrangements (“firm commitments”) to make future payments. These firm commitments secure the future rights to various assets and services to be used in the normal course of operations. The following table summarizes the Company’s material firm commitments as of June 30, 2018:

	As of June 30, 2018				
	Payments due by period				
	Total	1 year	2 - 3 years	4 - 5 years	After 5 years
			(in millions)		
Operating leases and service agreements					
Land and buildings	$ 138	$ 15	$ 28	$ 18	$ 77
Other	127	50	36	28	13
Other commitments					
Sports programming rights	29,827	3,624	7,993	8,370	9,840
Entertainment programming rights	881	703	83	79	16
Other commitments and contractual obligations	648	147	189	127	185
Total commitments, borrowings and contractual obligations	$31,621	$4,539	$ 8,329	$ 8,622	$ 10,131

The firm commitments above do not include obligations and commitments related to the separation and distribution.

Operating leases and service agreements

Operating leases and service agreements primarily include agreements for office facilities, equipment, transponder service agreements and microwave transmitters used to carry broadcast signals. The leases, which are classified as operating leases, expire at certain dates through fiscal 2038.

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Sports programming rights

Under the Company's contracts with the National Football League ("NFL"), the remaining future minimum payments for program rights to broadcast certain football games are payable over the remaining term of the contract through the 2022 NFL season.

The Company's contracts with the National Association of Stock Car Auto Racing give the Company rights to broadcast certain races and ancillary content through calendar year 2024.

The Company's contract with Major League Baseball ("MLB") gives the Company rights to broadcast certain regular season and post-season games, as well as exclusive rights to broadcast MLB's World Series and All-Star Game through the 2021 MLB season.

Under the Company's contracts with certain collegiate conferences, remaining future minimum payments for program rights to broadcast certain sporting events are payable over the remaining terms of the contracts.

Other commitments and contractual obligations

Primarily includes obligations relating to multi-media rights agreements, television rating services agreements, marketing agreements and contracts for capital expenditures.

Pension and other postretirement benefits

In accordance with ASC 715, "Compensation—Retirement Benefits" ("ASC 715"), the total accrued net benefit liability for pension benefit plans recognized as of June 30, 2018 was $252 million (See Note 12—Pension and Other Postretirement Benefits). This amount is affected by, among other items, statutory funding levels, changes in plan demographics and assumptions and investment returns on plan assets. Because of the current overall funded status of the Company's material plans, the accrued liability does not represent expected near-term liquidity needs and, accordingly, this amount is not included in the contractual obligations table.

Contingencies

FOX News Channel

The Company and certain of its current and former employees have been subject to allegations of sexual harassment and discrimination and racial discrimination relating to alleged misconduct at the Company's *FOX News* channel business. The Company has resolved many of these claims and is contesting other claims in litigation. The Company has also received regulatory and investigative inquiries relating to these matters. To date, none of the amounts paid in settlements or reserved for pending or future claims, is individually or in the aggregate, material to the Company. The amount of liability, if any, that may result from these or related matters cannot be estimated at this time. However, the Company does not currently anticipate that the ultimate resolution of any such pending matters will have a material adverse effect on its financial condition, future results of operations or liquidity.

Shareholder Litigation

On November 20, 2017, a stockholder of 21CF filed a derivative action in the Court of Chancery of the State of Delaware captioned *City of Monroe Employees' Retirement System v. Rupert Murdoch, et al.*, C.A. No. 2017-0833-AGB. The lawsuit named as defendants all directors of 21CF and the Estate of Roger Ailes (the

"Ailes Estate"), and named 21CF as a nominal defendant. The plaintiff alleged that the directors of 21CF and Rupert Murdoch as a purported controlling stockholder breached their fiduciary duties by, among other things, failing to properly oversee the work environment at *FOX News*. The plaintiff also brought claims of breach of fiduciary duty and unjust enrichment against the Ailes Estate.

On November 20, 2017, the parties reached an agreement to settle the lawsuit and filed a Stipulation and Agreement of Settlement, Compromise, and Release with the Court (the "Settlement Agreement"). Pursuant to the terms of the Settlement Agreement, the parties agreed that the director defendants and the Ailes Estate would cause their insurers to make a payment in the amount of $90 million to 21CF, less approximately $22 million of attorneys' fees and expenses awarded by the Court to the plaintiff's counsel. Such amount was paid pursuant to an agreement reached between the defendants and their directors' and officers' liability insurers for the payment of insurance proceeds, subject to a claims release. In addition to the payment to 21CF, the Settlement Agreement provides that 21CF shall put in place governance and compliance enhancements, including the creation of the FOX News Workplace Professionalism and Inclusion Council, as set forth in the Non-Monetary Relief Agreement agreed to by the parties in connection with the Settlement Agreement. These governance and compliance enhancements, which 21CF has implemented, shall remain in effect for five years. No stockholder objected to either the settlement or the proposed fee award at the settlement hearing on February 9, 2018. The Court approved the settlement and entered a final order and judgment on February 9, 2018. Accordingly, 21CF received a cash payment and a net settlement of $68 million was recorded in Other, net in the Company's Combined Statement of Operations for fiscal 2018.

U.K. Newspaper Matters Indemnity

In connection with the separation of 21CF from News Corporation in June 2013, 21CF agreed to indemnify News Corporation, on an after-tax basis, for payments made after the separation arising out of civil claims and investigations relating to phone hacking, illegal data access and inappropriate payments to public officials that occurred at subsidiaries of News Corporation, as well as legal and professional fees and expenses paid in connection with the related criminal matters, other than fees, expenses and costs relating to employees who are not (i) directors, officers or certain designated employees or (ii) with respect to civil matters, co-defendants with News Corporation (the "U.K. Newspaper Matters Indemnity"). In accordance with the separation agreement, certain costs and liabilities related to the U.K. Newspaper Matters Indemnity will be allocated to the Company. Pursuant to the U.K. Newspaper Matters Indemnity, the Company made payments of $61 million, $28 million and $20 million to News Corporation during fiscal 2018, 2017 and 2016, respectively. The liability recorded in the Combined Balance Sheets related to the indemnity was approximately $50 million and $80 million as of June 30, 2018 and 2017, respectively.

Other

Equity purchase arrangements that are exercisable by the counterparty to the agreement, and that are outside the sole control of the Company, are accounted for in accordance with ASC 480-10-S99-3A and are classified as Redeemable noncontrolling interests in the Combined Balance Sheets. Other than the arrangements classified as Redeemable noncontrolling interests, the Company is also a party to other purchase and sale arrangements which become exercisable at various points in time. However, these arrangements are currently either not exercisable in the next twelve months or are not material.

The Company establishes an accrued liability for legal claims when the Company determines that a loss is both probable and the amount of the loss can be reasonably estimated. Once established, accruals are adjusted from time to time, as appropriate, in light of additional information. The amount of any loss ultimately incurred

in relation to matters for which an accrual has been established may be higher or lower than the amounts accrued for such matters. Any fees, expenses, fines, penalties, judgments or settlements which might be incurred by the Company in connection with the various proceedings could affect the Company's results of operations and financial condition. For the contingencies disclosed above for which there is at least a reasonable possibility that a loss may be incurred, other than the accrual provided, the Company was unable to estimate the amount of loss or range of loss.

The Company's operations are subject to tax in various domestic jurisdictions and as a matter of course, the Company is regularly audited by federal and state tax authorities. The Company believes it has appropriately accrued for the expected outcome of all pending tax matters and does not currently anticipate that the ultimate resolution of pending tax matters will have a material adverse effect on its combined financial condition, future results of operations or liquidity. Each member of the 21CF consolidated group, which includes 21CF, the Company and 21CF's other subsidiaries, is jointly and severally liable for the U.S. federal income tax liability of each other member of the consolidated group. Consequently, the Company could be liable in the event any such liability is incurred, and not discharged, by any other member of the 21CF consolidated group. The tax matters agreement will require 21CF and/or Disney to indemnify the Company for any such liability. Disputes or assessments could arise during future audits by the Internal Revenue Service in amounts that the Company cannot quantify.

NOTE 12. PENSION AND OTHER POSTRETIREMENT BENEFITS

The Company participates in and/or sponsors various pension, savings and postretirement benefit plans. The major pension plans and postretirement benefit plans are closed to new participants. The Company has a legally enforceable obligation to contribute to these plans. The plans include both defined benefit pension plans and employee non-contributory and employee contributory accumulation plans covering all eligible employees. The Company makes contributions in accordance with applicable laws or contract terms in each jurisdiction in which the Company operates.

Certain of the Company's U.S. employees participate in defined benefit pension and postretirement plans sponsored by 21CF ("Shared Plans"), which include participants of other 21CF subsidiaries. The Company accounts for the Shared Plans as multiemployer benefit plans. Accordingly, the Company does not record an asset or liability to recognize the funded status of the Shared Plans. The Company recognizes a liability only for any required contributions to the Shared Plans that are accrued and unpaid at the balance sheet date. The related pension expenses allocated to the Company are based primarily on pensionable compensation of participants.

Plans that are sponsored by entities included in the Company ("Direct Plans") are accounted for as defined benefit pension plans. Accordingly, the funded and unfunded position of each Direct Plan is recorded in the Combined Balance Sheets. Actuarial gains and losses that have not yet been recognized through income are recorded in Accumulated other comprehensive income (loss) net of taxes, until they are amortized as a component of net periodic benefit cost. The Company's benefit obligation for Direct Plans is calculated using several assumptions which the Company reviews on a regular basis. The funded status of the Direct Plans can change from year to year, but the assets of the funded plans have been sufficient to pay all benefits that came due in each of fiscal 2018, 2017 and 2016.

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The Company uses a June 30 measurement date for all Direct Plans. The following table sets forth the change in the projected benefit obligation, change in the fair value of plan assets and funded status for the Company's Direct Plans:

	Pension benefits As of June 30,	
	2018	2017
	(in millions)	
Projected benefit obligation, beginning of the year	$ 350	$ 372
Service cost	2	2
Interest cost	10	9
Benefits paid	(12)	(11)
Settlements[a]	(21)	(18)
Actuarial gains[b]	(7)	(4)
Projected benefit obligation, end of the year	322	350
Change in the fair value of plan assets for the Company's Direct Plans:		
Fair value of plan assets, beginning of the year	70	63
Actual return on plan assets	3	7
Employer contributions	30	29
Benefits paid	(12)	(11)
Settlements[a]	(21)	(18)
Fair value of plan assets, end of the year	70	70
Funded status[c]	$(252)	$(280)

(a) Represents the full settlement of former employees deferred pension benefit obligations through lump sum payments.
(b) The pension benefit actuarial gains for June 30, 2018 and 2017 were mainly due to a change in the discount rate assumption utilized in measuring plan obligations.
(c) 21CF has established an irrevocable grantor trust (the "Trust"), administered by an independent trustee, with the intention of making cash contributions to the Trust to fund certain future pension benefit obligations of 21CF. The assets in the Trust are unsecured funds of 21CF and can be used to satisfy 21CF's obligations in the event of bankruptcy or insolvency. The fair value of the assets in the Trust attributed to the Company as of June 30, 2018 and 2017 was approximately $265 million and $260 million, respectively.

Amounts recognized in the Combined Balance Sheets consist of:

	Pension benefits As of June 30,	
	2018	2017
	(in millions)	
Accrued pension liabilities	$(252)	$(280)
Net amount recognized	$(252)	$(280)

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Amounts recognized in accumulated other comprehensive income (loss), before tax, consist of:

	Pension benefits	
	As of June 30,	
	2018	2017
	(in millions)	
Actuarial losses	$ 80	$ 92
Prior service cost	5	6
Net amounts recognized	$ 85	$ 98

Accumulated pension benefit obligations as of June 30, 2018 and 2017 were $311 million and $337 million, respectively. For the Direct Plans, the accumulated benefit obligation exceeds fair value of the plan assets. Information about funded and unfunded pension plans is presented below:

	Funded plans		Unfunded plans	
	As of June 30,			
	2018	2017	2018	2017
	(in millions)			
Projected benefit obligation	$ 82	$ 86	$240	$264
Accumulated benefit obligation	82	86	229	251
Fair value of plan assets	70	70	— (a)	— (a)

(a) The fair value of the assets in the Trust as of June 30, 2018 and 2017 was approximately $265 million and $260 million, respectively.

The components of periodic benefit costs were as follows:

	Pension benefits			Postretirement benefits		
	For the years ended June 30,					
	2018	2017	2016	2018	2017	2016
	(in millions)					
Service cost benefits earned during the period	$ 2	$ 2	$ 2	$ —	$ —	$ —
Interest costs on projected benefit obligations	10	9	15	—	—	—
Expected return on plan assets	(5)	(4)	(4)	—	—	—
Amortization of deferred losses	3	3	2	—	—	—
Other	1	1	1	—	—	—
Net periodic benefit costs- Direct plans	11	11	16	—	—	—
Shared Plans	33	39	44	7	9	8
Net periodic benefit costs- Total	44	50	60	7	9	8
Settlement loss						
Direct Plans	4	4	—	—	—	—
Shared Plans	49	21	40	—	—	2
Total periodic benefit costs	$ 97	$ 75	$100	$ 7	$ 9	$ 10

The components of net periodic benefit cost for the Direct Plans and Shared Plans other than the service cost component are included in Other, net in the Combined Statements of Operations.

	Pension benefits		
	For the years ended June 30,		
	2018	2017	2016
Additional information			
Weighted average assumptions used to determine benefit obligations			
Discount rate	4.2%	3.8%	3.6%
Weighted average assumptions used to determine net periodic benefit costs			
Discount rate for service cost	4.1%	4.3%	4.8%
Discount rate for interest cost	3.1%	2.7%	4.8%
Expected return on plan assets	7.0%	7.0%	7.0%

Beginning in fiscal 2017, the Company changed the method used to estimate the service and interest cost components of net periodic benefit cost for its pension plans. For fiscal 2016, the Company estimated the service and interest cost components utilizing a single weighted average discount rate derived from the yield curve used to measure the benefit obligation. The new method utilizes a full yield curve approach in the estimation of these components by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to their underlying projected cash flows. The Company changed to the new method to provide a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows and their corresponding spot rates. The change is accounted for as a change in accounting estimate that is inseparable from a change in accounting principle, which is applied prospectively. This change in estimate did not have a material impact on the Company's pension net periodic benefit expense in fiscal 2017.

The Company adopted the mortality table released by the Society of Actuaries in fiscal 2015, which extends the assumed life expectancy of plan participants, and subsequently updated by the Society of Actuaries in fiscal 2016, 2017 and 2018, which lowered the assumed life expectancy of plan participants.

The following table sets forth the estimated benefit payments and estimated settlements for the next five fiscal years and in aggregate for the five fiscal years thereafter. These payments are estimated based on the same assumptions used to measure the Company's benefit obligation at the end of the fiscal year and include benefits attributable to estimated future employee service:

	Pension benefits (in millions)
Fiscal year	
2019	$ 13
2020	13
2021	13
2022	14
2023	14
2024-2028	67

Plan Assets and Trust

The Company has an undivided interest in a master trust (the "Master Trust") which is held by 21CF. The fair value of the Company's undivided interest in the net assets of the Master Trust was $70 million as of June 30, 2018 and 2017.

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In addition, 21CF has established the Trust to satisfy 21CF's unfunded pension obligations. The table below presents the Trust's assets by level within the fair value hierarchy, as described in Note 6—Fair Value, as of June 30, 2018 and 2017:

	As of June 30, 2018		
	Total	Level 1	Assets measured at NAV
		(in millions)	
Assets			
Balanced funds	$205	$ 205	$ —
Partnership interests[a]	15	—	15
Total[b]	$220	$ 205	$ 15

	As of June 30, 2017		
	Total	Level 1	Assets measured at NAV
		(in millions)	
Assets			
Balanced funds	$156	$ 156	$ —
Partnership interests[a]	11	—	11
Total[b]	$167	$ 156	$ 11

(a) As a practical expedient, partnership interests held in the Trust are based on the fair value obtained from the general partner.
(b) The fair value of the assets in the Trust attributed to the Company as of June 30, 2018 and 2017 was approximately $265 million and $260 million, respectively. The remaining assets held by the Trust not presented in the table above are cash and cash equivalents.

Defined Contribution Plans

The Company has defined contribution plans for the benefit of substantially all employees meeting certain eligibility requirements. Employer contributions to such plans were $38 million, $34 million and $31 million for fiscal 2018, 2017 and 2016, respectively.

NOTE 13. INCOME TAXES

The income tax provision in the Combined Financial Statements has been calculated as if the Company filed separate tax returns and was operating as a standalone business. Therefore, cash tax payments and items of current and deferred taxes may not be reflective of the Company's actual tax balances subsequent to the distribution.

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Income before income tax benefit (expense) was attributable to the U.S. jurisdiction. Significant components of the Company's provision for income taxes were as follows:

	For the years ended June 30,		
	2018	2017	2016
		(in millions)	
U.S.			
Federal	$ 481	$ 638	$ 417
State, local and other	64	102	180
Total current	545	740	597
Deferred	(603)	92	139
Provision for income taxes	$ (58)	$ 832	$ 736

The reconciliation of income tax computed at the statutory rate to income tax benefit (expense) was:

	For the years ended June 30,		
	2018	2017	2016
U.S. federal income tax rate	28%	35%	35%
Impact of U.S. tax reform[a]	(28)	—	—
State and local taxes	4	4	3
Adjustments for tax matters, net	(1)	—	4
Valuation allowance movements	(3)	1	1
Domestic production activities deduction	(2)	(3)	(2)
Other	(1)	—	(1)
Effective tax rate	(3)%	37%	40%

(a) See Note 2—Summary of Significant Accounting Policies under the heading "U.S. Tax Reform."

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The following is a summary of the components of the deferred tax accounts:

	As of June 30, 2018	2017
	(in millions)	
Deferred tax assets		
Net operating loss carryforwards	$ 11	$ 10
Capital loss carryforwards	—	79
Foreign tax credit carryforwards	16	14
Accrued liabilities	44	56
Pension benefit obligations	61	105
Equity-based compensation	44	47
Other	49	113
Total deferred tax assets	225	424
Deferred tax liabilities		
Basis difference and amortization	(773)	(1,218)
Sports rights contracts	(478)	(617)
Total deferred tax liabilities	(1,251)	(1,835)
Net deferred tax liability before valuation allowance	(1,026)	(1,411)
Less: valuation allowance	(45)	(143)
Total net deferred tax liabilities	$(1,071)	$(1,554)

The table above reflects the effects of the Tax Act (See Note 2—Summary of Significant Accounting Policies under the heading "U.S. Tax Reform").

As of June 30, 2018, the Company had $11 million of tax attributes from net operating loss carryforwards available to offset future taxable income. A substantial portion of these losses expire starting in 2029.

As of June 30, 2018, the Company had $16 million of foreign tax credit carryforwards available to offset certain future income tax expense. As of June 30, 2018, the Company has established a full valuation allowance associated with this asset as the Company has determined that it is not more likely than not that the Company will utilize these foreign tax credit carryforwards prior to their expiration.

The decrease in the valuation allowance to $45 million as of June 30, 2018 was primarily due to the utilization of capital losses in the current year which had previously been fully valued.

The following table sets forth the change in the uncertain tax positions, excluding interest and penalties:

	For the years ended June 30, 2018	2017	2016
		(in millions)	
Balance, beginning of year	$ 110	$ 102	$ 3
Additions for prior year tax positions	1	7	86
Additions for current year tax positions	—	11	13
Reduction for prior year tax positions	(20)	(10)	—
Balance, end of year	$ 91	$ 110	$ 102

The Company recognizes interest and penalty charges related to uncertain tax positions as income tax benefit (expense). The Company recorded liabilities for accrued interest of $20 million and $21 million as of June 30, 2018 and 2017, respectively, and the amounts of interest income/expense recorded in each of the three fiscal years 2018, 2017 and 2016 were not material.

The Company is subject to tax in various domestic jurisdictions and, as a matter of ordinary course, the Company is regularly audited by federal and state tax authorities. The Company believes it has appropriately accrued for the expected outcome of all pending tax matters and does not anticipate that the resolution of these pending tax matters will have a material adverse effect on its combined financial condition, future results of operations or liquidity. The reductions to the balance of uncertain tax positions in fiscal 2018 is primarily attributable to state matters. The Company does not expect significant changes to these positions over the next 12 months. As of June 30, 2018 and 2017, $72 million would affect the Company's effective income tax rate, if the Company's position with respect to the uncertainties is sustained.

NOTE 14. SEGMENT INFORMATION

The Company is a news, sports and broadcast company, which manages and reports its businesses in the following segments:

- **Cable Network Programming**, which principally consists of the production and licensing of news and sports content distributed primarily through cable television systems, direct broadcast satellite operators, telecommunication companies and online video distributors (collectively, MVPDs) in the U.S.
- **Television**, which principally consists of the acquisition, marketing and distribution of broadcast network programming nationally under the FOX brand and the operation of 28 full power broadcast television stations, including 11 duopolies, in the U.S. (of these stations, 17 are affiliated with the FOX Network, nine are affiliated with MyNetworkTV, one is affiliated with both The CW Television Network and MyNetworkTV and one is an independent station).
- **Other, Corporate and Eliminations**, which principally consists of corporate overhead costs, intracompany eliminations and the FOX Studios lot. The FOX Studios lot, located in Los Angeles, California, provides television and film production services along with office space, studio operation services and includes all operations of the facility.

The Company's operating segments have been determined in accordance with the Company's internal management structure, which is organized based on operating activities. The Company evaluates performance based upon several factors, of which the primary financial measure is segment operating income before depreciation and amortization, or Segment OIBDA. Due to the integrated nature of these operating segments, estimates and judgments are made in allocating certain assets, revenues and expenses.

Segment OIBDA is defined as Revenues less Operating expenses and Selling, general and administrative expenses. Segment OIBDA does not include: Amortization of cable distribution investments, Depreciation and amortization, Impairment and restructuring charges, Interest expense, Other, net and Income tax benefit (expense). Management believes that Segment OIBDA is an appropriate measure for evaluating the operating performance of the Company's business segments because it is the primary measure used by the Company's chief operating decision maker to evaluate the performance of and allocate resources to the Company's businesses.

Management believes that information about Total Segment OIBDA assists all users of the Company's Combined Financial Statements by allowing them to evaluate changes in the operating results of the Company's

portfolio of businesses separate from non-operational factors that affect net income, thus providing insight into both operations and the other factors that affect reported results. Total Segment OIBDA provides management, investors and equity analysts a measure to analyze the operating performance of the Company's business and its enterprise value against historical data and competitors' data, although historical results, including Segment OIBDA and Total Segment OIBDA, may not be indicative of future results (as operating performance is highly contingent on many factors, including customer tastes and preferences).

Total Segment OIBDA may be considered a non-GAAP measure and should be considered in addition to, not as a substitute for, net income, cash flow and other measures of financial performance reported in accordance with GAAP. In addition, this measure does not reflect cash available to fund requirements and excludes items, such as depreciation and amortization and impairment charges, which are significant components in assessing the Company's financial performance.

The following table reconciles Income before income tax benefit (expense) to Total Segment OIBDA for fiscal 2018, 2017 and 2016:

	For the years ended June 30,		
	2018	2017	2016
		(in millions)	
Income before income tax benefit (expense)	$2,170	$2,241	$1,843
Add			
Amortization of cable distribution investments	53	57	62
Depreciation and amortization	171	169	170
Impairment and restructuring charges	16	165	55
Interest expense	43	23	18
Other, net	39	131	100
Total Segment OIBDA	$2,492	$2,786	$2,248

The following tables set forth the Company's Revenues and Segment OIBDA for fiscal 2018, 2017 and 2016:

	For the years ended June 30,		
	2018	2017	2016
		(in millions)	
Revenues			
Cable Network Programming	$ 5,049	$4,323	$3,837
Television	5,106	5,600	5,060
Other, Corporate and Eliminations	(2)	(2)	(3)
Total revenues	$10,153	$9,921	$8,894
Segment OIBDA			
Cable Network Programming	$ 2,308	$2,055	$1,659
Television	379	909	768
Other, Corporate and Eliminations	(195)	(178)	(179)
Total Segment OIBDA	$ 2,492	$2,786	$2,248

Revenues by Component

	For the years ended June 30,		
	2018	2017	2016
		(in millions)	
Revenues			
Affiliate fee	$ 4,923	$4,294	$3,814
Advertising	4,598	5,151	4,707
Other	632	476	373
Total revenues	$10,153	$9,921	$8,894

Revenues by Segment by Component

	For the years ended June 30,		
	2018	2017	2016
		(in millions)	
Cable Network Programming			
Affiliate fee	$ 3,541	$3,059	$2,725
Advertising and other	1,508	1,264	1,112
Total Cable Network Programming segment revenues	$ 5,049	$4,323	$3,837
Television			
Advertising	$ 3,478	$4,076	$3,767
Affiliate fee and other	1,628	1,524	1,293
Total Television segment revenues	$ 5,106	$5,600	$5,060
Other, Corporate and Eliminations	(2)	(2)	(3)
Total revenues	$10,153	$9,921	$8,894

For fiscal 2018, the Company had one customer that represented approximately 10% of Revenues.

Future Performance Obligations

As of June 30, 2018, approximately $3.5 billion of revenues are expected to be recognized primarily over the next one to three years. The Company’s most significant remaining performance obligations relate to affiliate contracts and sports rights sublicensing contracts with fixed fees. The amount disclosed does not include (i) revenues related to performance obligations that are part of a contract whose original expected duration is one year or less, (ii) revenues that are in the form of sales- or usage-based royalties and (iii) revenues related to performance obligations for which the Company elects to recognize revenue in the amount it has a right to invoice.

	For the years ended June 30,		
	2018	2017	2016
		(in millions)	
Depreciation and amortization			
Cable Network Programming	$ 38	$ 33	$ 31
Television	112	116	120
Other, Corporate and Eliminations	21	20	19
Total depreciation and amortization	$ 171	$ 169	$ 170

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	For the years ended June 30,		
	2018	2017	2016
	(in millions)		
Capital expenditures			
Cable Network Programming	$ 64	$ 41	$ 24
Television	89	74	75
Other, Corporate and Eliminations	62	76	8
Total capital expenditures	$ 215	$ 191	$ 107

	As of June 30,	
	2018	2017
	(in millions)	
Assets		
Cable Network Programming	$ 2,430	$ 2,336
Television	6,805	6,893
Other, Corporate and Eliminations	3,611	1,065
Investments	275	54
Total assets	$13,121	$10,348

	As of June 30,	
	2018	2017
	(in millions)	
Goodwill and intangible assets, net		
Cable Network Programming	$1,184	$1,188
Television	4,024	4,278
Other, Corporate and Eliminations	405	405
Total goodwill and intangible assets, net	$5,613	$5,871

NOTE 15. VALUATION AND QUALIFYING ACCOUNTS

	Balance as of beginning of year	Additions	Utilization	Balance as of end of year
	(in millions)			
FISCAL 2018				
Allowances for doubtful accounts	$ (68)	$ —	$ 40	$ (28)
Deferred tax valuation allowance	(143)	(11)	109	(45)
FISCAL 2017				
Allowances for doubtful accounts	$ (51)	$ (24)	$ 7	$ (68)
Deferred tax valuation allowance	(118)	(37)	12	(143)
FISCAL 2016				
Allowances for doubtful accounts	$ (26)	$ (29)	$ 4	$ (51)
Deferred tax valuation allowance	(109)	(18)	9	(118)

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NOTE 16. ADDITIONAL FINANCIAL INFORMATION

Other, net

The following table sets forth the components of Other, net included in the Combined Statements of Operations:

	For the years ended June 30,		
	2018	2017	2016
		(in millions)	
Acquisition related and other transaction costs[a]	$(103)	$ —	$ (50)
Settlement loss related to pension plans[b]	(53)	(25)	(42)
U.K. Newspaper Matters Indemnity[c]	(29)	(54)	(14)
Gain on spectrum relinquishment[d]	102	—	—
Shareholder litigation settlement[c]	68	—	—
Other[e]	(24)	(52)	6
Total other, net	$ (39)	$(131)	$(100)

(a) Acquisition related and other transaction costs for fiscal 2018 are primarily related to the separation and distribution of FOX which includes retention related costs. Acquisition related and other transaction costs for fiscal 2016 represents a revision of a contingency estimate related to a previous acquisition.
(b) See Note 12—Pension and Other Postretirement Benefits.
(c) See Note 11—Commitments and Contingencies.
(d) See Note 3—Acquisitions, Disposals and Other Transactions.
(e) Other for fiscal 2017 included approximately $50 million of costs related to settlements of claims arising out of allegations of sexual harassment and discrimination at the Company's *FOX News* channel business.

Comprehensive Income

Comprehensive income is reported in the Combined Statements of Comprehensive Income and consists of Net income and Other comprehensive income (loss), including unrealized holding gains and losses on securities and benefit plan adjustments, which affect Total equity, and under GAAP, are excluded from Net income.

	For the year ended June 30, 2018		
	Before tax	Tax provision	Net of tax
		(in millions)	
Gains on securities			
Unrealized gains	$ 222	$ (92)	$ 130
Other comprehensive income	$ 222	$ (92)	$ 130
Benefit plan adjustments			
Unrealized gains	$ 5	$ (1)	$ 4
Reclassifications realized in net income[a]	8	(2)	6
Other comprehensive income	$ 13	$ (3)	$ 10

Confidential Treatment Requested by New Fox, Inc.
Pursuant to 17 C.F.R. Section 200.83

NEW FOX

NOTES TO THE COMBINED FINANCIAL STATEMENTS

	For the year ended June 30, 2017		
	Before tax	Tax provision (in millions)	Net of tax
Benefit plan adjustments			
Unrealized gains	$ 7	$ (2)	$ 5
Reclassifications realized in net income[a]	8	(3)	5
Other comprehensive income	$ 15	$ (5)	$ 10

	For the year ended June 30, 2016		
	Before tax	Tax benefit (provision) (in millions)	Net of tax
Benefit plan adjustments			
Unrealized losses	$ (38)	$ 15	$ (23)
Reclassifications realized in net income[a]	2	(1)	1
Other comprehensive loss	$ (36)	$ 14	$ (22)

(a) Reclassifications of amounts related to benefit plan adjustments are included in Other, net in the Combined Statements of Operations (See Note 12—Pension and Other Postretirement Benefits for additional information).

Accumulated Other Comprehensive Income (Loss)

The following table summarizes the components of Accumulated other comprehensive income (loss), net of tax:

	As of June 30,		
	2018	2017 (in millions)	2016
Unrealized holding gains on securities	$ 130	$ —	$ —
Benefit plan adjustments and other	(49)	(59)	(69)
Accumulated other comprehensive income (loss), net of tax	$ 81	$ (59)	$ (69)

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Other Non-Current Assets

The following table sets forth the components of Other non-current assets included in the Combined Balance Sheets:

	As of June 30,	
	2018	2017
	(in millions)	
Investments[a]	$275	$ 54
Inventories, net	121	130
Other[b]	363	363
Total other non-current assets	$759	$547

(a) See Note 6—Fair Value. As of June 30, 2018, the cost basis of available-for-sale investments and accumulated gross unrealized holding gains before taxes were $35 million and $222 million, respectively. The Company had no available-for-sale securities as of June 30, 2017.

(b) Other includes the Trust (See Note 12—Pension and Other Postretirement Benefits).

Accounts Payable, Accrued Expenses and Other Current Liabilities

The following table sets forth the components of Accounts payable, accrued expenses and other current liabilities included in the Combined Balance Sheets:

	As of June 30,	
	2018	2017
	(in millions)	
Income taxes payable[a]	$ 553	$ 722
Accrued expenses	530	495
Program rights payable	380	478
Deferred revenue	147	128
Other current liabilities	149	219
Total accounts payable, accrued expenses and other current liabilities	$1,759	$2,042

(a) As discussed in Note 1—Description of Business and Basis of Presentation, income tax items have been calculated as if the Company filed a separate return and was operating as a standalone business. Therefore, tax balances reflected in the Combined Financial Statements may not be reflective of the Company's actual tax balances prior to or subsequent to the distribution.

Other Liabilities

The following table sets forth the components of Other liabilities included in the Combined Balance Sheets:

	As of June 30,	
	2018	2017
	(in millions)	
Accrued noncurrent pension liabilities	$244	$272
Other noncurrent liabilities	178	233
Total other liabilities	$422	$505

Exhibit 99.2

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

The Compensation Committee of the Board is responsible for (i) developing an effective compensation philosophy, (ii) establishing, implementing and monitoring the effectiveness of the Company's compensation programs, (iii) approving the elements of compensation awarded to the executive officers named in the Summary Compensation Table, and (iv) overseeing and reviewing the Company's executive incentive and equity-based compensation plans. Throughout this proxy statement, we refer to the individuals who served as the Company's Chief Executive Officer and Chief Financial Officer during fiscal 2018, as well as the other individuals included in the Summary Compensation Table on page 46 as the "named executive officers."

Executive Summary

Disney Transaction/Separation of New Fox

On December 13, 2017, the Company entered into a definitive merger agreement (the "Original Merger Agreement") with The Walt Disney Company ("Disney") pursuant to which Disney would acquire the Company, including the Twentieth Century Fox Film and Television studios and certain cable and international TV businesses. Prior to the acquisition by Disney, the Company would separate the Fox News Channel, Fox Business Network, FOX Broadcasting Company, Fox Television Stations Group, FS1, FS2, Fox Deportes, Big Ten Network and certain other assets and liabilities into a newly formed subsidiary ("New Fox") and distribute all of the issued and outstanding common stock of New Fox to the Company's stockholders on a pro rata basis. On June 20, 2018, the Company entered into an amended and restated merger agreement with Disney, TWDC Holdco 613 Corp. ("New Disney"), a newly formed subsidiary of Disney, and certain other subsidiaries of Disney (the "Disney Merger Agreement"), which amends and restates the Original Merger Agreement in its entirety and pursuant to which Disney agreed to acquire for a higher price of $38 per share in either cash or shares of Disney common stock (subject to adjustment as described in the Disney Merger Agreement) the same businesses noted above. We refer to the foregoing collectively as the "Transaction".

Our named executive officers are critical to the completion of the Transaction. The Compensation Committee recognized the importance of maintaining stability at the Company in order to continue to deliver strong Company performance during a time of substantial change. Therefore, the Compensation Committee approved certain compensatory actions in fiscal 2018 outside of the Company's regular compensation program for named executive officers which are intended to further align the interests of our named executive officers with those of the Company's stockholders, support retention and encourage an orderly transition process while the Company completes the Transaction. These actions, as described in further detail in this Compensation Discussion & Analysis, include: (1) grants of Retention Restricted Stock Units (the "Retention RSUs") to the named executive officers (and certain other senior executives) in lieu of recipients being eligible for a PSU Award (as defined below) for the fiscal 2019-2021 performance period, (2) adoption of a severance plan to become effective as of the completion of the Transaction and (3) amendments to the PSU Awards vesting in 2018 for all participants in the PSU Award program including the named executive officers.

For additional information on the above-noted actions, please see the sections titled "Named Executive Officers' Compensation Packages for Fiscal 2018" and "Severance and Change in Control Arrangements" and the registration statement on Form S-4 (File No. 333-224335) (as amended, the "Form S-4") filed by New Disney, which was declared effective by the SEC on June 28, 2018 and includes a joint proxy statement of Disney and the Company.

Fiscal 2018 Business Review

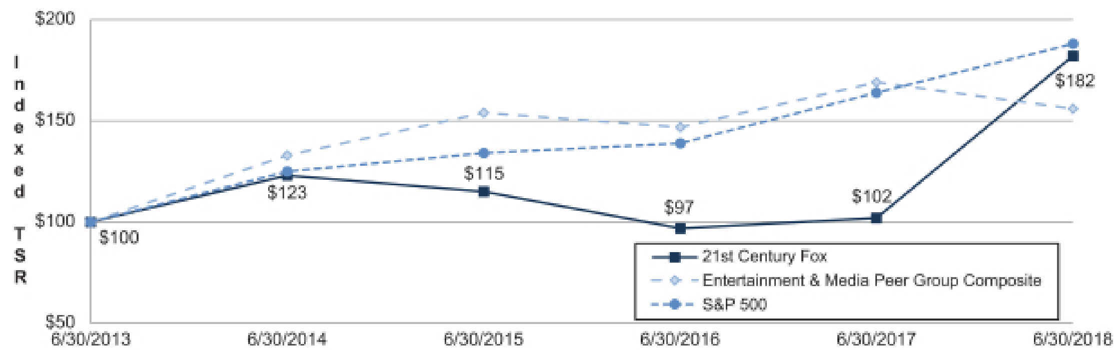
The Company reported strong performance for fiscal 2018 and, in addition to advancing the Transaction, continued to focus and make progress on our fundamental priorities of delivering standout creative output to power our core brands, driving innovation for customers across multiple platforms and further advancing our capabilities to monetize our content wherever it is consumed. Annual highlights include:

- The Company's Disney / New Fox transaction unlocked enormous value for stockholders — the Company's stock price increased by approximately 75% during fiscal 2018, significantly ahead of both 12% average growth for the S&P 500 and a 10% average decline for our media peers over the same period.
- The strength of the Company's domestic and international cable brands led to double-digit affiliate growth in every quarter of fiscal 2018 with the domestic growth driven by pricing strength while maintaining our overall level of subscribers, including distribution on all emerging virtual MVPD platforms.
- Fox News Channel dominated the cable news landscape maintaining its position as the number one network on basic cable in both Prime and Total Day; Fox Business Network achieved its highest rated year ever.
- 20th Century Fox's films led the industry in awards season, both in nominations and wins, earning six Academy Awards, including Best Picture for *The Shape of Water*, and seven Golden Globe Awards, following 27 nominations in both instances, the most of any studio and ended the year with the strong theatrical success of *Deadpool 2*.
- FOX Sports was the leader in live events in 2017 with 256 billion minutes of live sports viewing, 17% more than its nearest competitor.

- The Company successfully negotiated and acquired key domestic sports rights, including National Football League's *Thursday Night Football* and WWE's *SmackDown Live* for Fox Sports.
- FOX Broadcasting Company ended the broadcast season with increased cross-platform entertainment viewership on the strength of four of the top eight new dramas of the season including *9-1-1*, *The Orville*, *The Resident* and *The Gifted*.
- STAR India secured Indian Premier League's ("IPL") Global Media and Digital broadcast rights and, aided by the inaugural broadcast of the IPL, further penetration of its *Hotstar* platform and continued general entertainment growth, nearly doubled its profit contributions year over year.
- Twentieth Century Fox Television production studio produced four of the top ten new dramas this past season and three shows that were No. 1 on their respective networks.
- Net cash provided by operating activities was $4.2 billion.

As indicated in the graph below, the Company's performance over the last five years, as measured by total stockholder return ("TSR"), as adjusted to reflect the share price value of 21st Century Fox following the separation of the Company's business on June 28, 2013 into two independent publicly traded companies (the "Separation"), reflects a double-digit compound annual growth rate for TSR, exceeding that of our primary competitors in the entertainment and media industry and delivering extraordinary value to our stockholders.

Comparison of Cumulative Total Stockholder Return
FY2014 to FY2018



	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
21st Century Fox[(a)]	$100	$123	$115	$ 97	$102	$182
Entertainment & Media Peer Group Composite[(b)]	$100	$133	$154	$147	$169	$156
S&P 500	$100	$125	$134	$139	$164	$188

(a) The Separation of News Corp is treated as a special dividend for the purposes of calculating total stockholder return for 21st Century Fox.
(b) The peer companies for purposes of this analysis include CBS Corporation, Comcast Corporation, The Walt Disney Company and Viacom Inc.

Capital Returned to Stockholders

In fiscal 2018, we returned approximately $993 million to stockholders in dividends, bringing the total cash returned to stockholders in share repurchases and dividends over the last three years to approximately $8.3 billion.

Compensation Committee's Annual Review of its Compensation Practices

At the 2017 Annual Meeting of Stockholders, the Company's stockholders voted to approve, on an advisory basis, the compensation of the Company's named executive officers, as described in the Company's 2017 proxy statement. The Company's 2017 executive compensation program was approved by approximately 78% of the votes cast. The Compensation Committee considered the voting results and feedback from stockholders and whether the program was effective in fiscal 2017 and reflects stockholder interests. The Compensation Committee has not made any changes to the overall executive compensation program, other than certain actions in connection with the Transaction, because it believes the current compensation framework, which focuses on pay for performance and long-term growth, and includes an assessment of performance on ethics and compliance objectives, is operating as intended. In addition, the Disney Merger Agreement places restrictions on certain changes to our compensation structure prior to the closing of the Transaction. The Compensation Committee believes that the program is effectively aligning pay with individual and Company performance as described further in the following section "Pay-for-Performance Alignment" and properly incentivizing and retaining our named executive officers in connection with the Transaction. The Compensation Committee will continue to consider feedback

from stockholders and to monitor trends and developments to ensure that the Company's executive compensation programs remain competitively positioned for executive talent and aligned with the interests of stockholders.

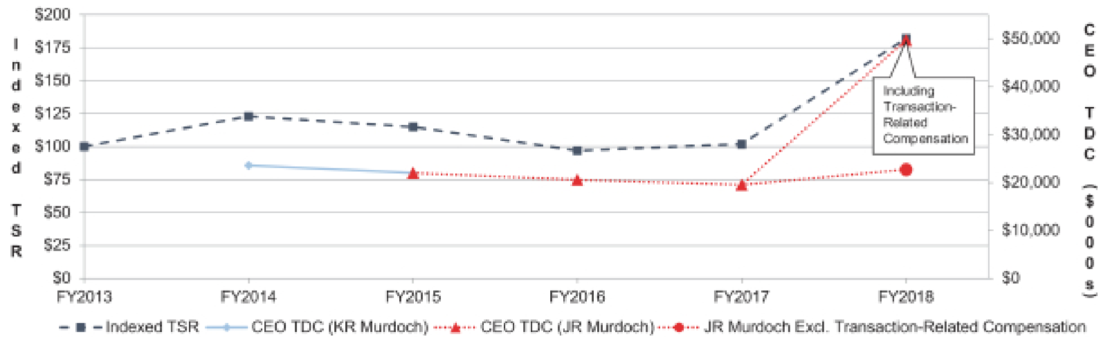
Below are examples of the Company's executive compensation practices that the Compensation Committee considers to be effective in driving performance and supporting long-term growth for our stockholders while mitigating risk, and other executive compensation practices the Company does not engage in because they are inconsistent with the Compensation Committee's philosophy and stockholder interests.

What We Do And Don't Do		
We align executive compensation with the interests of our stockholders	✓	**Pay for Performance:** We closely link pay to performance. We set financial goals for Company performance which align our named executive officers' interests with those of our stockholders. A significant portion of our named executive officers' total target compensation is at-risk and performance-based.
	✓	**Retain Critical Executives:** The Retention RSUs granted in connection with the Transaction aim to support the retention of named executive officers who are critical to the completion of the Transaction. The Retention RSUs result in the issuance of shares upon vesting, providing named executive officers with value based on the same value of shares held by stockholders.
	✓	**Use Multiple Performance Metrics:** The Company's annual bonus and long-term incentive programs for our named executive officers rely on a number of diversified performance metrics. The annual bonus program bases a significant portion of each named executive officer's total compensation opportunity upon the achievement of target financial performance and individual and group contributions. The performance-based long-term incentive program, other than for the fiscal 2016-2018 performance period due to the modification in connection with the Transaction as described below, has relied on multiple pre-set, three-year financial performance metrics with the realized value of all outstanding awards also dependent on the Company's share price at the time the awards vest.
	✓	**Regular Review of Stock Utilization:** The Company evaluates stock utilization by reviewing overhang levels (dilutive impact of potential shares to be earned as equity compensation) and annual run rates (the aggregate shares awarded as a percentage of total outstanding shares as well as the aggregate grant date expense of annual equity awards as a percentage of market capitalization value) to ensure Company-wide award practices are in-line with our competitors.
Our executive compensation programs are designed to mitigate undue risk-taking by our executives and to foster long-term growth for our stockholders	✓	**Cap Payouts:** The Company's payments to named executive officers are capped under both the performance-based annual bonus program and performance-based long-term incentive program.
	✓	**Maintain a Clawback Policy:** The Board has policies requiring the recoupment under certain circumstances of performance-based cash and equity compensation paid to the named executive officers.
	✓	**Maintain Executive Stock Ownership Guidelines:** The Compensation Committee maintains stock ownership guidelines which apply to the Company's named executive officers.
	✓	**Mitigate Undue Risk:** The Company's compensation programs include risk mitigation features, such as Board and management discretion and oversight, a balance of annual and long-term incentives for senior executives, the use of multiple performance metrics, and recoupment provisions for named executive officers' bonus compensation. The Compensation Committee annually oversees an assessment of risks related to compensation policies and practices.
We adhere to executive compensation best practices	✓	**Consider Effectiveness of Compliance Programs in Compensation Decisions:** The Compensation Committee Charter and the Company's long-term incentive plan include the implementation and enforcement of effective compliance programs as a factor for the Compensation Committee to consider when reviewing and approving incentive awards, including annual bonus compensation. In addition, the Compensation Committee considers, based on a recommendation from the Audit Committee of its assessment of management's performance on ethics and compliance objectives, whether a reduction to the qualitative portion of the annual bonus payout is appropriate and, if so, the amount of such reduction.
	✓	**No Excise Tax Gross-ups:** The employment agreements with our named executive officers do not provide for any gross-up payments to cover excise taxes incurred by the executive.
	✓	**No Tax Gross-ups for Personal Benefits:** None of our named executive officers receive gross-ups for taxes on personal benefits.
	✓	**No Single-Trigger Change in Control Agreements:** None of our named executive officers' employment agreements contains provisions that provide for "single-trigger" payments upon a change in control of the Company.
	✓	**No Hedging:** The Company prohibits all directors and employees, including our named executive officers, from engaging in short sales of the Company's securities and investing in Company-based derivative securities.
	✓	**No Pledging:** The Company prohibits all executive officers and directors from pledging any Company securities that they hold directly or unvested equity compensation.
	✓	**No Repricing of Stock Options or SARs:** The Compensation Committee may not reprice stock options or stock appreciation rights without the approval of the Company's stockholders.
	✓	**No Dividends on Unearned Restricted Stock Units ("RSUs") or Performance Stock Units ("PSUs"):** No dividends or dividend equivalents are paid on unvested RSUs or PSUs during the performance period.

Pay-for-Performance Alignment

The graph below compares the relationship between changes in the total direct compensation awarded to the Company's Chief Executive Officer and the Company's TSR for the five fiscal years ending June 30, 2018, as adjusted to reflect the share price value of 21st Century Fox following the Separation. We believe this analysis demonstrates that our Chief Executive Officer's compensation is, as intended, closely and appropriately linked to performance, including stock price performance, and that growth in the share price of the Company's Class A Common Stock has generally outpaced the growth of our Chief Executive Officer's compensation.

Comparison of CEO Total Direct Compensation (TDC) and Indexed TSR for the Last Five Fiscal Years



	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
CEO TDC (K.R. Murdoch)(a)	N/A	$23,586	$22,010	N/A	N/A	N/A
CEO TDC (J.R. Murdoch)(b)	N/A	N/A	N/A	$20,577	$19,533	$49,722
Indexed TSR(c)	$100	$ 123	$ 115	$ 97	$ 102	$ 182

(a) Total direct compensation reflects base salary, actual bonus payout and the grant-date fair value of PSUs.

(b) Total direct compensation reflects base salary, actual bonus payout, the grant-date fair value of PSUs and, for fiscal 2018, the compensation awarded in connection with the Transaction, including the Retention RSUs and the impact of the PSU Awards for the fiscal 2016-2018 performance period vesting at the target level of performance. As indicated in the graph, excluding this compensation awarded in connection with the Transaction results in total direct compensation of approximately $22,717,000 for fiscal 2018.

(c) Indexed TSR represents the value of $100 invested in the Company's Class A Common Stock at the end of fiscal year 2013 and at the end of each following year. The Separation of News Corp is treated as a special dividend for the purposes of calculating total stockholder return for 21st Century Fox.

Compensation Philosophy

Our strategy and goal of creating long-term growth and value for stockholders drives our philosophy and how we design executive compensation programs and practices.

Our executives lead and manage one of the world's leading media and entertainment companies in a fast-changing, competitive environment, and their responsibilities span operations around the world. Our executives are critical to the value we create for our stockholders.

Our compensation philosophy aims to achieve the following:

- Provide a compensation program that drives performance;
- Ensure our compensation policies and practices support both annual and long-term growth for stockholders; and
- Structure compensation packages to attract, retain and motivate the top executive talent necessary for the Company's success today and in the future.

In designing compensation programs for our named executive officers, the Compensation Committee is guided by the following objectives:

- Our compensation programs should incorporate a mix of fixed and performance-based compensation in the form of base salary, annual bonus compensation, performance-based long-term incentives and retirement and other benefit programs (as described below) to enable us to attract the highest quality talent to the Company.
- Our individual pay decisions should consider trends in the industry in which the Company operates and competes and the executive's performance, contributions, breadth and complexity of the role, and individual skills.
- Our compensation programs should be communicated and implemented as clearly, specifically and transparently as possible.
- Our incentive programs should respond to unique market requirements and provide a strong link between pay and performance.

In fiscal 2018, the Compensation Committee took certain actions to support the completion of the Transaction, which reflect its compensation philosophy and align the named executive officers' interests with those of the Company's stockholders. The Compensation Committee's decisions provide incentives for our named executive officers, who are critical to the completion of the Transaction, to continue to secure the Company's business, drive the completion of the Transaction, and focus on delivering strong Company performance and stockholder value.

How Executive Compensation Decisions Are Made

Role of the Compensation Committee and Executive Officers and Management in Compensation Decisions

Prior to approving or, as applicable, recommending each named executive officer's compensation, the Compensation Committee reviews and analyzes the nature and amounts of all elements of each named executive officer's total compensation package, both separately and in the aggregate, to ensure that each named executive officer's compensation is performance-based and that an appropriate balance is maintained in focusing different elements of compensation on both the short-term and long-term performance of the Company. The Compensation Committee also considers, among other factors, information provided by its independent compensation consultant on peer companies and industry trends, the Company's philosophy on internal pay parity, and the responsibilities and past performance of our named executive officers. In fiscal 2018, the Compensation Committee also considered the unique retention and incentive challenges presented by the Transaction. In addition, members of our senior management team keep informed of developments in compensation and benefits matters and participate in the gathering and presentation of facts related to these matters as requested by the Compensation Committee.

Role of Compensation Consultant

In fiscal 2018, the Compensation Committee retained the services of an external compensation consultant, FW Cook, to advise the Compensation Committee on its named executive officer and non-executive Director compensation practices and framework, compensation trends, and, from time to time, the structure of individual executive employment agreements.

For information on the Compensation Committee's consideration of FW Cook's independence, please see page 19 in the section titled "Corporate Governance Matters".

Use of Information on Peer Companies and Industry Trends

In order to attract and retain the best talent, our executives' compensation packages must remain competitive. Because the Company competes to recruit and retain executives against a relatively small number of large, complex, diversified and publicly-traded media and entertainment companies where executives possess skills and experience that are most relevant for the Company's businesses, when reviewing the annual compensation program for fiscal 2018, the Compensation Committee focused on the compensation practices of CBS Corporation, Comcast Corporation, Time Warner Inc., The Walt Disney Company and Viacom Inc. However, for broader perspective, the Compensation Committee also considered the compensation practices of other publicly-traded entertainment and media, technology and telecommunications peer companies including AT&T Inc., Charter Communications, Inc., Discovery, Inc., DISH Network Corporation, Liberty Global plc, Netflix, Inc. and Verizon Communications Inc. However, the Compensation Committee does not justify its compensation decisions, nor attempt to maintain a specific target percentile in determining compensation, based on compensation provided to executives at its peer companies.

Although the Company does not use "benchmarks" with respect to individual compensation levels, the Compensation Committee regularly reviews the compensation practices of a group of our peer companies, consisting of other large publicly-traded entertainment and media companies, and select technology and telecommunications companies, as well as evolving broad market practices, to ensure that it remains informed when making compensation decisions. The Compensation

Committee considers the compensation practices of our peer companies but, because of the complex mix of industries and markets in which the Company operates, it believes that strict benchmarking against selected groups of companies does not provide a meaningful basis for establishing compensation and does not use peer company data to base, justify or provide a framework for compensation decisions. The Compensation Committee also does not target any element of compensation or total compensation to a specific range within the peer companies. Rather, it uses peer company data to obtain a general understanding of current compensation practices. The Compensation Committee's goal is to provide total compensation packages that are competitive with prevailing practices in our industry and in the geographic markets in which we conduct business. The Compensation Committee retains flexibility within the compensation program in order to respond to and adjust for specific circumstances and our evolving business environment.

Review of Internal Pay Parity

The Compensation Committee has determined that internal pay parity is critical to ensuring fairness and encouraging a collaborative team effort among the named executive officers. Accordingly, the Compensation Committee's decisions concerning named executive officer compensation include a careful review of each named executive officer's pay components and levels relative to other named executive officers with respect to role, seniority and/or levels of responsibility. In addition, the Compensation Committee has determined that it is appropriate to provide the same type of incentive compensation opportunities to each of the named executive officers.

Named Executive Officers' Compensation Packages for Fiscal 2018

Introduction

The key elements of our executive compensation program for our named executive officers consist of base salary, annual bonus compensation that is based on an evaluation of Company and individual and group performance, performance-based long-term equity-based incentive awards, retention awards granted in connection with the Transaction and retirement benefits. The named executive officers also receive certain perquisites, but such perquisites are not a key element of compensation. The chart below illustrates why the Compensation Committee chooses to pay each element of compensation:

Element of Compensation	Attraction	Motivation		Alignment with Stockholder Interests	Retention
		Short-Term	Long-Term		
Base Salary	✓	✓			✓
Performance-Based Annual Bonus Compensation	✓	✓		✓	✓
Performance-Based Long-Term Equity-Based Incentive Awards	✓		✓	✓	✓
Retention Awards		✓	✓	✓	✓
Retirement Benefits	✓		✓		✓

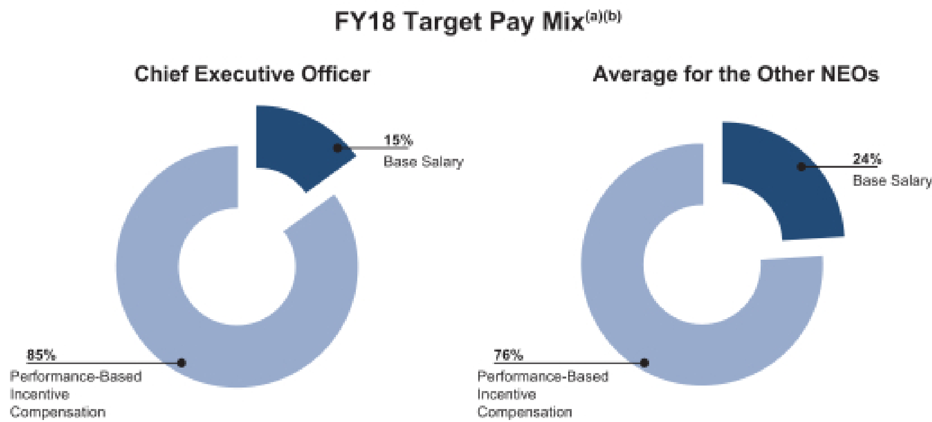
When making individual executive compensation decisions, the Compensation Committee considers such characteristics as the named executive officer's leadership and management expertise, performance history, the complexity of the position and responsibilities, growth potential, term of service with the Company, reporting structure and internal parity. The Compensation Committee also takes into account certain other market factors, such as, among others, the significance of the industry and geographic markets (particularly New York City and Los Angeles) in which we operate and compete to the Company's ability to attract and retain talent. In determining the amount of total compensation, the Compensation Committee considers both currently paid compensation and the opportunity for future compensation, as well as the mix of cash and equity-based compensation. The level of compensation of each of our named executive officers reflects these factors.

In fiscal 2018, our named executive officers were Messrs. K. Rupert Murdoch, Lachlan K. Murdoch, James R. Murdoch, John P. Nallen and Gerson Zweifach. Mr. K.R. Murdoch, the Company's Executive Chairman, has served the Company or its subsidiaries or affiliates for 66 years. Mr. L.K. Murdoch, the Company's Executive Chairman and a Director since 1996, previously served the Company in a number of executive roles from 1994 to 2005. Mr. J.R. Murdoch, the Company's Chief Executive Officer, has served in a variety of leadership positions within the Company and with its affiliates for 22 years. Mr. Nallen, the Company's Chief Financial Officer since July 2013, previously served as an Executive Vice President and Deputy Chief Financial Officer of the Company for 12 years, overseeing various functional areas including corporate finance, tax, internal audit and planning and analysis and has served the Company and its affiliates for more than 23 years. Mr. Zweifach, who joined the Company in 2012 as a Senior Executive Vice President and Group General Counsel, has more than 35 years of experience covering significant media and first amendment cases, as well as patent, antitrust and securities litigation matters. The depth of our named executive officers' institutional knowledge, the breadth of their experience and their superior leadership talents have been instrumental and invaluable in making and maintaining 21st Century Fox as one of the pre-eminent international media and entertainment companies.

The Compensation Committee believes that employment agreements are important tools to attract and retain executive talent. Accordingly, in fiscal 2018, Messrs. L.K. Murdoch, J.R. Murdoch, Nallen and Zweifach were each a party to a negotiated employment agreement. (For a detailed description of these employment agreements, please see page 48 in the section titled "Employment Arrangements".) Messrs. L.K. Murdoch and J.R. Murdoch's compensation is intended to be commensurate with each of their responsibilities for the operational and strategic leadership of the Company and reflects each executive's significant contributions to the Company as well as other achievements. Since Messrs. L.K. Murdoch and J.R. Murdoch share responsibility for the management and leadership of the Company, Messrs. L.K. Murdoch and J.R. Murdoch receive identical compensatory arrangements. Mr. Nallen's compensation reflects his superior financial management and the desire to ensure his retention. Mr. Zweifach's compensation reflects his strong leadership of the Company's legal and compliance function and the desire to ensure his retention. Mr. K.R. Murdoch is not a party to an employment agreement, and his compensation for fiscal 2018 was determined and approved by the Compensation Committee. Mr. K.R. Murdoch plays an important leadership role in each of the Company's key initiatives, offering invaluable insight and expertise, provides broad strategic vision for the Company and, in fiscal 2018, he continued to provide critical leadership to maintain the exceptional performance of Fox News Channel during a period of transition.

2018 Pay Mix

The Compensation Committee believes that a significant portion of the compensation awarded to our named executive officers should be performance-based and at-risk. As illustrated below, approximately 85% of the Chief Executive Officer's and on average 76% of the other named executive officers' fiscal 2018 target total direct compensation was "at-risk" and dependent upon performance, with most of the compensation subject to the achievement of short-term and long-term financial and business objectives. We believe that this balance of fixed and variable compensation is consistent with the Company's executive compensation philosophy, maintains a strong link between the named executive officers' compensation and Company performance, aligns the named executive officers' interests with those of our stockholders and motivates executives to deliver strong results and create stockholder value.



(a) Includes each named executive officer's annual base salary, target annual bonus opportunity and the target PSU Award opportunity for the fiscal 2018-2020 performance period. These charts do not reflect the compensation awarded in connection with the Transaction.

(b) Performance-based incentive compensation includes target annual bonus opportunity and target PSU Award opportunity. For the Chief Executive Officer, 40% of the target total direct compensation is comprised of the target annual bonus opportunity and 45% is comprised of the target PSU Award opportunity. For the other named executive officers, on average, approximately 40% of the target total direct compensation is comprised of the target annual bonus opportunity and approximately 35% is comprised of the target PSU Award opportunity. Stated NEO percentages are rounded to the nearest whole percent.

Base Salary

One element of compensation needed to attract and retain an employee in any organization is base salary. Base salary is the fixed element of a named executive officer's annual cash compensation and does not vary with performance. The respective employment agreements of Messrs. L.K. Murdoch, J.R. Murdoch, Nallen and Zweifach provide for a minimum base salary. At the time each of these employment agreements was entered into, each named executive officer's base salary was established in the context of the nature of the named executive officer's particular position, the responsibilities associated with that position, length of service with the Company, his experience, expertise, knowledge and qualifications, market factors, the industry in which we operate and compete, recruitment and retention factors and the Company's overall compensation philosophy.

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Committee reviews annually the base salary of each of the named executive officers, subject to the terms of any applicable employment agreements. Base salary may be adjusted if the Compensation Committee determines that an adjustment is warranted or that a different mix of compensation elements may more appropriately compensate the individual named executive officer in light of the Company's compensation objectives. There were no base salary changes for our named executive officers in fiscal 2018 from fiscal 2017.

Performance-Based Annual Bonus Compensation

The named executive officers have a direct influence on our operations and strategy. The Compensation Committee believes that a significant portion of each named executive officer's total compensation opportunity should be based upon individual and group contributions and the Company's financial and operating performance. This framework fosters a performance-driven, pay-for-performance culture that aligns our named executive officers' interests with those of our stockholders while also rewarding the named executive officers for superior individual and group achievements.

In August 2017, the Compensation Committee approved the framework for the fiscal 2018 Annual Bonus (as defined below). The Compensation Committee determined that two-thirds of the Annual Bonus would be based on achievement of a target financial performance metric and one-third would be based on qualitative factors, including the contributions by each and the group of named executive officers (the "Annual Bonus"). The Compensation Committee selected adjusted OIBDA[1] as the financial performance metric for fiscal 2018 because it believes that this metric reflects the Company's key financial objective for the operations for which the named executive officers have direct responsibility. The Compensation Committee also determined the following performance levels for the achievement of the financial performance metric, with performance that falls between the specified performance levels to be interpolated broadly on a linear basis:

Performance Level	Performance Goal as a Percentage of Target OIBDA	Payout as a Percentage of Financial Performance Portion of the Annual Bonus
Maximum	120%	200%
Target	100%	100%
Threshold	80%	50%

The Compensation Committee approved the following target and maximum Annual Bonus opportunities for fiscal 2018 for each of Messrs. K.R. Murdoch, L.K. Murdoch, J.R. Murdoch, Nallen and Zweifach:

Named Executive Officer	Fiscal 2018 Target Annual Bonus Opportunity	Fiscal 2018 Maximum Annual Bonus Opportunity
K. Rupert Murdoch	$10.5 million	$21.0 million
Lachlan K. Murdoch(a)	$8.0 million	$16.0 million
James R. Murdoch(a)	$8.0 million	$16.0 million
John P. Nallen(a)	$4.0 million	$8.0 million
Gerson Zweifach(a)	$3.5 million	$7.0 million

(a) The Annual Bonus target and maximum opportunity are provided for in the named executive officer's employment agreement.

For fiscal 2018, the Compensation Committee set a target performance range for OIBDA of $7.40 billion to $7.50 billion. A target range is used, rather than a specific goal, to address challenges associated with setting performance goals with precision and to avoid unintended windfalls or shortfalls in actual payouts to the named executive officers. The Company's fiscal 2018 OIBDA was $7.03 billion and therefore the Compensation Committee determined that 87% of the target quantitative portion of the Annual Bonus was achieved.

In accordance with the Annual Bonus framework, the Compensation Committee also considered qualitative factors, including contributions to the Company's financial and non-financial objectives in fiscal 2018, when determining each eligible named executive officer's Annual Bonus. The Company operates in a dynamic, rapidly evolving and highly competitive industry and the Compensation Committee considered not only individual performance but also the collective efforts and collaboration of the named executive officers that is imperative for success. The named executive officers, individually and as a group, had the following notable achievements in fiscal 2018:

- Led successful negotiations with Disney on the Transaction which is expected to unlock the value potential of our iconic brands, and enhance our businesses' abilities to accelerate growth and expand their impact in the rapidly evolving media

1 OIBDA is defined as Revenues less Operating expenses and Selling, general and administrative expenses. OIBDA does not include: Amortization of cable distribution investments, Depreciation and amortization, Impairment and restructuring charges, Equity (losses) earnings of affiliates, Interest expense, net, Interest income, Other, net, Income tax expense, Loss from discontinued operations, net of tax and Net income attributable to noncontrolling interests. No adjustments were made to OIBDA for fiscal 2018.

marketplace. The Transaction unlocked enormous value for stockholders with the Company's stock price increasing by approximately 75% during fiscal 2018, significantly ahead of both 12% average growth for the S&P 500 and a 10% average decline for our media peers over the same period.

- Provided leadership under which the Company delivered solid financial results and strengthened its core operations.
- Grew the Company's cable channel and television businesses by continuing to increase affiliate and retransmission compensation.
- Leveraged the strength of our leadership in India by growing OIBDA at STAR India and developing Hotstar into one of the fastest growing digital video platforms in the world.
- Secured key transformational domestic and international sports rights, including National Football League's *Thursday Night Football* and WWE's *SmackDown Live* for Fox Sports and added IPL's Global Media and Digital broadcast rights while extending our Board of Control for Cricket in India (BCCI) cricket rights at STAR India.
- Strengthened the Company's balance sheet and increased its cash reserves resulting in flexibility to invest in organic and inorganic growth opportunities.
- Successfully secured all necessary regulatory approvals associated with the Company's bid for Sky.
- Guided the execution of our key strategic priorities including the creation of compelling storytelling, enhancement of the customer experience of our digital video brands and the leveraging of our positions in developing markets.

The Compensation Committee determined that the significant achievements described above of the named executive officers, individually and as a group, made contributions to drive the overall success of the business as well as its financial and strategic objectives and through strategic transactions, most notably the Transaction, delivered unparalleled value to stockholders, and therefore awarded 200% of the target qualitative portion of the Annual Bonus to Messrs. K.R. Murdoch, L.K. Murdoch, J.R. Murdoch, Nallen and Zweifach. In addition, the Compensation Committee considered it appropriate to align the percentage of the target qualitative portion of the Annual Bonus awarded to each named executive officer to recognize the collaborative effort in fiscal 2018 that led to the Company's strong performance and supported the planned completion of the Transaction. The Compensation Committee Charter and the Company's long-term incentive plan include the implementation and enforcement of effective compliance programs as a factor for the Compensation Committee to consider when reviewing and approving incentive awards, including annual bonus compensation. The Compensation Committee considers, based on a recommendation from the Audit Committee of its assessment of management's performance on ethics and compliance objectives, whether a reduction to the qualitative portion of the annual bonus payout is appropriate and, if so, the amount of such reduction. During fiscal 2018, management regularly reported to the Audit Committee its progress in carrying out the Company's ethics and compliance objectives. In assessing the Company's continued execution of its ethics and compliance program, the Audit Committee considered the extent to which progress was made in a variety of compliance areas as well as whether such progress would contribute to the Company's long-term ethics and compliance objectives. As described herein, based on the Audit Committee's assessment of management's performance on ethics and compliance objectives, the Compensation Committee did not reduce the qualitative portion of the annual bonus payout for the named executive officers for fiscal 2018.

In light of the Compensation Committee's consideration of these factors, the Compensation Committee confirmed the payout multiples set forth below and calculated the Annual Bonuses, which were paid in cash, as follows:

Named Executive Officers	Fiscal 2018 Target Annual Bonus Opportunity	OIBDA			Qualitative Performance			Calculated Annual Bonus Amount
		66.7% of Target	Multiple	Subtotal	33.3% of Target	Multiple	Subtotal	
K. Rupert Murdoch	$10,500,000	$7,000,000	87%	$6,090,000	$3,500,000	200%	$7,000,000	$13,090,000
Lachlan K. Murdoch	$ 8,000,000	$5,333,333	87%	$4,640,000	$2,666,667	200%	$5,333,334	$ 9,973,334
James R. Murdoch	$ 8,000,000	$5,333,333	87%	$4,640,000	$2,666,667	200%	$5,333,334	$ 9,973,334
John P. Nallen	$ 4,000,000	$2,666,667	87%	$2,320,000	$1,333,333	200%	$2,666,666	$ 4,986,666
Gerson Zweifach	$ 3,500,000	$2,333,333	87%	$2,030,000	$1,166,667	200%	$2,333,334	$ 4,363,334

Performance-Based Long-Term Equity-Based Incentive Awards

The purpose of granting performance-based long-term equity-based awards to the named executive officers is to align further their compensation with the long-term performance of the Company and link the named executive officers' interests directly to those of the Company's stockholders. In order to accomplish these objectives, the Compensation Committee designed a performance-based long-term equity-based incentive program and approved the annual grant of PSUs that will have a three-year performance measurement period (the "PSU Award"). The PSUs will vest after the completion of the three-year

performance period, based upon the following performance metrics that will be measured against targets established at the beginning of each performance period: (i) average annual adjusted earnings per share ("EPS") growth; (ii) average annual adjusted free cash flow ("FCF") growth; and (iii) the Company's three-year TSR as measured against the three-year TSR of the companies that comprise the Standard & Poor's 500 Index (excluding financial, real estate and energy sector companies) (the "S&P 500") (collectively, the "Performance Metrics").

Adjusted EPS is calculated by dividing adjusted net income by the number of shares of stock (or stock equivalents) of the combined classes of the Company's common stock utilized in the Financial Statements (as defined below) for the respective fiscal year in determining diluted earnings per share, after adjusting for new share issuances and the effect of corporate reorganizations such as stock splits. Adjusted net income is determined by eliminating the effect on net income (as reported in the Company's audited consolidated financial statements of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2018 (the "Financial Statements") and determined in accordance with United States generally accepted accounting principles) of the following items, which will apply equally to income and losses from "Associated Entities" (as such term is used in the Financial Statements) included in net income: (i) non-cash intangible asset impairment charges and write downs on investments to realizable values; (ii) gains or losses on the sale or other disposition of businesses or investments; (iii) items considered to be of an unusual nature or of a type that indicates infrequency of occurrence; (iv) the impact of changes in accounting in the fiscal year of such change (with the intent being to measure adjusted net income in each fiscal year on the same bases of accounting); (v) costs of material business restructurings, reorganizations and relocations (includes severances, shut down, asset writeoffs -whether immediately recognized or the incremental impact of accelerated charges over the restructuring period); and (vi) gains and losses from capital and debt issuances and retirements. FCF means operating income before depreciation and amortization, less cash interest, operating taxes paid, working capital requirements and capital expenditures, plus distributions/dividends received and non-cash compensation expense, all determined from continuing operations. Comparable adjustments made to net income in accordance with the definition of adjusted net income will be made to FCF to the extent they impact FCF. For Adjusted EPS and Adjusted FCF, the determination may reflect such other adjustments as described below which the Compensation Committee deems appropriate to reflect the Performance Metric so as to not distort the calculation of the Performance Metric.

The Compensation Committee selected these Performance Metrics because it believes these metrics are critical to the Company's long-term creation of stockholder value. Specifically, EPS is one of the primary measures used by the Company, investors and analysts to assess Company and management performance; FCF gives a clear view of the Company's ability to generate cash that can be used for investments in the business, returns to stockholders and other actions which enhance stockholder value; and relative TSR strengthens the alignment with the long-term interests of our stockholders while considering a broad and stable collection of comparator group companies that offer alternative capital investment opportunities. The Company adjusts EPS and FCF to ensure that the measurement of performance reflects factors that management can directly control and that payout levels are not artificially inflated or impaired by factors unrelated to the ongoing operation of the business. This ensures that executives are not unduly influenced in their decision-making because they would neither benefit nor be penalized as a result of unexpected and uncontrollable events or as a result of strategic events that are in the long-term interest of stockholders. The target weighting for the adjusted EPS growth, adjusted FCF growth and TSR performance metrics are 40%, 40% and 20%, respectively. The target level for the relative TSR performance metric for the PSU Awards for the fiscal 2018-2020 performance period was set at the 50th percentile with a threshold performance level of 25th percentile and a maximum performance level of greater than or equal to the 75th percentile.

All outstanding PSUs awarded to the named executive officers are stock-settled and, in order to further align our executive compensation with total return to stockholders, are eligible for dividend equivalents. Each stock-settled PSU represents the right to receive one share of Class A Common Stock, which enables the Company to fix its compensation expense based on the share price on the date the award is granted and eliminate any volatility in compensation expenses that may result from using cash-settled equity awards, and may promote increased stock ownership by our named executive officers. The stock-settled PSUs were awarded under the 2013 Long-Term Incentive Plan (the "2013 LTIP").

Within 90 days of the beginning of each performance period, the Compensation Committee establishes for each of the Performance Metrics, performance ranges and payout ranges for the performance period. The Compensation Committee also determines the target opportunity for each of the named executive officers for the performance period, expressed as a dollar value (the “PSU Target Value”). The PSU Target Value will be converted into a target number of PSUs (the “PSU Target Number”) which, for fiscal 2018, was based on the average closing price of the Class A Common Stock for the 20 trading days ending on June 30. For the fiscal 2018-2020 performance period, the Compensation Committee established in August 2017 the following PSU Target Value, and corresponding target number of PSUs, for each of Messrs. K.R. Murdoch, L.K. Murdoch, J.R. Murdoch, Nallen and Zweifach:

Named Executive Officer	Fiscal 2018-2020 Performance Period Target PSU Award Opportunity ($ value)	Fiscal 2018-2020 Performance Period Target PSU Award Opportunity (number of PSUs)[a]
K. Rupert Murdoch	$5.7 million	205,553
Lachlan K. Murdoch[b]	$9.0 million	324,558
James R. Murdoch[b]	$9.0 million	324,558
John P. Nallen[b]	$4.0 million	144,248
Gerson Zweifach[b]	$3.0 million	108,186

(a) The PSUs are eligible for dividend equivalents which will be represented by additional units representing shares of Class A Common Stock credited at the time performance under the PSU Award is certified and will be payable when, and only to the extent that, the underlying PSU Award vests.

(b) The target PSU Award opportunity is provided for in the named executive officer’s employment agreement.

Following the end of the performance period, the Compensation Committee will evaluate and certify the average year over year adjusted EPS growth and the average year over year adjusted FCF growth and the Company’s three-year relative TSR compared to the S&P 500 and determine the weighted payout (the “Final Performance Factor”); provided, however, the final payout cannot exceed 150% of the PSU Target Number and subject to the limitations set forth in the 2013 LTIP. Performance in a single year generally will not be indicative of the results for the entire performance period. Subject to the attainment of one or more of the Performance Metrics, at the end of the performance period, the named executive officers will be credited with a number of PSUs, which will be determined by multiplying the PSU Target Number by the Final Performance Factor (the “Final PSU Credits”). Each of the named executive officers will then receive the number of shares of Class A Common Stock equal to his Final PSU Credits, together with any accrued dividend equivalents (beginning with PSU Awards for the fiscal 2017-2019 performance period), subject to the limitations set forth in the 2013 LTIP. The “Payment Date” will generally be August 15 of the applicable year or the next business day after August 15. Thus, the Final PSU Credits and their value reflect both Company performance and any change in the value of the Company’s Class A Common Stock over the three-year performance period, as well as any dividends paid on such Class A Common Stock during the performance period. As further described in the section titled “Retention RSUs”, the named executive officers are not eligible to receive a PSU Award for the fiscal 2019-2021 performance period.

For additional information regarding treatment of outstanding PSU Awards in the Transaction please see the Form S-4.

Vesting of Performance-Based Long-Term Equity-Based Incentive Awards for Fiscal 2016-2018 Performance Period

The PSU Awards granted in August 2015 had a three-year performance period ending on June 30, 2018 and had performance measures based on average annual adjusted EPS growth, average annual adjusted FCF growth, and the Company’s three-year TSR as measured against the three-year TSR of the companies that comprise the S&P 500. As contemplated by the Disney Merger Agreement, in February 2018, the Compensation Committee determined that, subject to satisfaction of one of the Performance Metrics as described below, the outstanding PSU Awards for the fiscal 2016-2018 performance period granted to all participants in the PSU Award program, including the Company’s named executive officers, will pay out based on the target level of performance, in accordance with the original vesting schedule. The Compensation Committee believes this change, which follows the current compensation program of aligning compensation with the interests of our stockholders, will drive substantial stockholder value by strengthening retention incentives for key employees at a time of uncertainty while the Company completes the Transaction.

In August 2018, the Compensation Committee reviewed the Company’s performance for the fiscal 2016-2018 performance period with respect to the PSUs granted in August 2015. The Compensation Committee certified a three-year relative TSR percentile ranking at the 57th percentile, surpassing the required threshold percentile ranking, which was set at the 25th percentile, and determined that the performance metric relating to TSR was attained. Therefore, as further described in the section titled “Compensation Deductibility Policy”, Messrs. K.R. Murdoch, L.K. Murdoch, J.R. Murdoch and Zweifach were

eligible to receive the maximum number of PSUs. In accordance with its decision to pay out the fiscal 2016-2018 PSU awards based on target level performance, the Compensation Committee applied a Final Performance Factor of 100%. As a result, Messrs. K.R. Murdoch, L.K. Murdoch, J.R. Murdoch, Nallen and Zweifach each received shares of the Company's Class A Common Stock equal to the Final PSU Credits described below.

Named Executive Officers	Fiscal 2016-2018 Performance Period Target PSU Award Opportunity	Final Performance Factor	Fiscal 2016-2018 Final PSU Credits
K. Rupert Murdoch	173,094	100%	173,094
Lachlan K. Murdoch	273,307	100%	273,307
James R. Murdoch	273,307	100%	273,307
John P. Nallen	121,469	100%	121,469
Gerson Zweifach	75,918	100%	75,918

Retention RSUs

In February 2018, the Compensation Committee made the following special grant of Retention RSUs to its named executive officers with a grant date value equal to two times the value of each named executive officer's respective target PSU Award opportunity for the fiscal 2018-2020 performance period:

Named Executive Officer	Retention RSUs ($ value)	Shares Underlying Retention RSUs(a)
K. Rupert Murdoch	$11.4 million	360,873
Lachlan K. Murdoch	$18.0 million	569,800
James R. Murdoch	$18.0 million	569,800
John P. Nallen	$ 8.0 million	253,244
Gerson Zweifach	$ 6.0 million	189,933

(a) The Retention RSUs are eligible for dividend equivalents which will be represented by additional units representing shares of Class A Common Stock and will be payable when, and only to the extent that, the underlying Retention RSUs vest.

The Retention RSUs will vest 50% shortly prior to the completion of the Transaction and 50% on the 15-month anniversary of the completion of the Transaction, subject to the named executive officer's continued employment through the applicable vesting date. The Retention RSU grants will be subject to accelerated vesting in the event of a termination of employment (1) by the employer for any reason other than a termination for cause or (2) following the Transaction, upon a resignation for good reason. In the event that the Transaction does not occur and the Disney Merger Agreement is terminated in accordance with its terms, the Retention RSUs will fully vest and convert to the Company's Class A Common Stock on the later of (i) December 13, 2019 and (ii) the date on which the Disney Merger Agreement is terminated, subject to the named executive officer's continued employment through the applicable vesting date or an earlier qualifying termination of employment. For additional information regarding treatment of the outstanding Retention RSUs upon a termination of employment, please see the section titled "Potential Payments Upon Termination".

The Compensation Committee believes that granting time-based awards in the form of Retention RSUs will strengthen the retention incentives for key employees and represents the most effective approach to long-term incentive compensation in light of the Company's decision to undertake a fundamental change and enter into the Disney Merger Agreement. The grant of Retention RSUs was in lieu of recipients being eligible for a PSU Award for the fiscal 2019-2021 performance period.

For additional information regarding treatment of outstanding Retention RSUs in the Transaction please see the Form S-4.

Certain Other Actions Related to Equity-Based Awards

The Compensation Committee has approved certain amendments to the PSU Awards for the fiscal 2018-2020 performance period. These amendments include aligning, where applicable, the treatment of these awards upon termination of employment with the Company's ordinary course practice for named executive officers. For more details and a description of the payments that our named executive officers may be eligible to receive upon a termination of employment, please see the section titled "Potential Payments Upon Termination".

Retirement Benefits

Our defined-benefit pension plans serve as an important retention tool for long-term executives. In addition to a broad-based, tax-qualified pension plan, we also administer a Supplemental Executive Retirement Plan ("SERP"), which increases the retirement benefits of its participants above the amounts available under our broad-based plan, as limited by the Internal

Revenue Code, and in which certain of our executives participate. As an additional retention incentive, certain of the named executive officers participate in the Company's Individual Supplemental Employee Retirement Agreement Plan ("ISERA"), which provides enhanced benefits to certain of the Company's executives. The ISERA also provides enhanced retirement health benefits to the participating executives and their spouses. The SERP and the ISERA are non-qualified plans for tax purposes and are funded using a grantor trust. The assets in the grantor trust are unsecured funds of the Company and could be used to satisfy the Company's obligations in the event of bankruptcy or insolvency. For additional information on these arrangements and plans, please see the Pension Benefits Table and the Potential Payments Upon Termination Table, together with their accompanying footnotes, and the section titled "Description of Pension Benefits".

Perquisites

Our named executive officers are provided with limited types of perquisites and other personal benefits that the Compensation Committee feels are reasonable and consistent with the Company's overall compensation philosophy. Perquisites constitute a very small percentage of each named executive officer's total compensation package. Some perquisites are intended to serve a specific business need for the benefit of the Company; however, it is understood that some may be used for personal reasons as well. The perquisites received by each named executive officer in fiscal 2018, as well as their incremental cost to the Company, are reported in the Summary Compensation Table and its accompanying footnotes below.

Framework for Fiscal 2019 Performance-Based Annual Bonus Compensation

In August 2018, the Compensation Committee approved the framework for the fiscal 2019 Annual Bonus. The Compensation Committee determined that two-thirds of the fiscal 2019 Annual Bonus would be based on achievement of target adjusted OIBDA, and one-third would be based on qualitative factors, including the contributions by each and the group of named executive officers. The Compensation Committee selected adjusted OIBDA as the financial performance metric for fiscal 2019 because it continues to believe that this metric reflects the Company's key financial objective for the operations for which the named executive officers have direct responsibility. In reaching this decision, the Compensation Committee concluded that the Annual Bonus program was properly rewarding the named executive officers for Company and individual and group achievements and effectively aligning their interest with those of our stockholders. The Compensation Committee also determined the following performance levels for the achievement of the financial performance metric, with performance that falls between the specified performance levels to be interpolated broadly on a linear basis:

Performance Level	Performance Goal as a Percentage of Target Adjusted OIBDA	Payout as a Percentage of Financial Performance Portion of the Annual Bonus
Maximum	120%	200%
Target	100%	100%
Threshold	80%	50%

Also in August 2018, the Compensation Committee approved the following target and maximum Annual Bonus opportunities for fiscal 2019 for each of Messrs. K.R. Murdoch, L.K. Murdoch, J.R. Murdoch, Nallen and Zweifach:

Named Executive Officer	Fiscal 2019 Target Annual Bonus Opportunity	Fiscal 2019 Maximum Annual Bonus Opportunity
K. Rupert Murdoch	$10.5 million	$21.0 million
Lachlan K. Murdoch[(a)]	$ 8.0 million	$16.0 million
James R. Murdoch[(a)]	$ 8.0 million	$16.0 million
John P. Nallen[(a)]	$ 4.0 million	$ 8.0 million
Gerson Zweifach[(a)]	$ 3.5 million	$ 7.0 million

(a) The Annual Bonus target and maximum opportunity are provided for in the named executive officer's employment agreement.

In the event that the completion of the Transaction occurs prior to the Company paying the Annual Bonus, then as described in the Disney Merger Agreement, at the time of the Transaction, each named executive officer will receive the Annual Bonus based on the achievement of the target level of performance, prorated based on the number of days in the applicable performance period that have elapsed as of the completion of the Transaction, to be paid as soon as practicable after the completion of the Transaction.

Severance and Change in Control Arrangements

The employment agreements of Messrs. L.K. Murdoch, J.R. Murdoch, Nallen and Zweifach contain negotiated severance provisions that provide benefits to these named executive officers upon their separation from the Company, which are more

fully described in the section titled "Potential Payments Upon Termination". None of the named executive officers' employment agreements or other arrangements contains provisions that guarantee a payment upon a change in control of the Company.

In connection with entering into the Disney Merger Agreement the Compensation Committee approved the adoption of a severance plan (the "Severance Plan") in which eligible employees including the named executive officers will participate. The Severance Plan will become effective as of the closing of the Transaction and remain in effect in respect of a termination of employment that occurs within one year following the closing of the Transaction. Under the Severance Plan, in the event of a termination of employment (1) by the employer for any reason other than a termination for cause, (2) upon a resignation for good reason or (3) due to death or disability, each named executive officer will be eligible to receive the following payments but only to the extent such payments are greater than the payments provided under his employment agreement: (a) two times the sum of his base salary and average Annual Bonus paid in the previous two years, (b) a prorated target Annual Bonus for the year of termination, (c) reimbursement of COBRA premiums for one and a half years and (d) seven months of outplacement assistance.

Employment Agreements

The Compensation Committee believes that employment agreements are important tools to attract and retain executive talent. Described below is a summary of a letter agreement entered into with Mr. Nallen in fiscal 2018.

Letter Agreement for John Nallen

In June 2018, the Company entered into a letter agreement with Mr. Nallen (the "Nallen Letter Agreement"), amending his employment agreement that was scheduled to expire on June 30, 2018. The Nallen Letter Agreement, effective June 22, 2018, extends the term of Mr. Nallen's employment through June 30, 2021. The Nallen Letter Agreement did not increase Mr. Nallen's compensation.

By extending the term of Mr. Nallen's employment agreement, the Compensation Committee recognized the importance of retaining Mr. Nallen to provide key leadership through the completion of the Transaction and to continue to deliver value to our stockholders.

For a further discussion of Mr. Nallen's employment arrangements, please see page 49 in the section titled "Employment Arrangements—Summary of John P. Nallen's Employment Agreement."

Recoupment of Previously Paid Named Executive Officer Performance-Based Compensation

The Board of Directors has policies requiring the recoupment of performance-based compensation paid to the named executive officers in the event of certain financial restatements or of other bonus compensation in certain other instances. The policies require reimbursement, to the extent permitted by governing law and any employment arrangements entered into prior to the adoption of the policies.

Prohibition on Hedging and Pledging of 21st Century Fox Stock

The Company prohibits all directors and employees, including our named executive officers, from engaging in short sales of the Company's securities and investing in Company-based derivative securities, including options, warrants, stock appreciation rights or similar rights whose value is derived from the value of an equity security, such as the Company's common stock. This prohibition includes, but is not limited to, trading in Company-based put or call option contracts, trading in straddles and the like. However, holding and exercising stock options, restricted stock units or other derivative securities granted under the Company's equity compensation plans is not prohibited.

The Company prohibits all executive officers and directors from pledging any Company securities that they hold directly or unvested equity compensation.

Executive Stock Ownership Guidelines

The Compensation Committee believes that the named executive officers of the Company should have an appropriate equity ownership in the Company to further align stockholders' and the named executive officers' interests. Accordingly, the Compensation Committee has adopted stock ownership guidelines which apply to the named executive officers as follows:

Title	Ownership Guideline
Executive Chairman	5 times base salary
Chief Executive Officer	5 times base salary
Chief Financial Officer	2 times base salary
Group General Counsel	1 times base salary

Each executive will be required to achieve the appropriate ownership level within five years from the end of the fiscal year in which the executive first becomes subject to the ownership guidelines. To ensure executives make continuous progress toward their respective targets, executives must own 25% of the guideline by the end of the second fiscal year after becoming subject to the guidelines, 50% after the end of the third fiscal year and 75% by the end of the fourth fiscal year. If an executive's guideline increases, then after the initial five-year compliance period, the executive will have an additional three years to achieve the increased guideline.

Although each executive has until the end of fiscal 2019 to achieve the appropriate ownership level (with the exception of Mr. L.K. Murdoch who has until the end of fiscal 2021 and Mr. J.R. Murdoch who has until the end of fiscal 2022 with respect to his increased guideline), as of June 30, 2018, each executive is in compliance with the applicable guideline.

Compensation Deductibility Policy

In approving compensation for fiscal 2018, the Compensation Committee took into account Section 162(m) of the Internal Revenue Code. At the time the Compensation Committee made its decisions for fiscal 2018 compensation, Section 162(m) generally limited to $1 million the U.S. federal tax deductibility of compensation paid in one year to the named executive officers except for, pursuant to Internal Revenue Service pronouncements, Mr. Nallen, our Chief Financial Officer. Section 162(m) also provided that performance-based compensation may qualify for an exception to the limit on deductibility, provided that the plan under which such compensation is paid meets certain requirements, including stockholder approval. The Tax Cuts and Jobs Act (the "Act") signed into law in December 2017 made certain changes to Section 162(m), effective for taxable years beginning after December 31, 2017, including, among others, expanding the number of individuals covered by Section 162(m) to include a company's chief financial officer and eliminating the exception for performance-based compensation. The Act provides for transition relief for compensation payable pursuant to a written binding contract in effect on November 2, 2017 that is not subsequently materially modified.

The Compensation Committee has approved, and may continue to approve, compensation exceeding the $1 million limitation, including with respect to a portion of base salary and long-term incentives, and exceeding the maximum bonus amount provided for under the Annual Bonus, in order to provide appropriate compensation. While accounting and tax treatment are relevant issues to consider, the Compensation Committee believes that stockholder interests are best served by not restricting flexibility in designing compensation programs, even though such programs may result in non-deductible compensation expenses for tax purposes.

As part of the executive compensation program, the named executive officers are eligible to receive performance-based annual bonus compensation and performance-based long-term equity-based incentive awards under the Company's long-term incentive plan. Each of the Annual Bonus and the Company's long-term incentive plan is intended to permit awards that comply with the Section 162(m) exception for performance-based compensation prior to its elimination under the Act. The stockholders of the Company have approved both of these plans. Despite the Compensation Committee originally structuring fiscal 2018 annual bonus compensation and performance-based long-term equity-based incentive awards to be eligible for deductibility under Section 162(m), as described below, because of the ambiguities and uncertainties as to the anticipated scope of the application of the transition relief under the Act, and the limited guidance interpreting such transition relief, no assurance can be given that compensation for fiscal 2018 that had originally been intended to satisfy the requirements for exemption from Section 162(m) will, in fact, be fully deductible.

For tax purposes, in order to preserve the ability to deduct annual performance-based compensation under Section 162(m), as it existed prior to the enactment of the Act, the Annual Bonus is conditioned upon the funding of a bonus pool (the "Annual Bonus Pool"). For fiscal 2018, the Compensation Committee approved a formula for funding the Annual Bonus Pool of 2.0% of the Company's adjusted OIBDA for the fiscal year, which represents the maximum annual performance-based compensation that is payable. Additionally, the Company's Annual Bonus program caps the amount to be paid to an individual in any fiscal year with an aggregate total of $60 million payable to all eligible participants in fiscal 2018. The Compensation Committee selected adjusted OIBDA as the performance measure for the funding of the Annual Bonus Pool because it best reflects the Company's key financial objective for the operations for which the named executive officers have direct responsibility given the nature of the Company's business.

In August 2018, the Compensation Committee certified the OIBDA and the maximum annual bonus amounts for Messrs. K.R. Murdoch, L.K. Murdoch, J.R. Murdoch and Zweifach. The Compensation Committee then exercised its downward discretion to adjust the actual payments to the level that was awarded to Messrs. K.R. Murdoch, L.K. Murdoch, J.R. Murdoch and Zweifach according to the methodology described above. Please see the section titled "Performance-Based Annual Bonus Compensation".

With respect to the Company's long-term incentive plan, the Compensation Committee also establishes performance goals for PSUs, with the intent that they will be eligible for deductibility under Section 162(m), as it existed prior to the enactment of the Act, as described in the section titled "Performance-Based Long-Term Equity-Based Incentive Awards". In August 2018, the Compensation Committee certified that one of the Performance Metrics was attained and that Messrs. K.R. Murdoch, L.K. Murdoch, J.R. Murdoch and Zweifach were eligible to receive the maximum number of PSUs for the 2016-2018 performance period. The Compensation Committee then exercised its downward discretion to adjust the actual payments to the level that was awarded to Messrs. K.R. Murdoch, L.K. Murdoch, J.R. Murdoch and Zweifach in accordance with its determination in February 2018 that, subject to satisfaction of one of the Performance Metrics, the PSU Awards for the fiscal 2016-2018 performance period will pay out based on the target level of performance. Please see the section titled "Vesting of Performance-Based Long-Term Equity-Based Incentive Awards for Fiscal 2016-2018 Performance Period".

EXECUTIVE COMPENSATION

Summary Compensation Table for the Fiscal Year Ended June 30, 2018

The following table sets forth information with respect to total compensation for the fiscal years ended June 30, 2018, June 30, 2017 and June 30, 2016, respectively, for the Company's Chief Executive Officer, Chief Financial Officer and the other most highly compensated executive officers of the Company (collectively, the "named executive officers") who served in such capacity on June 30, 2018.

Name and Principal Position	Fiscal Year	Salary	Stock Awards(a)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings(b)	All Other Compensation(c)	Total
K. Rupert Murdoch Executive Chairman	2018	$7,100,000	$23,273,953(d)	$13,090,000	$ 5,644,000	$125,601	$49,233,554
	2017	$7,100,000	$ 5,404,292	$10,500,000	$ 6,117,000	$180,611	$29,301,903
	2016	$7,100,000	$ 6,420,056	$ 9,765,000	$11,127,000	$178,394	$34,590,450
Lachlan K. Murdoch Executive Chairman	2018	$3,000,000	$36,748,401(d)	$ 9,973,334	$ 728,000	$219,996	$50,669,731
	2017	$3,000,000	$ 8,533,112	$ 8,000,000	$ 959,000	$121,730	$20,613,842
	2016	$3,000,000	$10,136,957	$ 7,440,000	$ 3,026,000	$114,321	$23,717,278
James R. Murdoch Chief Executive Officer	2018	$3,000,000	$36,748,401(d)	$ 9,973,334	$ —	$542,126	$50,263,861
	2017	$3,000,000	$ 8,533,112	$ 8,000,000	$ 589,000	$193,832	$20,315,944
	2016	$3,000,000	$10,136,957	$ 7,440,000	$ 5,624,000	$178,716	$26,379,673
John P. Nallen Senior Executive Vice President and Chief Financial Officer	2018	$2,000,000	$16,332,590(d)	$ 4,986,666	$ 471,000	$ 59,410	$23,849,666
	2017	$2,000,000	$ 3,792,491	$ 4,000,000	$ 630,000	$ 42,042	$10,464,533
	2016	$2,000,000	$ 4,505,285	$ 3,720,000	$ 1,830,000	$ 41,072	$12,096,357
Gerson Zweifach Senior Executive Vice President and Group General Counsel	2018	$3,000,000	$11,924,526(d)	$ 4,363,334	$ —	$105,727	$19,393,587
	2017	$3,000,000	$ 2,370,310	$ 2,500,000	$ —	$ 39,294	$ 7,909,604
	2016	$3,000,000	$ 2,815,799	$ 2,325,000	$ —	$ 39,119	$ 8,179,918

(a) The amounts set forth in the Stock Awards column represent the aggregate grant date fair value of stock awards granted during the applicable fiscal year and the incremental fair value resulting from the modification of the outstanding PSU Awards for the fiscal 2016-2018 performance period.

The grant date fair value of the PSU awards reflects the effect of the market condition by using a Monte Carlo analysis to estimate the TSR ranking of the Company among the S&P 500 Index companies, excluding finance, real estate and energy companies, over the performance period.

(b) The values reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column are theoretical as these amounts are calculated pursuant to SEC requirements and are based on a retirement assumption of age 55 or current age, if later, and other assumptions used in preparing the Company's June 30, 2018 audited consolidated financial statements. The change in actuarial present value for each named executive officer's accumulated pension benefits under the applicable Company pension plan(s) from year to year as reported in the Summary Compensation Table is subject to interest rate volatility and may not represent, nor does it affect, the value that a named executive officer will actually accrue under the Company's pension plans during any given fiscal year. The change in pension value in the fiscal year ended June 30, 2018 was primarily due to the accrual of an additional year of benefits partially offset by a change in the discount rate and mortality.

(c) All Other Compensation paid in the fiscal year ended June 30, 2018 is calculated based on the incremental cost to the Company and is comprised of the following:

	K. Rupert Murdoch	Lachlan K. Murdoch	James R. Murdoch	John P. Nallen	Gerson Zweifach
Perquisites					
Personal Use of Corporate Aircraft	$ 42,304	$192,461	$477,990	$11,481	$ 66,258
Personal Use of Corporate Car/Car Allowance	25,468	14,400	23,857	22,860	14,400
Company Contributions to 401(k) Plan	9,625	9,625	9,625	9,625	9,625
Life Insurance Premiums(1)	48,204	3,510	30,654	15,444	15,444
Total	$125,601	$219,996	$542,126	$59,410	$105,727

(1) Represents imputed income to the NEOs under the Company's executive life insurance program.

(d) In connection with the Transaction, in February 2018, the Compensation Committee determined that, subject to satisfaction of one of the Performance Metrics, the outstanding PSU Awards for the fiscal 2016-2018 performance period granted to the Company's named executive officers, will pay out based on the target level of performance. Also in connection with the Transaction, the Compensation Committee granted Retention RSUs to the Company's named executive officers. Recipients of the Retention RSUs are not eligible to receive a PSU Award with respect to the fiscal 2019-2021 performance period. The following table sets forth the total compensation for the fiscal year ended June 30, 2018 for each named executive officer excluding the special grant of the Retention RSUs and the effect of the modification of the outstanding PSU Awards for the fiscal 2016-2018 performance period as these actions were taken in connection with the Transaction and are not representative of the Company's annual compensation program.

Name	Fiscal Year	Salary	Stock Awards(1)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
K. Rupert Murdoch	2018	$7,100,000	$6,170,701	$13,090,000	$5,644,000	$125,601	$32,130,302
Lachlan K. Murdoch	2018	$3,000,000	$9,743,231	$ 9,973,334	$ 728,000	$219,996	$23,664,561
James R. Murdoch	2018	$3,000,000	$9,743,231	$ 9,973,334	$ —	$542,126	$23,258,691
John P. Nallen	2018	$2,000,000	$4,330,325	$ 4,986,666	$ 471,000	$ 59,410	$11,847,401
Gerson Zweifach	2018	$3,000,000	$3,247,744	$ 4,363,334	$ —	$105,727	$10,716,805

(1) The grant date fair value of the PSU awards reflects the effect of the market condition by using a Monte Carlo analysis to estimate the TSR ranking of the Company among the S&P 500 Index companies, excluding finance, real estate and energy companies, over the performance period. Had the achievement of the highest level of performance been assumed, the aggregate grant date fair value of the PSUs granted in fiscal 2018 would be as follows: $9,256,037 (Mr. K.R. Murdoch), $14,614,847 (Mr. L.K. Murdoch), $14,614,847 (Mr. J.R. Murdoch), $6,495,487 (Mr. Nallen) and $4,871,616 (Mr. Zweifach).

Grants of Plan-Based Awards during the Fiscal Year Ended June 30, 2018

The following table sets forth information with respect to grants of plan-based awards to the named executive officers during the fiscal year ended June 30, 2018.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ($)			Estimated Future Payouts Under Equity Incentive Plan Awards[d] (#)			All Other Stock Awards: Number of Shares of Stock	Grant Date Fair Value of Stock Awards
		Threshold	Target	Maximum	Threshold	Target	Maximum		
K. Rupert Murdoch		$3,500,000	$10,500,000	$21,000,000					
	8/7/2017[a]				20,555	205,553	308,329	n/a	$ 6,170,701
	2/20/2018[b]							173,094	$ 3,704,038
	2/20/2018[c]							360,873	$13,399,214
Lachlan K. Murdoch		$2,666,667	$ 8,000,000	$16,000,000					
	8/7/2017[a]				32,455	324,558	486,837	n/a	$ 9,743,231
	2/20/2018[b]							273,307	$ 5,848,496
	2/20/2018[c]							569,800	$21,156,674
James R. Murdoch		$2,666,667	$ 8,000,000	$16,000,000					
	8/7/2017[a]				32,455	324,558	486,837	n/a	$ 9,743,231
	2/20/2018[b]							273,307	$ 5,848,496
	2/20/2018[c]							569,800	$21,156,674
John P. Nallen		$1,333,333	$ 4,000,000	$ 8,000,000					
	8/7/2017[a]				14,424	144,248	216,372	n/a	$ 4,330,325
	2/20/2018[b]							121,469	$ 2,599,315
	2/20/2018[c]							253,244	$ 9,402,950
Gerson Zweifach		$1,166,667	$ 3,500,000	$ 7,000,000					
	8/7/2017[a]				10,818	108,186	162,279	n/a	$ 3,247,744
	2/20/2018[b]							75,918	$ 1,624,570
	2/20/2018[c]							189,933	$ 7,052,212

(a) Reflects the right to receive shares of Class A Common Stock that may be earned upon vesting of PSUs granted in fiscal 2018, following the applicable performance period. See “Compensation Discussion and Analysis—Performance-Based Long-Term Equity-Based Incentive Awards” for a discussion of the performance measures for the PSUs.

(b) The number of shares and grant date fair value reported does not reflect a new grant, but represents the incremental fair value resulting from the modification of the outstanding PSU Awards for the fiscal 2016-2018 performance period, which is calculated by computing the excess of the fair value of the modified awards at the date of modification over the fair value of the original award at the date of modification.

(c) Reflects the grant of Retention RSUs. The Retention RSUs are eligible for dividend equivalents which will be represented by additional units representing shares of Class A Common Stock and will be payable when, and only to the extent that, the underlying Retention RSUs vest.

(d) The PSUs are eligible for dividend equivalents which will be represented by additional units representing shares of Class A Common Stock credited at the time performance under the PSU Award is certified and will be payable when, and only to the extent that, the underlying PSU Award vests.

Employment Arrangements

Summary of K. Rupert Murdoch’s Letter Agreement

In August 2010, the Company entered into a letter agreement with Mr. K.R. Murdoch to reflect his eligibility to receive an Annual Bonus and PSUs (the “KRM Letter Agreement”). For additional information regarding the methodology and calculation of the Annual Bonus and PSU Award see the section titled “Named Executive Officers’ Compensation Packages for Fiscal 2018”.

For a discussion of the termination provisions relating to Mr. K.R. Murdoch’s Annual Bonus and PSUs, see the section titled “Potential Payment Upon Termination”.

Summary of Employment Agreements for Lachlan K. Murdoch and James R. Murdoch

In connection with Mr. L.K. Murdoch's appointment as Executive Chairman and Mr. J.R. Murdoch's appointment as Chief Executive Officer, the Company entered into an employment agreement with each executive effective July 1, 2015 and expiring June 30, 2019 (respectively, the "LKM Employment Agreement" and the "JRM Employment Agreement"). For purposes of the following description of the LKM Employment Agreement and JRM Employment Agreement and in the section titled "Potential Payments Upon Termination", Messrs. L.K. Murdoch and J.R. Murdoch shall each be referred to as an "Executive".

Pursuant to the terms of his employment agreement, each Executive receives a base salary of $3 million and is eligible to receive an Annual Bonus with a target of $8 million and a maximum payout of $16 million. Each Executive is eligible to receive a PSU Award with a target of $9 million with a PSU maximum opportunity as described in the section titled "Compensation Discussion and Analysis—Performance-Based Long-Term Equity-Based Incentive Awards".

During the term of the employment agreement, each Executive and his surviving spouse will participate in all of the Company's pension and welfare plans, programs and benefits (as described in the Executive's employment agreement) at the highest levels that are from time to time applicable to senior executives of the Company. In addition, each Executive and his surviving spouse will be entitled to participate in, and the Company will pay for, such health and welfare benefits (including medical and dental, disability and life insurance and other similar benefit plans) presently in effect or to be adopted at the highest levels that are from time to time applicable to the highest paid group of senior executives of the Company for their lifetime so long as such benefits are not provided to such Executive by another employer. Each Executive will receive a car allowance and have use of a corporate jet for business and personal travel in accordance with Company guidelines.

Each Executive is also entitled to certain payments and benefits under his respective employment agreement upon his separation from the Company. For a discussion of these provisions, see the section titled "Potential Payments Upon Termination".

Summary of John P. Nallen's Employment Agreement

The Company and Mr. Nallen entered into an employment agreement effective July 1, 2013, which was extended, effective June 22, 2018, through June 30, 2021. Under the terms of the employment agreement, Mr. Nallen serves as Senior Executive Vice President and Chief Financial Officer of the Company.

Pursuant to the terms of his employment agreement, Mr. Nallen receives a base salary of $2 million per year and is eligible to receive an Annual Bonus with a target of $4 million and a maximum payout of $8 million. The criteria for the achievement of the bonus amount are established by the Compensation Committee of the Company.

In addition, the agreement provides that Mr. Nallen is eligible to receive for each fiscal year PSUs with a target of $4 million and a maximum opportunity as described in the section titled "Compensation Discussion and Analysis—Performance-Based Long-Term Equity-Based Incentive Awards".

Mr. Nallen is entitled to participate in any incentive or benefit plans or arrangements in effect or to be adopted by the Company applicable to senior executives of the Company including any stock option or purchase plan, or stock appreciation rights plan, any bonus or other incentive compensation plan, and any profit-sharing, pension, group medical, dental, disability and life insurance or other similar benefit plans. In addition, Mr. Nallen receives a car allowance.

The employment agreement also provides for certain payments and benefits to Mr. Nallen upon his separation from the Company. For a discussion of these provisions of the employment agreement, see the section titled "Potential Payment Upon Termination".

Summary of Gerson Zweifach's Employment Agreement

The Company and Mr. Zweifach entered into an employment agreement commencing February 1, 2012, which was extended through June 30, 2020. Under the terms of the employment agreement, Mr. Zweifach serves as the Company's Senior Executive Vice President and Group General Counsel, as well as Senior Executive Vice President and General Counsel of certain subsidiaries of the Company.

Pursuant to the terms of his employment agreement, Mr. Zweifach receives a base salary at an annual rate of $3 million. For fiscal 2015 to fiscal 2017, Mr. Zweifach was eligible to receive an annual bonus with a target of $2.5 million and a maximum of $5 million. Mr. Zweifach's annual bonus target beginning fiscal 2018 is $3.5 million with a maximum of $7 million. The criteria for the achievement of the bonus amount shall be based on performance metrics set by the Chief Executive Officer and the Compensation Committee of the Company in good faith.

In addition, the employment agreement provides that Mr. Zweifach is entitled to receive PSUs, the target amount of which is $2.5 million for the fiscal 2015-2017 performance period through the fiscal 2017-2019 performance period with a PSU

maximum opportunity as described in the section titled “Compensation Discussion and Analysis—Performance-Based Long-Term Equity-Based Incentive Awards”. Beginning with the fiscal 2018-2020 performance period, the target amount of Mr. Zweifach’s PSU Award is $3 million.

Mr. Zweifach is entitled to participate in incentive, equity or benefit plans or arrangements in effect or to be adopted by the Company made generally available to all other executives of the Company in the Office of the Chairman including any stock option or purchase plan, stock appreciation rights plan or any bonus or other incentive or equity compensation plan and any profit sharing, group medical, dental, disability, life insurance or other similar benefit plans, programs or benefits, excluding retiree benefits. In addition, Mr. Zweifach receives a car and ground transportation allowance.

The employment agreement also provides for certain payments and benefits to Mr. Zweifach upon his separation from the Company. For a discussion of these provisions of the employment agreement, see the section titled “Potential Payment Upon Termination”.

Outstanding Equity Awards at June 30, 2018

The following table sets forth information with respect to each of the named executive officer's outstanding share-based awards at June 30, 2018.

	Stock Awards			
Name	Number of Shares of Stock That Have Not Vested(b)	Market Value of Shares of Stock That Have Not Vested(c)	Equity Incentive Plan Awards: Number of Unearned Shares That Have Not Vested(d)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares That Have Not Vested(c)
K. Rupert Murdoch	533,967	$26,532,820	405,342	$20,141,444
Lachlan K. Murdoch(a)	843,107	$41,893,987	640,015	$31,802,345
James R. Murdoch	843,107	$41,893,987	640,015	$31,802,345
John P. Nallen	374,713	$18,619,489	284,451	$14,134,370
Gerson Zweifach	265,851	$13,210,136	195,813	$ 9,729,948

(a) Mr. L.K. Murdoch also held 9,415 stock and cash-settled Deferred Stock Units ("DSUs") as of June 30, 2018, which were granted to Mr. L.K. Murdoch for the fiscal years 2014-2015 for his service as a non-executive Director prior to his appointment as an executive officer of the Company. Mr. L.K. Murdoch's cash-settled DSUs for fiscal 2014 include: 1,275 shares granted July 1, 2013; 1,103 shares granted October 1, 2013; 1,052 shares granted January 2, 2014; and 1,134 shares granted April 1, 2014. The stock-settled DSUs for fiscal 2015 include: 1,203 shares granted July 1, 2014; 1,261 shares granted October 1, 2014; 1,122 shares granted January 2, 2015; and 1,265 shares granted April 1, 2015. The DSUs vest on the earlier of the first trading day of the quarter five years following the date of grant or upon Mr. L.K. Murdoch's termination of service from the Board.

(b) The amounts set forth in this column represent the number of unvested, stock-settled PSUs for the completed fiscal 2016-2018 performance period as of June 30, 2018 and unvested, stock-settled Retention RSUs. The PSUs for the fiscal 2016-2018 performance period vested on August 15, 2018. As a result of the modification, the number of unvested PSUs reflects 100% of the PSU Target Number. For additional information, please see page 39 in the section titled "Vesting of Performance-Based Long-Term Equity-Based Incentive Awards for Fiscal 2016-2018 Performance Period". The unvested PSUs were granted on August 3, 2015 and vest on August 15, 2018. The Retention RSUs were granted on February 20, 2018 and will vest 50% shortly prior to the completion of the Transaction and 50% on the 15-month anniversary of the completion of the Transaction, subject to each executive's continued employment through the applicable vesting date or an earlier qualifying termination of employment. In the event that the Transaction does not occur and the Disney Merger Agreement is terminated in accordance with its terms, the Retention RSUs will fully vest and convert to the Company's Class A Common Stock on the later of (i) December 13, 2019 and (ii) the date on which the Disney Merger Agreement is terminated, subject to the named executive officer's continued employment through the applicable vesting date or an earlier qualifying termination of employment. The Retention RSUs are eligible for dividend equivalents which will be represented by additional units representing shares of Class A Common Stock and will be payable when, and only to the extent that, the underlying Retention RSUs vest.

(c) Calculated using the closing price of the Company's Class A Common Stock as reported on NASDAQ on June 29, 2018 of $49.69.

(d) The amounts set forth in this column represent the number of unvested, stock-settled target PSUs granted for the fiscal 2017-2019 performance period and fiscal 2018-2020 performance period, which remain subject to performance criteria and had not yet vested as of June 30, 2018. In accordance with SEC guidance, the number of shares presented is based on the assumption that the PSUs will vest based on the achievement of the target performance level. The number of PSUs, if any, and their value, realized by a named executive officer will depend on the actual performance level achieved by the Company for the applicable performance period and any change in the value of the Company's Class A Common Stock over the three-year performance period. The number of target PSUs granted that remain subject to performance criteria as of June 30, 2018 and their respective vesting dates are set forth below.

Name	Number of PSUs That Have Not Vested(1)	Date of Grant	Performance Period	Vesting Dates
K. Rupert Murdoch	199,789	8/2/2016	7/1/2016 to 6/30/2019	8/15/2019
	205,553	8/7/2017	7/1/2017 to 6/30/2020	8/15/2020
Lachlan K. Murdoch	315,457	8/2/2016	7/1/2016 to 6/30/2019	8/15/2019
	324,558	8/7/2017	7/1/2017 to 6/30/2020	8/15/2020
James R. Murdoch	315,457	8/2/2016	7/1/2016 to 6/30/2019	8/15/2019
	324,558	8/7/2017	7/1/2017 to 6/30/2020	8/15/2020
John P. Nallen	140,203	8/2/2016	7/1/2016 to 6/30/2019	8/15/2019
	144,248	8/7/2017	7/1/2017 to 6/30/2020	8/15/2020
Gerson Zweifach	87,627	8/2/2016	7/1/2016 to 6/30/2019	8/15/2019
	108,186	8/7/2017	7/1/2017 to 6/30/2020	8/15/2020

(1) The PSUs are eligible for dividend equivalents which will be represented by additional units representing shares of Class A Common Stock credited at the time performance under the PSU Award is certified and will be payable when, and only to the extent that, the underlying PSU Award vests.

Stock Vested during the Fiscal Year Ended June 30, 2018

The following table sets forth information with respect to the vesting of equity awards for each of the named executive officers during the fiscal year ended June 30, 2018.

Name	Stock Awards	
	Number of Shares Acquired on Vesting	Value Realized on Vesting
K. Rupert Murdoch	117,575	$3,316,791
James R. Murdoch	123,763	$3,491,354
John P. Nallen	61,881	$1,745,663
Gerson Zweifach	51,567	$1,454,705

Pension Benefits as of June 30, 2018

The following table sets forth information with respect to each Company plan that provides payments in connection with retirement with respect to each of the named executive officers.

Name[(a)]	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit	Payments During Last Fiscal Year
K. Rupert Murdoch[(b)]	Qualified Pension Plan[(d)]	66	$ 415,000	$68,000
	Individual Supplemental Executive Retirement Plan	66	110,280,000	—
			110,695,000	68,000
Lachlan K. Murdoch[(c)]	Qualified Pension Plan[(d)]	9	$ 1,422,000	$ —
	Supplemental Executive Retirement Plan	9	65,000	—
	Individual Supplemental Executive Retirement Plan	12	11,199,000	—
			12,686,000	—
James R. Murdoch[(c)]	Qualified Pension Plan[(d)(e)]	15	$ 304,000	$ —
	Supplemental Executive Retirement Plan[(e)]	15	143,000	—
	Individual Supplemental Executive Retirement Plan	22	16,746,000	—
			17,193,000	—
John P. Nallen	Qualified Pension Plan[(d)]	24	$ 1,018,000	$ —
	Supplemental Executive Retirement Plan	24	457,000	—
	Individual Supplemental Executive Retirement Plan	34	18,742,000	—
			20,217,000	—

(a) Mr. Zweifach is not entitled to participate in the Company’s pension plans because they were closed to new employees at the time he joined the Company.

(b) Mr. K.R. Murdoch’s pension benefits are primarily from the ISERA plan. The value of his benefit reflects his 66 years of service with the Company and, since the timing of benefits from this plan are subject to Internal Revenue Code Section 409A, Mr. K.R. Murdoch cannot commence his benefits until he retires. While his benefits are subject to the delay, the Company actuarially increases the amount of his benefits to maintain the value of benefits he has already earned.

(c) If Messrs. L.K. Murdoch or J.R. Murdoch’s employment is terminated by the Company without Cause or by Messrs. L.K. Murdoch or J.R. Murdoch, respectively, with Good Reason, Messrs. L.K. Murdoch and J.R. Murdoch are entitled to additional age and service credits when calculating their pension benefits. See the section titled “Description of Pension Benefits”. The value of this benefit for Messrs. L.K. Murdoch and J.R. Murdoch as of June 30, 2018 is $2.5 million and $2.3 million, respectively.

(d) Qualified pension plan includes benefits earned under the 21st Century Fox America Pension Plan or 21st Century Fox America Retirement Plan and, for Mr. L.K. Murdoch, the Australian Superannuation Plan (defined contribution type plan).

(e) Mr. J. R. Murdoch did not receive additional credited service for the Qualified Pension Plan and the Supplemental Executive Retirement Plan when he worked outside of the United States.

Description of Pension Benefits

The Company sponsors the 21st Century Fox America Pension Plan and the 21st Century Fox America Retirement Plan (collectively known as the "Qualified Pension Plan") which provides retirement benefits to the eligible named executive officers and employees of certain U.S. subsidiaries. The Qualified Pension Plan is a broad-based, tax-qualified defined benefit plan for employees hired before January 1, 2008. Participation in the Qualified Pension Plan begins on January 1 or July 1 following the later of the date on which an eligible employee attains age 21 or completes one full year of service. Under the Qualified Pension Plan, participants become fully vested in their accrued benefit upon completion of five full years of service and are entitled to receive unreduced benefits upon retirement at age 65 or later. The benefit is paid in the form of a monthly annuity. The accrued benefit under the Qualified Pension Plan at normal retirement age for service after June 30, 1989 is equal to 1% of monthly compensation times years of service, plus 0.6% of average monthly compensation in excess of average covered compensation times years of service limited to 35 years (includes service prior to June 30, 1989 for limiting service). For service prior to June 30, 1989, the accrued benefit is the accrued benefit calculated under the prior plan formula and adjusted for the increase in average compensation. Average compensation is generally compensation reported on the participant's W-2 form during the participant's last 120 months of service, plus 401(k) plan or Section 125 deferrals, but does not include non-cash bonuses for any 60 consecutive months. The benefit under the Qualified Pension Plan were frozen for employees under the age of 40 as of December 31, 2013. The Company pays the entire cost of the benefits provided under the Qualified Pension Plan. Eligible compensation for purposes of the Qualified Pension Plan is limited by federal law.

In addition to the Qualified Pension Plan, the Company maintains a SERP, which provides benefits to employees who are participants in the Qualified Pension Plan but whose annual compensation exceeds the compensation limit of the Qualified Pension Plan ($275,000 in calendar 2018). With the exception of Messrs. K.R. Murdoch and Zweifach, each of the named executive officers participates in the SERP. The compensation limit for the SERP is capped at $100,000 in excess of the Qualified Pension Limit ($375,000 in calendar 2018). The benefits of the SERP are calculated using the same formula as the Qualified Pension Plan.

Certain of the named executive officers also participate in the Company's ISERA, which provides enhanced benefits to a select group of the Company's top executives. The ISERA compensation limit is up to $2.7 million for fiscal 2018. The benefit provided under the ISERA is unreduced for early retirement beginning at age 55 and is paid as 100% joint and surviving spouse annuity, and the benefit can be paid in a lump sum or installments if so elected. This benefit is indexed annually at retirement to account for inflation. The ISERA also provides retirement health and life insurance benefits to the participating executives and their spouses.

The SERP and the ISERA are non-qualified plans for tax purposes and are funded using a grantor trust. The assets in the grantor trust are unsecured funds of the Company and could be used to satisfy the Company's obligations in the event of bankruptcy or insolvency.

Pursuant to his respective employment agreement, each of Messrs. L.K. Murdoch and J.R. Murdoch is entitled to additional pension benefits in the event of his termination by the Company without Cause (as defined in his employment agreement) or his resignation for Good Reason (as defined in his employment agreement) during the term of the applicable agreement. The additional pension benefit adds the greater of 36 months or the number of months remaining in the term of the applicable employment agreement to his age and service credit in calculating his pension benefit. For example, if this provision was triggered during the fiscal year ended June 30, 2018, Messrs. L.K. Murdoch and J.R. Murdoch would receive a pension that would include 36 additional months of age and service credit from the fiscal year end trigger date. The additional pension would be paid as long as such named executive officer or his spouse is alive. The present value of this additional benefit as of June 30, 2018 is $2.5 million and $2.3 million for Messrs. L.K. Murdoch and J.R. Murdoch, respectively, determined using the same assumptions used to value the amount shown on the Pension Benefits Table above.

The material assumptions, except for assumed retirement age, used to quantify the present value of accumulated benefits for each named executive officer in the table above are set forth in Note 16 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2018, including the discount rate and the current mortality tables. The Company adopted the mortality table released by the Society of Actuaries in fiscal 2015, and subsequently updated in fiscal 2016, 2017 and 2018, which modified the life expectancy of plan participants. The assumed retirement age for Messrs. K.R. Murdoch and Nallen is their respective current age as they are each currently entitled to unreduced pension benefits under the ISERA. For Messrs. L.K. Murdoch and J.R. Murdoch, the assumed retirement age is 55, the age they are entitled to receive unreduced benefits from the ISERA.

Potential Payments Upon Termination

As noted in the section titled “Employment Arrangements”, the applicable employment agreements of each of Messrs. L.K. Murdoch, J.R. Murdoch, Nallen and Zweifach and the terms and conditions for the Retention RSUs provide for certain payments and benefits upon a separation from the Company. In addition, the KRM Letter Agreement and the terms and conditions that govern Mr. K.R. Murdoch’s PSU Award for the fiscal 2018-2020 performance period each contains certain termination provisions relating to his Annual Bonus and PSUs. In February 2018, the Compensation Committee also approved an amendment to the PSU Awards for the fiscal 2018-2020 performance period to provide for double-trigger vesting upon a termination by the employer other than for cause or by the employee for good reason following a change in control of the Company (which includes the Transaction). These amended termination provisions are included in the below summary of payments and benefits upon a separation from the Company. For additional information regarding payments and benefits payable to the named executive officers upon a separation from the Company that occurs in connection with the Transaction, including a description of the Severance Plan that may provide for severance payments that are higher than those set forth below, please see the section titled “Severance and Change in Control Arrangements” and the Form S-4.

Lachlan K. Murdoch and James R. Murdoch

If the Executive’s employment is terminated during the term due to his death or disability (as defined in the Executive’s employment agreement), he is entitled to receive:

(1) his accrued base salary through the date of termination;

(2) any Annual Bonus payable but not yet paid in respect of any fiscal year ending prior to the date of termination;

(3) SERP and ISERA benefits;

(4) continued lifetime health and welfare benefits for the Executive and his surviving spouse;

(5) the right to receive payment of any applicable PSU Award in an amount equal to the full value of any award which will be calculated at the end of the performance period as if no termination occurred;

(6) a pro-rata portion of the Retention RSUs if termination occurs prior to December 13, 2018 (based on the number of days employed during the period commencing on December 13, 2017, divided by 365) and the full value of the Retention RSUs if termination occurs on or after December 13, 2018;

(7) a pro-rata portion of the Annual Bonus he would have earned for the then-current fiscal year if such termination had not occurred, calculated based on the pre-determined target Annual Bonus amount and the number of days he was employed during the fiscal year; and

(8) his base salary for the 24 month period after the date of termination.

If the Executive’s employment is terminated during the term by the Company for Cause or by the Executive without Good Reason (each as defined in the Executive’s employment agreement), the Executive is entitled to receive the benefits described in clauses (1) through (4) above, plus:

(a) a pro-rata portion of the Annual Bonus he would have earned for the then-current fiscal year if such termination had not occurred, calculated based solely on the Compensation Committee’s assessment of the Company’s financial and operating performance as compared to the Company’s target financial performance metric established in connection with the Annual Bonus; and

(b) the right to receive payment of any applicable PSU Award in an amount equal to the pro rata value of any PSU Award which will be calculated at the end of the performance period.

If the Executive’s employment is terminated during the term by the Company without Cause or by the Executive with Good Reason, he is entitled to receive the benefits described in clauses (1) through (5) and clause (a) in the preceding two paragraphs as well as either (x) a lump sum cash amount of $22 million if his employment is terminated on or prior to June 30, 2018 or (y) a lump sum cash amount of $11 million if his employment is terminated on or after July 1, 2018 (either, a “Lump Sum Payment”) and, in the event of a termination by the Company without Cause or, following the Transaction, a resignation for Good Reason, the full value of the Retention RSUs. If the Executive is entitled to receive a Lump Sum Payment, he will be subject to a non-compete for one year following the date of termination but no later than June 30, 2019. In addition, he is entitled to up to three years of additional age and service credit under all defined benefit plans.

In the event the term of employment expires during a performance period for a PSU Award, the Executive will continue to be eligible to earn the full value of the PSUs.

John P. Nallen

Pursuant to this employment agreement, during any period that Mr. Nallen fails to perform his duties as a result of disability, Mr. Nallen is entitled to receive:

- his full base salary until Mr. Nallen returns to his duties or until Mr. Nallen's employment is terminated;
- his Annual Bonus until Mr. Nallen returns to his duties or until Mr. Nallen's employment is terminated;
- any Annual Bonus payable but not yet paid in respect of any fiscal year prior to the date of termination;
- a pro-rata portion of the Annual Bonus he would have earned for the fiscal year of termination had no termination occurred, calculated based on the target Annual Bonus amount and the number of days Mr. Nallen was employed by the Company in the fiscal year of termination compared to the total number of days in such fiscal year;
- the full value of any PSU Award calculated and paid at the end of the applicable performance period as if no termination occurred; and
- a pro-rata portion of the Retention RSUs if termination occurs prior to December 13, 2018 (based on the number of days employed during the period commencing on December 13, 2017, divided by 365) and the full value of the Retention RSUs if termination occurs on or after December 13, 2018.

If Mr. Nallen's employment is terminated by reason of his death, the Company will pay directly to his surviving spouse or legal representative of his estate:

- one year's base salary;
- a minimum Annual Bonus equal to the average of the two immediately preceding annual bonuses paid to Mr. Nallen prior to the date of termination (the "Minimum Bonus");
- any Annual Bonus payable but not yet paid in respect of any fiscal year prior to the date of termination;
- a pro-rata portion of the Annual Bonus he would have earned for the fiscal year of termination had no termination occurred, calculated based on the target Annual Bonus amount and the number of days Mr. Nallen was employed by the Company in the fiscal year of termination compared to the total number of days in such fiscal year;
- the full value of any PSU Award calculated and paid at the end of the applicable performance period as if no termination occurred; and
- a pro-rata portion of the Retention RSUs if termination occurs prior to December 13, 2018 (based on the number of days employed during the period commencing on December 13, 2017, divided by 365) and the full value of the Retention RSUs if termination occurs on or after December 13, 2018.

If Mr. Nallen's employment is terminated by the Company for cause (as defined in Mr. Nallen's agreement) or by Mr. Nallen without good reason, Mr. Nallen will be entitled to receive:

- his full base salary through the date of termination;
- any Annual Bonus payable but not yet paid in respect of any fiscal year prior to the date of termination;
- a pro-rata portion of the Annual Bonus he would have earned for the fiscal year of termination had no termination occurred, calculated based solely on the Compensation Committee's assessment of the Company's financial and operating performance as compared to the target performance of the Company established in connection with the Annual Bonus, provided that any threshold criteria established by the Compensation Committee as a condition of payment of the annual bonus is satisfied; and
- a pro-rata portion of any PSU Award he would have been entitled to receive, calculated and paid at the end of the applicable performance period.

If Mr. Nallen's employment is terminated by the Company without cause or by Mr. Nallen with good reason, Mr. Nallen will be entitled to receive:

- his full base salary through the term of the agreement;
- any Annual Bonus payable but not yet paid in respect of any fiscal year prior to the date of termination;
- a Minimum Bonus for each remaining year of the term of the agreement, including for the year of termination, as though Mr. Nallen continued to be employed;

- the full value of any PSU Award calculated and paid at the end of the applicable performance period as if no termination occurred; and
- in the event of a termination by the Company without cause or, following the Transaction, a resignation for good reason, the full value of the Retention RSUs.

As Mr. Nallen is retirement eligible under the 2013 LTIP, any termination by Mr. Nallen without good reason would be treated as a termination due to retirement for purposes of the outstanding PSU Awards.

In addition, the agreement provides that Mr. Nallen will not be required to seek or accept other employment for the term of such agreement and any amounts earned from any other employment for the term of the agreement will not reduce or otherwise affect the payments due to Mr. Nallen.

In the event the term of employment expires during the performance period of a PSU Award, Mr. Nallen will continue to be eligible to earn the full value of such PSU Award.

The employment agreement provides that, if, in the future, the Company enters into agreements with their senior executives for the purpose of providing such executives with severance benefits in the event of a change of control of the Company, then the Company will enter into an agreement with Mr. Nallen which affords him comparable benefits. To date the Company has not entered into such agreements.

Mr. Nallen also will be entitled to SERP and ISERA benefits, continued lifetime health benefits for Mr. Nallen and his surviving spouse, and life insurance benefits.

Gerson Zweifach

Pursuant to his employment agreement, during any period that Mr. Zweifach fails to perform his duties as a result of incapacity and disability due to physical or mental illness, or by reason of his death, Mr. Zweifach is entitled to, or the Company will pay directly to his surviving spouse or legal representative of his estate:

- his full base salary until Mr. Zweifach returns to his duties or until one year following his termination;
- health and welfare benefits for one year;
- any annual bonus payable but not yet paid with respect to any fiscal year prior to the date of termination;
- a pro-rata portion of the annual bonus he would have earned for the fiscal year of termination had no termination occurred, calculated based on the pre-determined target annual bonus amount and based on the number of days he was employed by the Company in the fiscal year during which his employment terminated compared to the total number of days in such fiscal year;
- the full value of any PSU Award calculated and paid at the end of the applicable performance period as if no termination had occurred; and
- a pro-rata portion of the Retention RSUs if termination occurs prior to December 13, 2018 (based on the number of days employed during the period commencing on December 13, 2017, divided by 365) and the full value of the Retention RSUs if termination occurs on or after December 13, 2018.

If Mr. Zweifach's employment is terminated by the Company for Cause (as defined in his employment agreement) or by Mr. Zweifach upon four weeks' prior written notice to the Company, Mr. Zweifach will be entitled to receive:

- his full base salary through the date of termination;
- any annual bonus payable but not yet paid with respect to any fiscal year prior to the date of termination; and
- only in the event of termination by Mr. Zweifach upon four weeks' prior written notice to the Company, the full value of any PSU Award calculated and paid at the end of the applicable performance period as if no termination had occurred.

If Mr. Zweifach's employment is terminated by the Company without Cause or by Mr. Zweifach for good reason (as outlined in his agreement), Mr. Zweifach will be entitled to receive:

- his full base salary through the term of the employment agreement but, in all events, one year's base salary; provided that no such payments shall be made solely by reason of the expiration of the employment agreement;
- any annual bonus payable but not yet paid with respect to any fiscal year prior to the date of termination; and
- the full value of any PSU Award calculated and paid at the end of the applicable performance period as if no termination had occurred; and

- in the event of a termination by the Company without Cause or, following the Transaction, a resignation for good reason, the full value of the Retention RSUs.

In addition, the agreement provides that if Mr. Zweifach is terminated by the Company without Cause or by Mr. Zweifach with good reason, he will not be required to seek or accept other employment for the term of such agreement and any amounts earned from any other employment for the term of the agreement will not reduce or otherwise affect the payments due to Mr. Zweifach.

Mr. Zweifach is subject to non-competition and non-interference covenants under the agreement that limit his post-employment activity for a one-year period after termination (whether by Mr. Zweifach or the Company), or until June 30, 2020, if later than such one-year period, in the event of termination by Mr. Zweifach without good reason. These include a provision which prohibits engagement or participation in any business in which the Company is currently doing business, which is in competition with the Company, or Mr. Zweifach is aware that the Company intends to do business, with certain exceptions.

In the event the term of employment expires during the performance period of a PSU Award, Mr. Zweifach will continue to be eligible to earn the full value of such PSU Award.

The agreement provides that, if, in the future, the Company enters into change in control agreements with its named executive officers, then Mr. Zweifach shall be entitled to the benefit of such provisions. To date, the Company has not entered into such agreements.

K. Rupert Murdoch

If Mr. K.R. Murdoch's employment is terminated due to death or Disability (as defined in the KRM Letter Agreement), he would be entitled to receive:

- any Annual Bonus payable but not yet paid in respect of any fiscal year prior to the date of termination;
- a pro-rata portion of the Annual Bonus he would have earned for then-current fiscal year if such termination had not occurred, calculated based on the pre-determined target Annual Bonus amount established by the Compensation Committee at the beginning of such fiscal year;
- the full value of any PSU Award calculated and paid at the end of the applicable performance period as if no termination occurred; and
- a pro-rata portion of the Retention RSUs if termination occurs prior to December 13, 2018 (based on the number of days employed during the period commencing on December 13, 2017, divided by 365) and the full value of the Retention RSUs if termination occurs on or after December 13, 2018.

If Mr. K.R. Murdoch's employment is terminated for Cause (as defined in the KRM Letter Agreement), he would be entitled to receive:

- any Annual Bonus payable but not yet paid in respect of any fiscal year prior to the date of termination;
- a pro-rata portion of the Annual Bonus he would have earned for the then-current fiscal year if such termination had not occurred, calculated based solely on the Compensation Committee's assessment of the Company's financial and operating performance as compared to the Company's annual budget; and
- a pro-rata portion of any PSU Award he would have been entitled to receive, calculated and paid at the end of the applicable performance period.

If Mr. K.R. Murdoch's employment is terminated without Cause or due to Retirement (as defined in the KRM Letter Agreement) he would be entitled to receive:

- any Annual Bonus payable but not yet paid in respect of any fiscal year prior to the date of termination;
- a pro-rata portion of the Annual Bonus he would have earned for the then-current fiscal year if such termination had not occurred, calculated based solely on the Compensation Committee's assessment of the Company's financial and operating performance as compared to the Company's annual budget;
- if such termination is due to Retirement in the second or third fiscal year of any applicable performance period or is a termination without Cause, the full value of any PSU Award calculated and paid at the end of the applicable performance period as if no termination occurred; and
- in the event of a termination by the Company without cause or, following the Transaction, a resignation for good reason, the full value of the Retention RSUs.

Mr. K.R. Murdoch also will be entitled to ISERA benefits, continued lifetime health benefits for Mr. K.R. Murdoch and his surviving spouse, and life insurance benefits.

Quantification of Payments

The following table sets forth quantitative information with respect to potential payments to each of the named executive officers or their beneficiaries upon termination in various circumstances as described above, assuming termination on June 30, 2018. The amounts included in the table below do not include amounts otherwise due and owing to each applicable named executive officer, such as salary or annual bonus earned to date, or payments or benefits generally available to all salaried employees of the Company.

The amounts presented in the table below are in addition to each of the named executive officer's vested pension benefits as of June 30, 2018 noted in the Pension Benefits Table above.

	Type of Termination						
Name	**Death**	**Disability**	**Retirement**	**By Company for Cause**	**By Company without Cause**	**By Executive with Good Reason**	**By Executive without Good Reason**
K. Rupert Murdoch[(a)]							
Health and Other Benefits	$ 1,708,000	$ 1,708,000	$ 1,708,000	$ 1,708,000	$ 1,708,000	n/a[(b)]	n/a[(b)]
Equity Awards	29,917,902	29,917,902	20,141,444[(c)]	10,022,920	38,073,223	n/a[(b)]	n/a[(b)]
	$31,625,902	$31,625,902	$21,849,444	$11,730,920	$39,781,223		
Lachlan K. Murdoch							
Salary	$ 6,000,000	$ 6,000,000	$ —	$ —	$ —	$ —	$ —
Equity Awards	47,238,941	47,238,941	—	15,825,768	60,115,707	31,802,345	15,825,768
Health and Other Benefits	1,804,000	1,804,000	—	1,804,000	1,804,000	1,804,000	1,804,000
Severance	—	—	—	—	22,000,000	22,000,000	—
	$55,042,941	$55,042,941	$ —	$17,629,768	$83,919,707	$55,606,345	$17,629,768
James R. Murdoch							
Salary	$ 6,000,000	$ 6,000,000	$ —	$ —	$ —	$ —	$ —
Equity Awards	47,238,941	47,238,941	—	15,825,768	60,115,707	31,802,345	15,825,768
Health and Other Benefits	1,784,000	1,784,000	—	1,784,000	1,784,000	1,784,000	1,784,000
Severance	—	—	—	—	22,000,000	22,000,000	—
	$55,022,941	$55,022,941	$ —	$17,609,768	$83,899,707	$55,586,345	$17,609,768
John P. Nallen							
Salary	$ 2,000,000	$ 2,000,000	$ —	$ —	$ —	$ —	$ —
Bonus	3,860,000	4,000,000	—	—	—	—	—
Equity Awards	20,995,068	20,995,068	14,134,370[(c)]	7,033,620	26,718,064	14,134,370	14,134,370[(c)]
Health and Other Benefits	1,387,400	1,387,400	1,373,000	1,373,000	1,416,200	1,416,200	1,373,000
Severance	—	—	—	—	17,580,000	17,580,000	—
	$28,242,468	$28,382,468	$15,507,370	$ 8,406,620	$45,714,264	$33,130,570	$15,507,370
Gerson Zweifach							
Salary	$ 3,000,000	$ 3,000,000	$ —	$ —	$ —	$ —	$ —
Equity Awards	14,875,447	14,875,447	—	—	19,167,719	9,729,948	9,729,948[(d)]
Health and Other Benefits	54,000	54,000	—	—	—	—	—
Severance	—	—	—	—	6,000,000	6,000,000	—
	$17,929,447	$17,929,447	$ —	$ —	$25,167,719	$15,729,948	$ 9,729,948

(a) Mr. K.R. Murdoch is not party to an employment agreement but has entered into a letter agreement which contains termination provisions relating to his Annual Bonus and PSU Awards and is subject to the terms and conditions that govern his PSU Award for the fiscal 2018-2020 performance period and his Retention RSUs.

(b) Mr. K.R. Murdoch is retirement eligible and therefore the KRM Letter Agreement does not provide for payments if Mr. K.R. Murdoch terminates his employment with or without "Good Reason", however, assuming such a termination Mr. K.R. Murdoch would be entitled to the same amounts as he would receive upon retirement.

(c) Messrs. K.R. Murdoch and Nallen are retirement eligible under the 2013 LTIP.

(d) Upon four weeks' prior written notice to the Company by Mr. Zweifach.

CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

Arrangements between 21st Century Fox and Directors or Director-Related Persons or Entities

Directors of 21st Century Fox and Directors of its related parties, or their Director-related entities, conduct transactions with subsidiaries of 21st Century Fox that occur within a normal employee, customer or supplier relationship on terms and conditions that are believed to be no more favorable than those with which it is reasonable to expect the entity would have adopted if dealing with the Director or Director-related entity in the ordinary course of business.

In fiscal 2018, certain Twentieth Century Fox Film Corporation distribution subsidiaries of the Company in Australia purchased advertising in the ordinary course of business in the aggregate amount of approximately $325,000 on radio stations owned by Nova Entertainment. Mr. L.K. Murdoch, Executive Chairman of the Company, is the Executive Chairman of Nova Entertainment, which is wholly-owned by a company of Mr. L.K. Murdoch.

Mr. Chase Carey, Vice Chairman of the Board of the Company, serves as the Chairman and Chief Executive Officer of Formula 1. In fiscal 2018, Fox Sports in Latin America entered into an agreement with Formula 1 for programming rights. In addition, Fox Sports Asia has an agreement with Formula 1 for programming rights which was entered into prior to Mr. Carey joining Formula 1. The Company entered into each of these agreements with Formula 1 in the ordinary course of business.

Mr. David F. DeVoe Jr. is the son of Mr. David F. DeVoe, a Director of the Company, and is a salaried employee of the Company.

Twentieth Century Fox Film Corporation, a subsidiary of the Company, has entered into production and other arrangements in the ordinary course of business with Locksmith Animation Ltd (“Locksmith”), a CG feature animation studio. Three projects are currently in production or development under arrangements which include an overhead allowance, development financing and other costs as is customary in the industry. Ms. Elisabeth Murdoch is the co-founder of Locksmith and a trust, of which Ms. Elisabeth Murdoch is the principal beneficiary, is the majority investor in and a lender to Locksmith. In addition, in fiscal 2018, Fox Networks Group entered into a two-year advertising representation arrangement in the ordinary course of business with Vertical Networks, a digital media company founded by Ms. Murdoch, who serves as its Chair and is a majority investor. Also in fiscal 2018, Fox Television Stations entered into an arrangement in the ordinary course of business with Vertical Networks for the development, production and distribution of a limited run syndicated program with an option to pick-up the series. Ms. Murdoch is the daughter of Mr. K.R. Murdoch, Executive Chairman of the Company, and the sister of Mr. L.K. Murdoch, Executive Chairman of the Company, and Mr. J.R. Murdoch, Chief Executive Officer of the Company.

In connection with his appointment as New Fox’s Chief Legal and Policy Officer, Mr. Viet Dinh, who served as a Director during fiscal 2018, became an employee of the Company on September 17, 2018. Mr. Dinh’s annual base salary is $3 million and his annual bonus for fiscal 2019 is $3.75 million. In connection with his recruitment, Mr. Dinh also received a sign-on bonus equal to $4.5 million, which is subject to certain repayment provisions in the event of his voluntary termination of employment, and a grant of restricted stock units with a grant date fair value of approximately $6 million, which vest over three years subject to his continued service.

Policy for Evaluating Related Party Transactions

The Audit Committee has established written procedures for the review, approval or ratification of related party transactions. Pursuant to these procedures, the Audit Committee reviews and approves (i) all related party transactions when and if required to do so by applicable rules and regulations, (ii) all transactions between the Company or any of its subsidiaries and any of the Company’s executive officers, Directors, Director nominees, Directors emeritus or any of their immediate family members and (iii) all transactions between the Company or any of its subsidiaries and any security holder who is known by the Company to own more than five percent of any class of the Company’s voting securities or any immediate family members of such security holder, other than transactions that (a) are available to all employees generally and (b) are made in the ordinary course of business and have an aggregate dollar amount or value of less than $120,000 (either individually or in combination with a series of related transactions). All of the transactions described in this section that are subject to the Audit Committee’s policies and procedures described above are reviewed and approved or ratified by the Audit Committee or the Board in accordance with such policies and procedures.