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If you have sold or otherwise transferred all of your Sky Shares or Sky ADSs (other than pursuant to the Comcast Offer or the 21CF Offer), please send this document, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. **However this document should not be distributed, forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction (including any Restricted Jurisdiction).** If you have sold or otherwise transferred only part of your holding of Sky Shares or Sky ADSs, you should retain this document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

SKY PLC

Circular to Sky Shareholders

in response to Cash Offer for Sky plc

by

Twenty-First Century Fox, Inc.

The release, publication or distribution of this document (in whole or in part) in or into jurisdictions other than the United Kingdom, and the availability of the 21CF Offer to persons who are residents, citizens or nationals of jurisdictions other than the United Kingdom, may be restricted by the laws of those jurisdictions and therefore any persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the laws or regulations of any such jurisdiction.

To the fullest extent permitted by applicable law, Sky disclaims any responsibility or liability for the violation of such restrictions by any person. This document does not and is not intended to constitute or form part of any offer or invitation, or solicitation of any offer or invitation, to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities pursuant to this document or otherwise in any jurisdiction in which such offer, invitation or solicitation is unlawful.

Sky Shareholders and Sky ADS Holders should carefully read the whole of this document (including all information incorporated by reference into this document). In particular, your attention is drawn to the letter from the Chairman of the Independent Committee of Sky set out in Part I of this document.

The 21CF Offer may, subject to the occurrence of certain events, result in the cancellation of the listing of Sky Shares on the UK Listing Authority's Official List and of the trading in Sky Shares on the London Stock Exchange's Main Market for listed securities.

Morgan Stanley, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom, is acting as financial adviser and corporate broker to Sky and no one else in connection with the matters set out in this document. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the contents of this document or any other matter referred to herein.

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Barclays, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom, is acting as financial adviser and corporate broker exclusively for Sky and no one else in connection with the matters referred to in this document and is not, and will not be, responsible to anyone other than Sky for providing the protections afforded to clients of Barclays nor for giving advice in connection with the Acquisition or any other matter referred to in this document.

IMPORTANT NOTICES

The statements contained in this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the 21CF Offer or the contents of this document, you should consult your own legal, financial or tax adviser for legal, business, financial or tax advice.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth in this document since such date.

No person has been authorised to give any information or to make any representations on behalf of Sky or the Independent Committee concerning the 21CF Offer which are inconsistent with the statements contained in this document and any such information or representations, if given or made, may not be relied upon as having been so authorised.

Overseas jurisdictions

The release, publication or distribution of this document in whole or in part in, into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons into whose possession this document comes who are not resident in the United Kingdom or who are subject to the laws of another jurisdiction should inform themselves about, and observe, any applicable restrictions and legal and regulatory requirements. Sky Shareholders and Sky ADS Holders who are in any doubt regarding such matters should consult an appropriate independent adviser in the relevant jurisdiction without delay. Any failure to comply with such restrictions and requirements may constitute a violation of the securities laws of any such jurisdiction.

This document has been prepared for the purposes of complying with English law, the City Code and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any other jurisdiction. The contents of this document have not been reviewed by any regulatory authority.

Unless otherwise determined by 21st Century Fox or required by the City Code, and permitted by applicable law and regulation, the 21CF Offer is not being, and will not be, made, directly or indirectly, in, into or from, or by the use of the mails or any other means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Restricted Jurisdiction and the 21CF Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from or within any Restricted Jurisdiction.

Accordingly, neither this document nor any other document relating to the 21CF Offer is being, nor may they be, directly or indirectly mailed or otherwise forwarded, distributed or sent in, into or from (whether by use of the mails or any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange) any Restricted Jurisdiction. Any person (including, without limitation, nominees, trustees or custodians) who

would, or otherwise intend to or who may have a contractual or legal obligation to, forward this document to any jurisdiction outside the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements and must not mail, send or otherwise forward or distribute them in, into or from any Restricted Jurisdiction. Doing so may render invalid any purported acceptance.

The availability of the 21CF Offer to Overseas Shareholders may be affected by the laws of the relevant jurisdictions in which they are resident. Any such person should inform themselves of, and observe, any applicable legal or regulatory requirements.

Notes to US investors in Sky

Sky Shareholders and Sky ADS Holders in the United States should note that the Acquisition and the 21CF Offer relate to the shares of an English company. The 21CF Offer is being made to Sky Shareholders resident in the US in reliance on, and in compliance with, the applicable US tender offer rules under the US Exchange Act of 1934, as amended (the “**US Exchange Act**”), including the rules and regulations promulgated thereunder, and the “Tier II” exemption provided by Rule 14d-1(d) under the US Exchange Act, and otherwise in accordance with the requirements of English law, the City Code, the Panel, the London Stock Exchange and the FCA. Accordingly, the 21CF Offer is subject to disclosure and other procedural requirements, including with respect to withdrawal rights, the offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer law and practice. In particular, the payment and settlement procedure with respect to the 21CF Offer will comply with the relevant UK rules, which differ from US payment and settlement procedures, particularly with regard to the date of payment of consideration.

Some of the financial information, including the financial information relating to Sky and the Sky Group, included in or referred to in this document has been or will be prepared in accordance with international financial reporting standards and may not be comparable to financial information of US companies or other companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for US holders of Sky Shares and Sky ADSs to enforce their rights, effect service of process within the US upon Sky and enforce any claim arising out of the US federal laws in connection with the Acquisition, since Sky is located in a non-US jurisdiction and some of its officers and directors are residents of non-US jurisdictions. US holders of Sky Shares and Sky ADSs may not be able to bring an action against a non-US company or its officers or directors in a non-US court for violations of US laws, including US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court’s judgment. There is substantial doubt as to the enforceability in the UK of original actions, or of actions for the enforcement of judgments of US courts, based on civil liability provisions of US federal securities laws.

Sky Shareholders and Sky ADS Holders in the US should also be aware that the 21CF Offer may have tax consequences in the US, including that the receipt of cash pursuant to the 21CF Offer by US holders of Sky Shares and Sky ADSs as consideration in accordance with the terms of the Acquisition generally will be a taxable transaction for US federal income tax purposes and may also be a taxable transaction under state, local or non-US income or other tax laws. Sky Shareholders and Sky ADS Holders in the US are advised to consult their independent professional adviser immediately regarding any acceptance of the 21CF Offer including, without limitation, to consider the tax consequences of accepting the 21CF Offer.

Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of the 21CF Offer, passed upon the merits or fairness of the 21CF Offer or passed upon the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

Disclosure requirements

Under Rule 8.3(a) of the City Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening

Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30pm (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30pm (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30pm (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Cautionary note regarding forward-looking statements

This document, including information included in incorporated by reference into this document, may contain certain forward-looking statements with respect to the financial condition, results of operations and business of Sky and certain plans and objectives of Sky with respect thereto. All statements other than statements of historical fact included in this document may be forward-looking statements. Forward-looking statements also often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning.

Forward-looking statements (including any relating to the consummation of the Acquisition and the anticipated benefits thereof) are based on certain key assumptions and by their nature address matters that are, to different degrees, uncertain. These and other forward-looking statements are not guarantees of future results and are subject to risks, uncertainties, assumptions and other factors that could cause actual results to differ materially from those expressed or implied in any such forward-looking statements. In addition to the information regarding these risks, uncertainties, assumptions and other factors set forth in the public filings made by Sky, other important factors that could cause actual results to differ materially from those described in the forward-looking statements include, but are not limited to: (i) legislative, regulatory, economic, political and market developments; and (ii) changes in the global, political, economic, business and competitive environments, market and regulatory forces, and unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism or outbreak of war or hostilities. While the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realisation of forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this document. Sky disclaims any obligation to update any forward-looking or other statements contained in this document, except as required by applicable law.

No profit forecasts or estimates

No statement in, or referred to in, this document or incorporated by reference into this document is intended as or shall be deemed a forecast, projection or estimate for any period. No statement in, or referred to in, this document or incorporated by reference into this document should be interpreted to mean that cash flow from operations, free cash flow, earnings or earnings per share for Sky for the current or future financial years would necessarily match or exceed the historical published cash flow from operations, free cash flow, earnings or earnings per share for Sky.

Publication of this document

A copy of this document, any information incorporated into this document by reference to another source and the documents listed in paragraph 10 of Part II will be available free of charge subject to certain restrictions relating to persons resident in any Restricted Jurisdiction on Sky's transaction microsite at www.skygroup.sky/corporate/investors/offers-for-sky/21st-century-fox-offer by no later than 12.00 noon on the Business Day following the date of publication of this document.

Save as expressly referred to in this document, neither the contents of Sky's website nor its transaction microsite (nor the contents of any website accessible from hyperlinks on Sky's website or its transaction microsite) are incorporated into, nor do they form part of, this document.

Copies of this document

Subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, if you are a Sky Shareholder and have received this document in electronic form, you may request a hard copy of this document (and any information incorporated into this document by reference to another source), free of charge, by contacting Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA United Kingdom or by telephoning Equiniti between 8.30am and 5.30pm (London time) Monday to Friday (except English and Welsh public holidays) on 0333 207 6537 (from within the UK) or +44 121 415 0896 (from outside the UK). Calls will be charged at national or international rates as the case may be. Different charges may apply to calls from mobile telephones. You may also inform Equiniti that you wish all future documents, announcements and information in relation to the Acquisition to be sent to you in hard copy. If you have received this document in electronic form, neither this document, nor any information incorporated into this document by reference to another source, nor any future documents, announcements and information shall be sent to you in hard copy unless so requested.

Alternatively, Sky ADS Holders can obtain a hard copy by contacting Proxy Services Corp., 2180 5th Avenue, Suite 4, Ronkonkoma, New York 11779 (Attention: Marilyn Swaider) or by telephoning +1 800 555 2470.

Please be aware that addresses, electronic addresses and certain information provided by Sky Shareholders, persons with information rights and other relevant persons for the receipt of communications from Sky may be provided to 21st Century Fox during the Offer Period as required under Section 4 of Appendix 4 of the City Code.

Rounding

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Definitions

Certain words and terms used in this document are defined in Part III of this document.

Time

All times shown in this document are London times, unless otherwise stated.

Dated 20 August 2018

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PART I

LETTER FROM THE CHAIRMAN OF THE INDEPENDENT COMMITTEE OF SKY PLC

(Registered in England and Wales with Registered Number 02247735)

Registered office

Grant Way
Isleworth
Middlesex
TW7 5QD

Members of the Independent Committee:

Martin Gilbert *(Deputy Chairman)*

Andrew Sukawaty *(Senior Independent Director)*

Tracy Clarke *(Independent Non-Executive Director)*

Adine Grate *(Independent Non-Executive Director)*

Matthieu Pigasse *(Independent Non-Executive Director)*

Katrin Wehr-Seiter *(Independent Non-Executive Director)*

Jeremy Darroch *(Group Chief Executive Officer)*

Andrew Griffith *(Group Chief Operating Officer and Chief Financial Officer)*

20 August 2018

To Sky Shareholders and, for information only, to participants in the Sky Share Plans and persons with information rights.

Dear Sky Shareholder,

Response of the Independent Committee to the 21CF Offer

On 11 July 2018, the Independent Committee welcomed the 21CF Offer, recognising the substantial increment in value relative to the Original 21CF Offer and the Original Comcast Offer. However, in light of the subsequent Comcast Offer of £14.75 per share on 11 July 2018, the Independent Committee withdrew its recommendation of the 21CF Offer and recommended the Comcast Offer.

Accordingly, the Independent Committee advises Independent Sky Shareholders to take no action in relation to the 21CF Offer at this time.

1. Introduction

I am writing on behalf of the Independent Committee which, in view of the representation of 21st Century Fox and its Affiliates on the Sky Board, was formed in December 2016 in response to the receipt of a proposal from 21st Century Fox to acquire the fully diluted share capital of Sky which 21st Century Fox and its Affiliates do not already own.

The Independent Committee comprises six independent non-executive directors and two executive directors, each of whom the Sky Board considers to be free from conflicts of interest with regard to the proposed Acquisition.

On 11 July 2018, 21st Century Fox and the Independent Committee announced that they had reached agreement on an increased recommended pre-conditional cash offer for the fully diluted share capital of Sky which 21st Century Fox and its Affiliates do not already own at a price of £14.00 for each Sky Share (the “**21CF Offer**”).

Subsequently and also on 11 July 2018, Comcast and the Independent Committee announced the terms of a recommended cash offer by Comcast for the entire issued and to be issued share capital of Sky at a price of £14.75 for each Sky Share (the “**Comcast Offer**”) and stated that the Independent Committee had withdrawn its recommendation of the 21CF Offer.

On 12 July 2018, 21st Century Fox announced that all regulatory pre-conditions to its proposed Acquisition had been satisfied or waived.

On 13 July 2018, Comcast published and posted to you a document (the “**Comcast Offer Document**”) setting out the terms and conditions of and further information in connection with the recommended Comcast Offer. The Comcast Offer Document contained a letter from me explaining the background to the recommended Comcast Offer.

On 7 August 2018, 21st Century Fox published and posted to you a document (the “**21CF Offer Document**”) setting out the terms and conditions of and further information in connection with the 21CF Offer.

The purpose of this letter is to explain why the Independent Committee advises Independent Sky Shareholders to take no action in relation to the 21CF Offer at this time.

2. Summary of the terms of the 21CF Offer

21st Century Fox is offering to acquire, on the terms and conditions set out in the 21CF Offer Document and, in respect of certificated Sky Shares, in the Form of Acceptance, the fully diluted share capital of Sky which 21st Century Fox and its Affiliates do not already own. Under the terms of the 21CF Offer, Sky Shareholders will be entitled to receive:

£14.00 in cash for each Sky Share

Given the 21CF Offer, if successful, is expected to complete before the usual date for declaration and payment of the final dividend for the financial year ending 30 June 2018, the Consideration includes an amount in lieu of such a final dividend. Accordingly, 21st Century Fox has reserved the right to reduce the Consideration of £14.00 per Sky Share by the amount of any dividend or any other distribution announced, declared, made or paid on or after 11 July 2018 in respect of the Sky Shares.

Among other things, the 21CF Offer is conditional on the receipt of valid acceptances representing in aggregate not less than 75 per cent. of the Sky Shares to which the 21CF Offer relates. For this purpose, “to which the 21CF Offer relates” shall be construed in accordance with Chapter 3 of Part 28 of the Companies Act. This *excludes* the stake of approximately 39 per cent. already owned by 21st Century Fox and its Affiliates.

However, 21st Century Fox has reserved the right to reduce such acceptance condition provided that it must always require 21st Century Fox (and/or any of its wholly-owned subsidiaries) to have acquired, or have agreed to acquire, pursuant to the 21CF Offer or otherwise, Sky Shares which carry more than 50 per cent. of the total voting rights of Sky. This would *include* the stake of approximately 39 per cent. already owned by 21st Century Fox and its Affiliates.

21st Century Fox has reserved the right, subject to the Panel’s consent, to switch from a contractual offer to a Scheme of Arrangement. The Independent Committee notes that the Panel is usually minded to consent to a switch of transaction structure proposed by an offeror (from a contractual offer to a Scheme of Arrangement, or vice versa) provided that the switch would not make the offer less likely to become unconditional.

3. Application of the “chain principle”

On 12 April 2018, further to the proposed acquisition by Disney of 21st Century Fox, the Panel Executive ruled that Disney would be required to make a “chain principle” mandatory offer for Sky following the closing of the acquisition of 21st Century Fox by Disney, at a price of £10.75 per Sky

Share, if by then, 21st Century Fox had not acquired 100 per cent. of, or Comcast or any other third party had not acquired more than 50 per cent. of, the Sky Shares.

Subsequent to the increased offer for 21st Century Fox by Disney on 20 June 2018, the Panel Executive announced on 13 July 2018 that it had determined that the price payable pursuant to any required “chain principle” offer would be £14.00 per Sky Share in cash.

On 27 July 2018, the Hearings Committee of the Panel (the “**Hearings Committee**”) was convened to review that determination of the Panel Executive, at the request of various interested parties, including Sky. On 3 August 2018, the Hearings Committee announced that it had determined that any “chain principle” offer by Disney should be made at the price of £14.00 per Sky Share.

It was subsequently announced that the Takeover Appeal Board had been convened to hear the appeal of various interested parties, including Sky, against that determination. That hearing took place on 15 August 2018 and on 16 August 2018 the Takeover Appeal Board announced that it had determined to confirm the ruling of the Hearings Committee that any “chain principle” offer by Disney should be made at the price of £14.00 per Sky Share.

4. Management, employees and locations

The Independent Committee notes 21st Century Fox’s statements in Section 1 of the 21CF Offer Document regarding the expected effects of the proposed Acquisition on Sky’s management, employees and locations of business.

The Independent Committee welcomes 21st Century Fox’s assurances that, following completion of the Acquisition, it has no specific plans or intentions to make any material changes in relation to the employment of the employees and management of the Sky Group, including in relation to their conditions of employment. The Independent Committee notes that 21st Century Fox anticipates possible minor headcount reductions but that it expects that the overall headcount reductions related to the current Sky workforce following completion would be in respect of less than one per cent. of Sky’s existing total headcount.

The Independent Committee also welcomes the following statements by 21st Century Fox (the full details of which are set out in paragraph 9 of Section 1 of the 21CF Offer Document):

- Sky’s defined benefit pension schemes will continue to be funded in accordance with existing arrangements, and accrued benefits for existing members will not be affected;
- following completion of the Acquisition, 21st Century Fox intends to put in place incentivisation arrangements for Sky employees consistent with 21st Century Fox’s compensation schemes and having regard to Sky’s current incentive arrangements and 21st Century Fox’s desire to attract and retain talent at Sky, including that participants in the Sky Share Plans would be offered the opportunity to participate in arrangements to be put in place to replace the unvested proportion of pre-existing entitlements to awards under the Sky Share Plans which will not be paid; and
- 21st Century Fox will maintain Osterley as the base for Sky’s headquarters’ functions and has no intention to change any of Sky’s other principal places of business.

5. Take no action

Throughout the extended Offer Period, which has lasted over 20 months, the Independent Committee has been mindful of its fiduciary duties and obligations under the City Code, and has focussed on maximising value for Sky Shareholders.

On 11 July 2018, the Independent Committee welcomed the 21CF Offer, recognising the substantial increment in value relative to the Original 21CF Offer and the Original Comcast Offer.

However, in light of the subsequent Comcast Offer of £14.75 per Sky Share on 11 July 2018, the Independent Committee withdrew its recommendation of the 21CF Offer and recommended the Comcast Offer. The Independent Committee draws your attention to the fact that the Consideration payable pursuant to the 21CF Offer is £14.00 per Sky Share in cash and therefore less than the £14.75 per Sky Share cash consideration payable pursuant to the Comcast Offer.

Accordingly, the Independent Committee advises Independent Sky Shareholders to take no action in relation to the 21CF Offer at this time.

Pursuant to the agreements entered into in December 2016, in terms customary for a transaction of this kind, each member of the Independent Committee who owns Sky Shares has irrevocably undertaken to accept the 21CF Offer in respect of their own beneficial holdings of 1,000,621 Sky Shares representing, in aggregate, approximately 0.06% of the share capital of Sky in issue at close of business on 16 August 2018 (being the latest practicable date prior to publication of this document). Under the terms of the agreements entered into in December 2016, the irrevocable undertakings, which are described in more detail in Part II of this document, shall lapse if the 21CF Offer lapses or is withdrawn, including in circumstances where the acceptance condition and other conditions to the Comcast Offer are satisfied and the Comcast Offer proceeds to completion. In those circumstances, each member of the Independent Committee who owns Sky Shares intends to accept the Comcast Offer in respect of their own beneficial holdings.

The Independent Committee notes that the last day on which 21st Century Fox is able to publish a revised offer, should it elect to do so, is 22 September 2018 (or such other date as may be agreed with the Panel). The Independent Committee will continue to engage with both 21st Century Fox and Comcast throughout the offer period.

Yours faithfully

Martin Gilbert

Deputy Chairman of Sky plc
Chairman of the Independent Committee

PART II

ADDITIONAL INFORMATION

1. Responsibility

The Independent Directors of Sky accept responsibility for the information contained in this document (including any expressions of their views and opinions and their advice to Sky Shareholders set out in paragraph 5 of Part I (*Letter from the Chairman of the Independent Committee of Sky plc*)). To the best of the knowledge and belief of the Independent Directors of Sky (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors and registered offices

The principal and registered office of Sky is at Grant Way, Isleworth, Middlesex, TW7 5QD.

The Directors of Sky and their respective functions are:

James Murdoch (*Chairman*)

Jeremy Darroch (*Group Chief Executive Officer*)

Andrew Griffith (*Group Chief Operating Officer and Chief Financial Officer*)

Chase Carey (*Non-Executive Director*)

Tracy Clarke (*Independent Non-Executive Director*)

Martin Gilbert (*Deputy Chairman*)

Adine Grate (*Independent Non-Executive Director*)

John Nallen (*Non-Executive Director*)

Matthieu Pigasse (*Independent Non-Executive Director*)

Andrew Sukawaty (*Senior Independent Director*)

Katrin Wehr-Seiter (*Independent Non-Executive Director*)

3. Interests and dealings in shares and persons acting in concert

(a) Definitions and references

For the purposes of this Part II:

- (i) “acting in concert” with Sky means any such person acting or deemed to be acting in concert with Sky for the purposes of the City Code;
- (ii) “arrangement” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing (other than irrevocable undertakings or letters of intent to accept the 21CF Offer);
- (iii) “close relatives” has the meaning given to it in the City Code;
- (iv) “connected person” in relation to a director of Sky includes: (a) such director’s spouse or civil partner and children or step-children under the age of 18; (b) the trustee(s) of any trust for the benefit of such director and/or any person mentioned in (a); (c) any company in which such director and/or any person mentioned in (a) or (b) is entitled to exercise or control the exercise of one-third or more of the voting power, or which is accustomed to act in accordance with the directions of such director or any such person; and (d) any other person whose interests in shares are taken to be interests of such director pursuant to Part 22 of the Companies Act;
- (v) “dealing” has the meaning given to it in the City Code and “dealt” has the corresponding meaning;
- (vi) “derivative” has the meaning given to it in the City Code;

- (vii) “disclosure date” means close of business on 16 August 2018, being the latest practicable date prior to publication of this document;
- (viii) “interested” in relevant securities has the meaning given to it in the City Code;
- (ix) “relevant securities” includes:
- (aa) Sky Shares and any other securities of Sky conferring voting rights;
 - (bb) equity share capital of Sky or, as the case may be, 21st Century Fox; and
 - (cc) any securities convertible into, or rights to subscribe for the securities of Sky or, as the case may be, 21st Century Fox described in paragraphs (aa) and (bb) above; and
- (x) “short position” means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

(b) Persons acting in concert

- (i) In addition to the Sky Directors (together with their close relatives and the related trusts of any of them) and members of the Sky Group, the following persons are acting in concert (as defined in paragraph 3(a)(i)) with Sky for the purposes of the Acquisition and are required to be disclosed:

<i>Name</i>	<i>Type of company</i>	<i>Registered office</i>	<i>Relationship with Sky</i>
Morgan Stanley	Public Limited Company	25 Cabot Square, Canary Wharf, London, E14 4QA	Financial adviser and corporate broker to Sky in relation to the Acquisition
PJT Partners	Private Limited Company	5th Floor One Curzon Street, London, W1J 5HD	Financial adviser to Sky in relation to the Acquisition
Barclays	Public Limited Company	1 Churchill Place, London, E14 5HP	Financial adviser and corporate broker to Sky in relation to the Acquisition

(c) Interests in Sky Shares

- (i) At the close of business on the disclosure date, the Sky Directors (including their close relatives, related trusts and connected persons) were interested in or had a right to subscribe for the following relevant securities of Sky:

<i>Director</i>	<i>Number of Sky Shares</i>
Jeremy Darroch	743,101
Andrew Griffith	198,851
Chase Carey	Nil
Tracy Clarke	5,098
Martin Gilbert	9,199
Adine Grate	29,394
James Murdoch	Nil
John Nallen	Nil
Matthieu Pigasse	9,210
Andrew Sukawaty	5,768
Katrin Wehr-Seiter	Nil

- (ii) At the close of business on the disclosure date, the following options over relevant securities of Sky had been granted to the Sky Directors under the Sky Share Plans:

Long Term Incentive Plan

<i>Director</i>	<i>Exercise period</i>	<i>Exercise price (p)</i>	<i>Number of Sky Shares under option</i>
Jeremy Darroch	29/07/2019 – 29/07/2024	Nil	600,000*
	29/07/2019 – 29/07/2024	Nil	600,000*
	27/07/2021 – 27/07/2026	Nil	600,000*
Andrew Griffith	29/07/2019 – 29/07/2024	Nil	350,000*
	29/07/2019 – 29/07/2024	Nil	350,000*
	27/07/2021 – 27/07/2026	Nil	350,000*

Co-Investment Plan

<i>Director</i>	<i>Exercise period</i>	<i>Exercise price (p)</i>	<i>Number of Sky Shares under option</i>
Jeremy Darroch	01/09/2017 – 01/09/2022	Nil	141,824*
	28/08/2018 – 28/08/2023	Nil	141,758*
	31/08/2019 – 31/08/2024	Nil	176,110*
	01/09/2020 – 01/09/2025	Nil	151,706*
Andrew Griffith	01/09/2017 – 01/09/2022	Nil	66,672*
	28/08/2018 – 28/08/2023	Nil	66,938*
	31/08/2019 – 31/08/2024	Nil	83,159*
	01/09/2020 – 01/09/2025	Nil	71,635*

Sky Sharesave Schemes

<i>Director</i>	<i>Exercise period</i>	<i>Exercise price (p)</i>	<i>Number of Sky Shares under option</i>
Jeremy Darroch	01/02/2020 – 31/07/2020	£7.08	2,139
Andrew Griffith	01/02/2021 – 31/07/2021	£7.52	1,196

* In accordance with the rules of the relevant share plans, if the Acquisition completes these long term incentive and co-investment awards will be satisfied in cash rather than in Sky Shares.

- (iii) At the close of business on the disclosure date, the following persons acting in concert with Sky were interested in or had rights to subscribe for the following relevant securities of Sky:

<i>Party</i>	<i>Nature of interest</i>	<i>Number of Sky Shares</i>
Barclays Bank PLC - Jersey Branch	Long	37,486

(d) **Dealings in Sky Shares**

- (i) The following dealings in relevant securities of Sky (including the exercise of options under the Sky Share Plans) by the Sky Directors, their close relatives, related trusts and connected persons have taken place between 9 December 2016 (being the first day of the Offer Period) and the disclosure date:

<i>Date</i>	<i>Party</i>	<i>Transaction</i>	<i>Number of Sky Shares</i>	<i>Price per Sky Share (p)</i>
21/12/2016	Tracy Clarke	Purchase of shares pursuant to trading plan	64	986.50
21/12/2016	Martin Gilbert	Purchase of shares pursuant to trading plan	102	986.50
21/12/2016	Matthieu Pigasse	Purchase of shares pursuant to trading plan	101	986.50
21/12/2016	Andrew Sukawaty	Purchase of shares pursuant to trading plan	97	986.50
27/01/2017	Tracy Clarke	Purchase of shares pursuant to trading plan	62	1,005.00
27/01/2017	Martin Gilbert	Purchase of shares pursuant to trading plan	101	1,005.00
27/01/2017	Matthieu Pigasse	Purchase of shares pursuant to trading plan	99	1,005.00
27/01/2017	Andrew Sukawaty	Purchase of shares pursuant to trading plan	96	1,005.00
27/02/2017	Tracy Clarke	Purchase of shares pursuant to trading plan	63	997.50
27/02/2017	Martin Gilbert	Purchase of shares pursuant to trading plan	101	997.50
27/02/2017	Matthieu Pigasse	Purchase of shares pursuant to trading plan	99	997.50
27/02/2017	Andrew Sukawaty	Purchase of shares pursuant to trading plan	96	997.50
27/03/2017	Tracy Clarke	Purchase of shares pursuant to trading plan	64	981.00
27/03/2017	Martin Gilbert	Purchase of shares pursuant to trading plan	103	981.00
27/03/2017	Matthieu Pigasse	Purchase of shares pursuant to trading plan	101	981.00
27/03/2017	Andrew Sukawaty	Purchase of shares pursuant to trading plan	98	981.00
27/04/2017	Tracy Clarke	Purchase of shares pursuant to trading plan	149	983.50
27/04/2017	Martin Gilbert	Purchase of shares pursuant to trading plan	260	983.50

<i>Date</i>	<i>Party</i>	<i>Transaction</i>	<i>Number of Sky Shares</i>	<i>Price per Sky Share (p)</i>
27/04/2017	Matthieu Pigasse	Purchase of shares pursuant to trading plan	257	983.50
27/04/2017	Andrew Sukawaty	Purchase of shares pursuant to trading plan	185	983.50
26/05/2017	Tracy Clarke	Purchase of shares pursuant to trading plan	56	1001.00
26/05/2017	Martin Gilbert	Purchase of shares pursuant to trading plan	91	1001.00
26/05/2017	Matthieu Pigasse	Purchase of shares pursuant to trading plan	96	1001.00
26/05/2017	Andrew Sukawaty	Purchase of shares pursuant to trading plan	89	1001.00
27/06/2017	Tracy Clarke	Purchase of shares pursuant to trading plan	57	969.00
27/06/2017	Martin Gilbert	Purchase of shares pursuant to trading plan	93	969.00
27/06/2017	Matthieu Pigasse	Purchase of shares pursuant to trading plan	96	969.00
27/06/2017	Andrew Sukawaty	Purchase of shares pursuant to trading plan	93	969.00
27/07/2017	Martin Gilbert	Purchase of shares pursuant to trading plan	94	966.00
27/07/2017	Matthieu Pigasse	Purchase of shares pursuant to trading plan	95	966.00
27/07/2017	Tracy Clarke	Purchase of shares pursuant to trading plan	58	966.00
27/07/2017	Andrew Sukawaty	Purchase of shares pursuant to trading plan	92	966.00
27/07/2017	Jeremy Darroch	Grant of awards under the Long Term Incentive Plan at nil cost	600,000	Nil
27/07/2017	Andrew Griffith	Grant of awards under the Long Term Incentive Plan at nil cost	350,000	Nil
28/07/2017	Jeremy Darroch	Exercise and sale of awards under the Long Term Incentive Plan	1,200,000	967.00
28/07/2017	Andrew Griffith	Exercise and sale of awards under the Long Term Incentive Plan	700,000	967.00
25/08/2017	Martin Gilbert	Purchase of shares pursuant to trading plan	100	952.00
25/08/2017	Matthieu Pigasse	Purchase of shares pursuant to trading plan	101	952.00
25/08/2017	Tracy Clarke	Purchase of shares pursuant to trading plan	62	952.00

<i>Date</i>	<i>Party</i>	<i>Transaction</i>	<i>Number of Sky Shares</i>	<i>Price per Sky Share (p)</i>
25/08/2017	Andrew Sukawaty	Purchase of shares pursuant to trading plan	114	952.00
01/09/2017	Jeremy Darroch	Purchase of Investment Shares under the Co-Investment Plan	53,230	956.00
01/09/2017	Jeremy Darroch	Grant of matching share award under the Co-Investment Plan	151,706	Nil
01/09/2017	Andrew Griffith	Purchase of Investment Shares under the Co-Investment Plan	25,135	956.00
01/09/2017	Andrew Griffith	Grant of matching share award under the Co-Investment Plan	71,635	Nil
27/09/2017	Martin Gilbert	Purchase of shares pursuant to trading plan	126	915.50
27/09/2017	Matthieu Pigasse	Purchase of shares pursuant to trading plan	103	915.50
27/09/2017	Tracy Clarke	Purchase of shares pursuant to trading plan	78	915.50
27/09/2017	Andrew Sukawaty	Purchase of shares pursuant to trading plan	115	915.50
27/10/2017	Martin Gilbert	Purchase of shares pursuant to trading plan	122	938.00
27/10/2017	Matthieu Pigasse	Purchase of shares pursuant to trading plan	111	938.00
27/10/2017	Tracy Clarke	Purchase of shares pursuant to trading plan	76	938.00
27/10/2017	Andrew Sukawaty	Purchase of shares pursuant to trading plan	113	938.00
27/11/2017	Martin Gilbert	Purchase of shares pursuant to trading plan	123	939.50
27/11/2017	Matthieu Pigasse	Purchase of shares pursuant to trading plan	118	939.50
27/11/2017	Tracy Clarke	Purchase of shares pursuant to trading plan	75	939.50
27/11/2017	Andrew Sukawaty	Purchase of shares pursuant to trading plan	112	939.50
01/12/2017	Andrew Griffith	Grant of share option for nil consideration under the Sky Sharesave Scheme with an exercise price of £7.52	1,196	Nil
21/12/2017	Martin Gilbert	Purchase of shares pursuant to trading plan	112	1018.75
21/12/2017	Matthieu Pigasse	Purchase of shares pursuant to trading plan	108	1018.75

<i>Date</i>	<i>Party</i>	<i>Transaction</i>	<i>Number of Sky Shares</i>	<i>Price per Sky Share (p)</i>
21/12/2017	Tracy Clarke	Purchase of shares pursuant to trading plan	70	1018.75
21/12/2017	Andrew Sukawaty	Purchase of shares pursuant to trading plan	104	1018.75
26/01/2018	Martin Gilbert	Purchase of shares pursuant to trading plan	111	1042.50
26/01/2018	Matthieu Pigasse	Purchase of shares pursuant to trading plan	107	1042.50
26/01/2018	Tracy Clarke	Purchase of shares pursuant to trading plan	69	1042.50
26/01/2018	Andrew Sukawaty	Purchase of shares pursuant to trading plan	101	1042.50
27/02/2018	Martin Gilbert	Purchase of shares pursuant to trading plan	151	1313.50
27/02/2018	Matthieu Pigasse	Purchase of shares pursuant to trading plan	148	1313.50
27/02/2018	Tracy Clarke	Purchase of shares pursuant to trading plan	89	1313.50
27/02/2018	Andrew Sukawaty	Purchase of shares pursuant to trading plan	94	1313.50
27/03/2018	Martin Gilbert	Purchase of shares pursuant to trading plan	88	1310.00
27/03/2018	Matthieu Pigasse	Purchase of shares pursuant to trading plan	85	1310.00
27/03/2018	Tracy Clarke	Purchase of shares pursuant to trading plan	55	1310.00
27/03/2018	Andrew Sukawaty	Purchase of shares pursuant to trading plan	55	1310.00
27/04/2018	Martin Gilbert	Purchase of shares pursuant to trading plan	171	1364.50
27/04/2018	Matthieu Pigasse	Purchase of shares pursuant to trading plan	167	1364.50
27/04/2018	Tracy Clarke	Purchase of shares pursuant to trading plan	100	1364.50
27/04/2018	Andrew Sukawaty	Purchase of shares pursuant to trading plan	106	1364.50
25/05/2018	Martin Gilbert	Purchase of shares pursuant to trading plan	69	1350.00
25/05/2018	Matthieu Pigasse	Purchase of shares pursuant to trading plan	74	1350.00
25/05/2018	Tracy Clarke	Purchase of shares pursuant to trading plan	42	1350.00
25/05/2018	Andrew Sukawaty	Purchase of shares pursuant to trading plan	43	1350.00
27/06/2018	Martin Gilbert	Purchase of shares pursuant to trading plan	64	1439.50

<i>Date</i>	<i>Party</i>	<i>Transaction</i>	<i>Number of Sky Shares</i>	<i>Price per Sky Share (p)</i>
27/06/2018	Matthew Pigasse	Purchase of shares pursuant to trading plan	65	1439.50
27/06/2018	Tracy Clarke	Purchase of shares pursuant to trading plan	40	1439.50
27/06/2018	Andrew Sukawaty	Purchase of shares pursuant to trading plan	40	1439.50
27/07/2018	Martin Gilbert	Purchase of shares pursuant to trading plan	62	1514.50
27/07/2018	Matthew Pigasse	Purchase of shares pursuant to trading plan	63	1514.50
27/07/2018	Tracy Clarke	Purchase of shares pursuant to trading plan	38	1514.50
27/07/2018	Andrew Sukawaty	Purchase of shares pursuant to trading plan	38	1514.50
27/07/2018	Jeremy Darroch	Grant of awards under the Long Term Incentive Plan at nil cost	600,000	Nil
27/07/2018	Andrew Griffith	Grant of awards under the Long Term Incentive Plan at nil cost	350,000	Nil
27/07/2018	Andrew Griffith	Exercise of options granted under the UK Sharesave Scheme	1,271	708.00

(e) General

Save as disclosed in paragraph 3 or 4 of this Part II, as at the disclosure date:

- (i) neither Sky, nor any director of Sky, nor any of their close relatives, related trusts or connected persons was interested in, held any short position in respect of or had a right to subscribe for any relevant securities of Sky nor has any such person dealt therein in the period commencing on 9 December 2016 (being the first day of the Offer Period) and ending on the disclosure date;
- (ii) no person acting in concert with Sky and no person with whom Sky or a person acting in concert with Sky has an arrangement relating to relevant securities of Sky was interested in, held any short position in respect of or had a right to subscribe for any relevant securities of Sky nor has any such person dealt therein in the period commencing on 9 December 2016 (being the first day of the Offer Period) and ending on the disclosure date;
- (iii) neither Sky, nor any director of Sky, nor their close relatives, related trusts or connected persons was interested in, held any short position in respect of or had any rights to subscribe for any relevant securities in 21st Century Fox nor has any such person dealt therein in the period commencing on 9 December 2016 (being the first day of the Offer Period) and ending on the disclosure date;
- (iv) neither Sky nor any person acting in concert with Sky has any arrangement with any person relating to relevant securities of Sky; and
- (v) neither Sky, nor any person acting in concert with Sky has borrowed or lent any relevant securities of Sky, save for any borrowed shares which have been either on-lent or sold.

4. Irrevocable undertakings

- (i) On 14 December 2016, each of the Independent Directors who is interested in Sky Shares gave an irrevocable undertaking to 21st Century Fox to exercise all rights attaching to their respective holdings in Sky Shares in favour of the 21CF Offer which, as at the disclosure date, are as follows:

<i>Name of Sky Shareholder</i>	<i>Number of Sky Shares</i>	<i>Percentage of Sky issued share capital</i>
Tracy Clarke	5,098	0.00%
Jeremy Darroch	743,101	0.04%
Martin Gilbert	9,199	0.00%
Adine Grate	29,394	0.00%
Andrew Griffith	198,851	0.01%
Matthieu Pigasse	9,210	0.00%
Andrew Sukawaty	5,768	0.00%

- (ii) Pursuant to those legally binding irrevocable undertakings signed in December 2016, the Independent Directors listed above have accepted the 21CF Offer and, unless and until the irrevocable undertakings lapse in accordance with their terms, are unable to accept the Comcast Offer in respect of their own beneficial holdings of Sky Shares. The irrevocable undertakings shall lapse: (i) if 21st Century Fox announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition; (ii) if the Acquisition lapses or is withdrawn or otherwise terminates in accordance with its terms; (iii) if the Acquisition does not complete by 15 October 2018; or (iv) if 21st Century Fox elects, with the consent of the Panel, to implement the Acquisition by way of a Scheme of Arrangement, the Scheme of Arrangement for the Acquisition or any related resolution is not approved by the requisite majorities at Sky shareholder meetings. In those circumstances, each member of the Independent Committee who owns Sky Shares intends to accept the Comcast Offer in respect of their own beneficial holdings.

As previously announced on 27 July 2017, awards granted to Jeremy Darroch and Andrew Griffith under Sky's LTIP in 2014 and 2015 vested in July 2017. Consistent with their previous practice, Mr Darroch and Mr Griffith gave notice to Sky that they intended to exercise the vested awards and sell all of the resulting Sky Shares. Recognising that the vesting of LTIP awards and sale of resulting Sky Shares form part of Mr Darroch and Mr Griffith's ordinary course remuneration, 21st Century Fox agreed that the irrevocable undertakings provided by Mr Darroch and Mr Griffith would not apply in respect of the sale of Sky Shares acquired pursuant to the vested LTIP awards. This agreement was documented in deeds of consent and waiver relating to Mr Darroch and Mr Griffith's respective irrevocable undertakings, dated 27 July 2017.

As announced on 7 March 2018, Adine Grate transferred the registered holding of 9,194 Sky Shares from an account in the name of a pension fund to a nominee account for that fund. 21st Century Fox agreed that the irrevocable undertaking provided by Ms Grate would not apply in respect of this transfer, as documented in a deed of consent and waiver relating to Ms Grate's irrevocable undertaking, dated 7 March 2018. Ms Grate's beneficial interest in Sky Shares did not change as a result of this transfer, and the irrevocable undertaking provided by Ms Grate continues to apply to Ms Grate's entire beneficial interest in Sky Shares.

5. Material contracts

The following contracts have been entered into by the Sky Group otherwise than in the ordinary course of business since 9 December 2014 (being the date two years prior to the commencement of the Offer Period) and are or may be material:

(a) **GMTN Programme bond issue**

On 3 April 2007, certain Sky Group entities established a euro medium-term note programme which provides the Sky Group with a standardised documentation platform to allow for senior debt issuance in the Eurobond markets. On 7 February 2014, the Sky Group updated and expanded its programme to become a global medium-term note programme (the "**GMTN Programme**"). Notes issued under the GMTN Programme are unconditionally and irrevocably guaranteed by Sky Group Finance plc ("**Sky Finance**"), Sky, Sky UK Limited ("**Sky UK**"), Sky Subscribers Services Limited ("**Sky Subscribers**"), Sky Telecommunications Services Limited ("**STSL**") and Sky CP Limited ("**Sky CP**").

The GMTN Programme was last updated in June 2015 and in October 2016. The maximum potential issuance under the GMTN Programme is £5 billion. On 17 November 2015, Sky issued €500 million guaranteed notes under the GMTN Programme paying 2.250 per cent. interest and maturing on 17 November 2025 (the “**GMTN Notes**”).

Pursuant to the final terms of the GMTN Notes, Sky will be required to make an offer to redeem or purchase the GMTN Notes at the relevant redemption amount plus interest up to the date of redemption or purchase if there is a change of control of Sky or the announcement of a potential change of control (i) which, if the GMTN Notes carry an investment grade credit rating, results in a downgrade to a non-investment grade rating or a withdrawal of that rating; or (ii) which, if the GMTN Notes carry a non-investment grade rating, results in a downgrade by one or more notches or a withdrawal of that non-investment grade rating; or (iii) where, if the GMTN Notes do not carry a credit rating, Sky does not seek such a rating or is unable to achieve such a rating, provided that in each case the decision to downgrade, withdraw or not to award a credit rating occurs within a certain period of time after the change of control and the relevant rating agency cites that such decision(s) resulted from the change of control or the announcement of the potential change of control.

The GMTN Notes also contain an issuer call option pursuant to which Sky may redeem, at any time prior to the maturity date, all of the GMTN Notes at the higher of (i) 100 per cent. of the nominal amount of the GMTN Notes and (ii) a make-whole amount.

(b) EMTN Programme bond issue

On 5 September 2014, certain Sky Group entities also established a £10 billion euro medium-term note programme (the “**EMTN Programme**”), which provided the Sky Group with a standardised documentation platform to allow for senior debt issuance in the Eurobond markets. In September 2014, Sky issued (i) €1,500 million 1.500 per cent. guaranteed notes due 2021, and (ii) €1,000 million 2.500 per cent. guaranteed notes due 2026; in November 2014, Sky issued (i) €850 million 1.875 per cent. guaranteed notes due 2023, (ii) £450 million 2.875 per cent. guaranteed notes due 2020, (iii) £300 million 4.000 per cent. guaranteed notes due 2029, and (iv) €400 million 2.750 per cent. guaranteed notes due 2029; and in April 2015, Sky issued €600 million floating rate guaranteed notes due 2020 (together, the “**Notes**”). The Notes are unconditionally and irrevocably guaranteed by Sky Finance, Sky UK, Sky Subscribers, STSL and Sky CP.

Pursuant to the conditions of the Notes, Sky will be required to make an offer to redeem or purchase the Notes at the relevant redemption amount plus interest up to the date of redemption or purchase if there is a change of control of Sky or the announcement of a potential change of control (i) which, if the Notes carry an investment grade credit rating, results in a downgrade to a non-investment grade rating or a withdrawal of that rating; or (ii) which, if the Notes carry a non-investment grade rating, results in a downgrade by one or more notches or a withdrawal of that non-investment grade rating; or (iii) which, if the Notes do not carry a credit rating, Sky does not seek such a rating or is unable to achieve such a rating, provided that in each case the decision to downgrade, withdraw or not to award a credit rating occurs within a certain period of time after the change of control and the relevant rating agency cites that such decision(s) resulted from the change of control or the announcement of the potential change of control.

(c) RCF

The Sky Group has a £1 billion syndicated multicurrency revolving credit facility in place (the “**RCF**”) which is available for Sky’s general corporate purposes. The RCF is currently undrawn.

The RCF was originally entered into on 25 July 2014 and is guaranteed by Sky UK, Sky Finance, Sky Subscribers, STSL and Sky CP. Sky extended the RCF in May 2015 and in April 2016. The RCF is due to mature on 30 November 2021.

In the event of a change of control of Sky, as a result of which both S&P and Moody’s downgrade Sky’s credit rating below investment grade within 90 days, the lenders can require any amounts outstanding under the RCF to be repaid (other than in the event that 21st Century Fox or any subsidiary or holding company thereof (or a subsidiary of such holding company) acquires such control).

(d) Co-operation Agreement entered into with 21st Century Fox

Sky and 21st Century Fox entered into a co-operation agreement on 15 December 2016 (the “**Co-operation Agreement**”) in relation to the Original 21CF Offer. The Co-operation Agreement was terminated by Sky on 25 April 2018 after the Independent Committee withdrew its recommendation of the Original 21CF Offer in light of the Original Comcast Offer.

Following such termination, certain provisions of the Co-operation Agreement ceased to apply, including the obligation on 21st Century Fox to pay a break fee of £200 million. The Co-operation Agreement ensures, however, that certain obligations continue after such termination. These include the obligation on Sky to provide information and assistance to 21st Century Fox for the purposes of obtaining all regulatory clearances. Furthermore, 21st Century Fox continues to be bound by the standstill provisions in the Co-operation Agreement which prevent 21st Century Fox acquiring any interest in Sky Shares or taking any other action which would trigger a requirement on 21st Century Fox to make a mandatory offer under Rule 9 of the Code.

A further surviving provision of the Co-operation Agreement provided that, in the event 21st Century Fox switched to pursue its offer for Sky by way of a contractual offer, the acceptance condition for such an offer must be no less that the percentage of Sky Shares to which the contractual offer relates which is equal to a majority of the Sky Shares held by Independent Sky Shareholders. However, as set out in the 21CF Offer Document, in the context of the premium offered pursuant to the 21CF Offer, the Independent Committee agreed that 21st Century Fox (in its sole discretion) could reduce the minimum acceptance condition of such a contractual offer to a simple majority of all Sky Shares (including those held by 21st Century Fox and its Affiliates). 21st Century Fox and Sky also agreed that the provisions set out in Schedule 1 of the Co-operation Agreement concerning the Sky Share Plans survived the termination of the Co-operation Agreement, whether the Acquisition is implemented by way of contractual offer or as a Scheme of Arrangement.

(e) Sale and Purchase Deed relating to the sale of Sky Betting & Gaming

On 21 April 2018, Sky UK, Cyan Blue JerseyCo Limited (the holding vehicle for investment funds and vehicles advised by affiliates of CVC Capital Partners Limited), Cyan Blue Manco Limited, the holding vehicle for employees of Sky Betting & Gaming and 12 individual management shareholders entered into a sale and purchase deed (the “**Acquisition Agreement**”) pursuant to which The Stars Group Inc. and its subsidiaries (“**The Stars Group**”) would acquire Cyan Blue Topco Limited and its subsidiaries, carrying on business as Sky Betting & Gaming (the “**Sky Bet Disposal**”). As part of the transaction, Sky will continue to license the Sky Betting & Gaming brands to The Stars Group.

On 10 July 2018, Sky confirmed the completion of the sale of its 20 per cent. stake in Sky Betting & Gaming to The Stars Group pursuant to the Acquisition Agreement. At closing of the Sky Bet Disposal, Sky received approximately £426 million in cash and approximately 7.6 million common shares in The Stars Group Inc. (the “**Common Shares**”), valued at approximately £208 million based on the Closing Price of the Common Shares on 9 July 2018.

Save as disclosed above, no contracts have been entered into by the Sky Group otherwise than in the ordinary course of business since 9 December 2014 (being the date two years prior to the commencement of the Offer Period) which are or may be material.

6. Service contracts, retention arrangements and letters of appointment of the Sky Directors

Save as disclosed below, there are no service contracts or letters of appointment in force between any director or proposed director of Sky and Sky or any of its subsidiaries. Save for annual ordinary course salary and fee increases effective from 1 July 2018 and as otherwise disclosed below, no such contract or letter of appointment has been entered into or amended during the six months preceding the date of this document.

(a) Executive directors of Sky

Jeremy Darroch is employed by Sky under the terms of a service agreement dated 25 June 2008. His basic annual salary for Sky’s 2018/19 financial year is £1,097,610 (2017/18: £1,065,641).

Andrew Griffith is also employed by Sky under the terms of a service agreement dated 25 June 2008. His basic annual salary for Sky's 2018/19 financial year is £691,057 (2017/18: £670,929).

The benefits provided to each of Mr Darroch and Mr Griffith (each, an “**executive director**” and together, the “**executive directors**”) include provision of a car allowance or company car, private medical insurance (for the executive director, his spouse and any unmarried children aged under 21), permanent disability insurance, life assurance and a free Sky subscription package. The executive directors also receive a cash supplement in lieu of employer contributions to a pension plan, equal to around 16 per cent. of their basic annual salary.

If, and to the extent, consistent with Sky's most recent remuneration policy approved by Sky Shareholders, the executive directors are eligible to be considered for a bonus of such amount as Sky's remuneration committee may determine in its absolute discretion. Awards are based on annual operational and financial objectives with a maximum bonus potential of 200 per cent. of basic annual salary for Mr Darroch and 150 per cent. for Mr Griffith. The executive directors may invest up to 50 per cent. of any bonus award in Sky Shares under Sky's Co-Investment Plan. They are not entitled to any commission and are not party to any profit sharing arrangements.

The executive directors participate in the Sky Share Plans and their outstanding options and awards are set out above in paragraph 3(c)(ii) of this Part II.

Sky maintains liability insurance for its directors and officers.

The executive directors' service agreements may be terminated by the executive director or Sky, by either party giving to the other not less than 12 months' written notice. Alternatively, Sky may terminate the contract immediately by making a payment in lieu of notice of a lump sum equal to the value of 12 months' basic salary, benefits (being pension-related benefits, car allowance, private medical insurance, permanent disability insurance, life assurance and a free Sky subscription package) and a bonus pro-rated to his length of service in the year in which the termination of his employment falls (but excluding share incentives). Irrespective of whether notice to terminate employment is given by the executive director or Sky, Sky may put the executive director on garden leave for some or all of any notice period.

Management retention

21st Century Fox and Sky have agreed in principle the terms of proposed retention arrangements described below, which reflect 21st Century Fox's recognition of the importance of, and desire to retain, members of the senior management team within Sky during the critical period of integrating Sky with 21st Century Fox within the Enlarged Group and, subject to completion of the Disney Transaction, subsequently within the enlarged Disney group. These retention arrangements are intended to be comparable to the retention arrangements put in place by 21st Century Fox for members of 21st Century Fox's senior management team, in connection with the Disney Transaction.

Following completion of the Acquisition, certain senior members of Sky's executive management team would receive a grant of restricted stock units (“**RSUs**”) in 21st Century Fox (the “**RSU Grants**”) including Jeremy Darroch (Group Chief Executive Officer) and Andrew Griffith (Group Chief Operating Officer and Chief Financial Officer). The RSUs would vest 50% on completion of the Disney Transaction and 50% fifteen months after completion of the Disney Transaction. In the event of termination of the relevant executive's employment without cause, any unvested RSUs would vest immediately.

The total value of the RSU Grants has been determined by: calculating a gross value for the RSU Grants by reference to an equivalent number of Sky Shares at a price of £9.68 per Sky Share (being the 20-day average price to 13 December 2017, the period prior to the announcement of the proposed acquisition of 21st Century Fox by Disney).

This results in additional value for individual participants as follows:

<u>Name</u>	<u>Job Title</u>	<u>RSU Grants expressed as an equivalent number of Sky Shares at a price of £9.68 per Sky Share</u>	<u>Additional value of RSU Grants when compared to ordinary course annual award under Sky's existing LTIP</u>
Jeremy Darroch . . .	Group CEO	1,200,000	£3,216,000
Andrew Griffith	Group COO and CFO	700,000	£1,876,000

In aggregate, the RSU Grants would provide to all eligible participants, including Jeremy Darroch (Group Chief Executive Officer) and Andrew Griffith (Group Chief Operating Officer and Chief Financial Officer), approximately nine million pounds of additional value in comparison to the ordinary course annual award under Sky's existing LTIP.

Participants in the RSU Grants will be entitled to participate in arrangements to be put in place for eligible Sky employees to roll-over any unvested proportion of pre-existing entitlements to awards, save that awards in respect of the unvested proportion of the ordinary course annual award made in July 2018 under Sky's existing LTIP will lapse upon completion of the Acquisition and will not roll-over, thereby achieving a total equity value that is fair and comparable to executives at 21st Century Fox.

The Rule 3 Advisers have each advised the Independent Committee that the terms of the RSU Grants are fair and reasonable as far as independent shareholders in Sky are concerned.

(b) *The Chairman and other non-executive directors of Sky*

The non-executive directors of Sky do not have service contracts but instead are engaged under letters of appointment, details of which are summarised below:

Chairman (James Murdoch)

Mr Murdoch serves under a letter of appointment with Sky dated 22 February 2008, effective from 7 December 2007, under which he has served as Chairman of the Sky Board between December 2007 and April 2012 (at which time he stepped down as Chairman), then as a non-executive director from April 2012 until he was re-appointed Chairman on 30 April 2016. As Chairman, he receives an all-inclusive annual basic fee for Sky's 2018/19 financial year of £422,300 (2017/18: £410,000). He is also eligible to receive a free Sky subscription package and other benefits for Sky's business purposes may be provided, such as the provision of a car to travel to/from meetings. He is not entitled to any bonus or commission. He is not eligible for the grant of options under any of Sky's share option schemes and is not eligible to join Sky's pension plan. As he is deemed to be affiliated with 21st Century Fox, he is not permitted to participate in the monthly share purchase plan.

His appointment runs on a rolling basis, subject to annual re-election at Sky's annual general meeting. Mr Murdoch's appointment is terminable by Sky on one month's written notice. Upon termination of appointment, the Chairman is entitled to such fees as may have accrued (but not been paid) up to the date of termination, together with reimbursement in the normal way of expenses properly incurred prior to that date, but otherwise has no right to compensation on termination of his appointment. His appointment letter contains confidentiality restrictions, which survive after termination of appointment.

Non-executive directors (other than the Chairman)

The non-executive directors each receive an annual fee for Sky's 2018/19 financial year of £68,200 (2017/18: £66,215). They receive an additional fee for taking on extra responsibilities as follows:

- £30,000 for holding the position of Deputy Chairman;
- £40,000 for being the Senior Independent Director;
- £25,000 for being the chair of a board committee; and
- £10,000 for being a member of a board committee.

The appointments are each anticipated to be for an initial term of three years (after which period they continue to run on a rolling basis), but are subject to annual re-election at Sky's annual general meeting and are terminable by either party on one month's written notice.

The non-executive directors are also eligible to receive a free Sky subscription package and other benefits for Sky's business purposes may be provided, such as the provision of a car to travel to/from meetings.

Sky's non-executive directors (other than those who are deemed to be affiliated with 21st Century Fox) can elect to enter into a trading plan with Sky pursuant to which they may receive 25 per cent. or more of their fees in Sky Shares, which are purchased on a monthly basis.

The non-executive directors are not entitled to any bonus or commission and are not party to any Sky profit sharing or share scheme or pension arrangements.

Upon termination of appointment, the non-executive directors are entitled to such fees as may have accrued up to the date of termination, together with reimbursement in the normal way of expenses properly incurred prior to that date, but they otherwise have no right to compensation on termination of their appointments.

The appointment letters for the non-executive directors contain confidentiality restrictions, which survive after termination of appointment.

Additional details of the individual non-executive directors' appointments are set out below:

<u>Non-executive director</u>	<u>Letter of appointment dated</u>	<u>Annual fee (£)*</u>
Martin Gilbert	7 December 2011	118,200
Andrew Sukawaty	29 October 2012	143,200
Tracy Clarke	19 June 2012	113,200
Chase Carey	30 January 2013	68,200
Adine Grate	17 July 2013	113,200
John Nallen	4 November 2015	68,200
Matthieu Pigasse	8 December 2011	88,200
Katrin Wehr-Seiter	13 October 2016	68,200

Independent non-executive directors

In recognition of their additional work and time committed throughout the Offer Period, which has lasted for a prolonged period of time approaching two years, Sky proposes to pay an additional fixed fee of £20,000 to each of the non-executive members of the Independent Committee. This proposed payment is consistent with the annual fee of £10,000 paid to non-executive directors for being a member of a board committee, referenced above, and the payment would not be conditional upon the Acquisition or the Comcast Offer becoming wholly unconditional or effective.

7. Sky fees and expenses

The estimated aggregate fees and expenses expected to be incurred by Sky in connection with the Acquisition amount to between approximately £90 million and £97 million (excluding any applicable VAT or similar taxes), which includes fees and expenses expected to be incurred in relation to the following⁽¹⁾:

- (i) £59.5 million to £61.5 million for financial and broking advice⁽²⁾⁽³⁾;
- (ii) £15.2 million to £20.0 million for legal advice⁽²⁾⁽⁴⁾;
- (iii) £2.4 million for accounting advice⁽⁵⁾;
- (iv) £6.0 million for public relations advice⁽³⁾;
- (v) £5.5 million for other professional services⁽⁵⁾; and
- (vi) £1.25 million to £1.75 million for other costs and expenses⁽⁵⁾.

Notes:

⁽¹⁾ Fees and expenses that will be invoiced in US dollars have, for the purposes of this table, been converted into sterling at an exchange rate of 0.7567, which was derived from Bloomberg as at 10.30pm on 9 July 2018.

⁽²⁾ A proportion of such fees may be payable at the discretion of the Independent Committee of Sky.

⁽³⁾ A proportion of such fees are success-based and payable depending on the outcome of the offers for Sky.

* Annual fee in respect of appointment(s) held as at the date of this document

- (4) These services are charged, in part, by reference to hourly or daily rates. Amounts here reflect the time incurred up to 16 August 2018 (being the latest practicable date prior to publication of this document) and an estimate of further time required.
- (5) These services may vary depending on the service volumes and types of services provided. Amounts included here reflect an estimate of the expected services required.

8. Other information

- (a) On 26 July 2018, Sky released its preliminary statement of annual results for the year ended 30 June 2018, an extract of which was included at paragraph 7 of Section 1 of the 21CF Offer Document. The Independent Committee is not aware of any significant change in the financial or trading position of Sky since 30 June 2018 (being the date to which the preliminary statement of annual results was prepared).
- (b) Each of Morgan Stanley, PJT Partners and Barclays has given and has not withdrawn its written consent to the publication of this document with the inclusion of the references to its name in the form and context in which they appear.

9. Calculations and sources of information

- (a) Unless otherwise stated, financial information relating to the Sky Group has been extracted or derived (without material adjustment) from Sky's preliminary statement of annual results in respect of the financial year ended 30 June 2018.
- (b) As at the close of business on 16 August 2018 (being the latest practicable date prior to publication of this document), Sky had in issue 1,719,017,230 ordinary shares, of which 878,276 were held in ESOP. 21st Century Fox holds 672,783,139 ordinary shares in Sky giving a total number of outstanding shares excluding those owned by 21st Century Fox of 1,046,234,091.
- (c) Any reference to the fully diluted share capital of Sky is based on:
- (i) the 1,719,017,230 Sky Shares referred to in paragraph (b) above; and
 - (ii) 27,343,625 Sky Shares which may be issued on or after the date of this document on the exercise of options or vesting of awards under the Sky Share Plans and net of the shares in ESOP (including in respect of those Co-Investment Plan options which will be granted by Sky in the ordinary course in late August 2018).

10. Documents available on Sky's website

Copies of the following documents are available on www.skygroup.sky/corporate/investors/offers-for-sky/21st-century-fox-offer during the Offer Period:

- (a) the memorandum and articles of association of Sky;
- (b) the audited consolidated accounts of Sky for the two financial years ended 30 June 2016 and 30 June 2017, the preliminary statement of Sky's annual results for the year ended 30 June 2018 and Sky's unaudited interim results for the quarterly periods ended 30 September 2017, 31 December 2017 and 31 March 2018;
- (c) the Original 21CF Offer Announcement;
- (d) the 21CF Offer Announcement;
- (e) the Co-operation Agreement and related deed of amendment dated 11 July 2018;
- (f) the Confidentiality Agreement;
- (g) the Tripartite Confidentiality Agreement;
- (h) the Opening Position Disclosure made by Sky in accordance with Rules 8.1 and 8.2 of the City Code;
- (i) the written consents referred to in paragraph 8 above;
- (j) the irrevocable undertakings and letters of intent referred to in paragraph 4 of this Part II;
- (k) each of the deeds of consent and waiver described at paragraph 4(ii) of this Part II;

- (l) certain documents relating to 21st Century Fox's financing arrangements in connection with the Acquisition, as referred to in paragraph 9 of Section 6 of the 21CF Offer Document; and
- (m) this document, the 21CF Offer Document and other documents and announcements relating to the 21CF Offer.

20 August 2018

PART III

DEFINITIONS

“21CF Offer”	the cash offer made by 21st Century Fox at £14.00 for each Sky Share to acquire the entire issued and to be issued share capital of Sky (other than those Sky Shares already owned by 21st Century Fox and its Affiliates) on the terms and conditions set out in the 21CF Offer Document and, in the case of Sky Shares held in certificated form, the Form of Acceptance including, where the context admits, any subsequent revision, variation, extension or renewal of such offer
“21CF Offer Announcement”	the joint announcement made on 11 July 2018 by 21st Century Fox and the Independent Committee of Sky pursuant to Rule 2.7 of the City Code in relation to the 21CF Offer
“21CF Offer Document”	the offer document containing the full terms and conditions of the 21CF Offer published and posted to Sky Shareholders by 21st Century Fox on 7 August 2018
“21st Century Fox”	Twenty-First Century Fox, Inc., a company incorporated in Delaware with registered office in 1211 Avenue of the Americas, New York, New York 10036
“Acquisition”	the proposed acquisition of the entire issued and to be issued share capital of Sky by 21st Century Fox
“acting in concert”	in relation to a party, means any such person acting or deemed to be acting in concert with that party for the purposes of the Code
“Affiliates”	in relation to a party, any person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the party, and for these purposes a party shall be deemed to control a person if such party possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the person, whether through the ownership of over 50 per cent. of the voting securities or the right to appoint over 50 per cent. of the relevant board of directors by contract or otherwise but, in relation to 21st Century Fox, specifically excluding Sky and each other member of the Sky Group
“Barclays”	means Barclays Bank PLC, acting through its Investment Bank
“BNY Mellon”	the Bank of New York Mellon
“Business Day”	a day (other than a Saturday, Sunday, public or bank holiday in the UK) on which banks are open for business in the City of London
“certificated” or “in certificated form”	a Sky Share that is not in uncertificated form (that is, not in CREST)
“City Code” or “Code”	the City Code on Takeovers and Mergers
“Closing Price”	the closing middle market quotation of a share derived from the London Stock Exchange Daily Official List (SEDOL)
“Comcast”	Comcast Corporation, a company incorporated in Pennsylvania with registered office in One Comcast Center, Philadelphia, PA 19103, United States
“Comcast Bidco”	Comcast Bidco Limited, a private limited company incorporated in England and Wales with registered number 11341936
“Comcast Offer”	the cash offer made by Comcast Bidco at £14.75 per Sky Share to acquire the entire issued and to be issued share capital of Sky subject to the full terms and conditions set out in the Comcast Offer

	Document and, in the case of Sky Shares held in certificated form, the form of acceptance relating to the Comcast Offer including, where the context requires, any subsequent revision, variation, extension or renewal of such offer
“Comcast Offer Document”	the offer document containing the full terms and conditions of the Comcast Offer published and posted to Sky Shareholders by Comcast on 13 July 2018
“Companies Act”	the Companies Act 2006, as amended
“Confidentiality Agreement”	the confidentiality agreement entered into between Sky and 21st Century Fox, effective 13 December 2016
“Consideration”	£14.00 in cash per Sky Share, as such amount may be reduced in accordance with the terms set out in the 21CF Offer Document regarding the payment of certain dividends or other distributions by Sky
“Co-operation Agreement”	the co-operation agreement dated 15 December 2016 between 21st Century Fox and Sky relating to, among other things, implementation of the Acquisition, which was terminated (other than certain surviving provisions) on 25 April 2018 and further varied by way of a deed of amendment on 11 July 2018
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations)
“Daily Official List”	the daily official list of the London Stock Exchange
“Dealing Disclosure”	an announcement pursuant to Rule 8 of the City Code containing details of dealings in interests in relevant securities of parties to an offer
“Deposit Agreement”	the deposit agreement dated 9 December 2002, as amended and restated on 28 May 2010, between Sky, BNY Mellon and the registered holders and beneficial owners of Sky ADSs
“Disney”	The Walt Disney Company, a Delaware corporation whose principal place of business is at 500 South Buena Vista Street, Burbank, California 91521-0931, USA
“Disney Transaction”	the proposed acquisition of 21st Century Fox by Disney, after the spin-off by 21st Century Fox of certain businesses, as set out in the amended and restated agreement and plan of merger dated 20 June 2018
“EMTN Programme”	the euro medium-term note programme of the Sky Group described at paragraph 5 of Part II of this document
“Enlarged Group”	21st Century Fox and its subsidiary undertakings following the Acquisition becoming effective
“Equiniti”	Equiniti Limited, a company registered in England and Wales with company number 06226088 and whose registered office is at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
“ESOP”	the Sky Employee Share Ownership Plan, a trust which was established to satisfy the options and awards granted to participants in the Sky Share Plans
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“FCA”	the UK Financial Conduct Authority or its successor from time to time
“First Closing Date”	1.00pm on 17 September 2018

“Form of Acceptance”	the form of acceptance and authority for use by Sky Shareholders holding Sky Shares in certificated form in connection with the 21CF Offer
“FSMA”	the Financial Services and Markets Act 2000 as amended
“GMTN Notes”	the €500 million guaranteed notes issued by Sky on 17 November 2015 under the GMTN Programme, paying 2.250 per cent. interest and maturing on 17 November 2025
“GMTN Programme”	the global medium-term note programme of the Sky Group described at paragraph 5 of Part II of this document
“Hearings Committee”	the body of the Panel responsible for, amongst other things, hearing, determining and making rulings in proceedings relating to the interpretation, application or effect of the City Code
“holder”	a registered holder of shares and includes any person(s) entitled by transmission
“Independent Committee”	the committee of independent directors of Sky established for the purposes of considering the Acquisition and comprising six independent non-executive directors, Martin Gilbert (Deputy Chairman), Andrew Sukawaty (Senior Independent Director), Tracy Clarke, Adine Grate, Matthieu Pigasse and Katrin Wehr-Seiter, and two executive directors, Jeremy Darroch and Andrew Griffith
“Independent Directors”	Tracy Clarke, Jeremy Darroch, Martin Gilbert, Adine Grate, Andrew Griffith, Matthieu Pigasse, Andrew Sukawaty and Katrin Wehr-Seiter
“Independent Sky Shareholders”	all Sky Shareholders excluding 21st Century Fox and its Affiliates
“Listing Rules”	the rules and regulations made by the FCA in its capacity as the UK Listing Authority under FSMA, and contained in the UK Listing Authority’s publication of the same name
“London Stock Exchange”	London Stock Exchange plc
“LTIPs”	the Sky 2008 Long-Term Incentive Plan and the Sky Management Long-Term Incentive Plan (under each of which both long term incentive and co-investment awards are made)
“Moody’s”	Moody’s Investors Service, Inc.
“Morgan Stanley”	Morgan Stanley & Co International plc
“Notes”	the notes issued by Sky pursuant to the EMTN Programme as set out at paragraph 5 of Part II of this document
“Offer Period”	the period commencing on (and including) 9 December 2016 and ending on (i) the earlier of the time and date on which the 21CF Offer becomes or is declared unconditional as to acceptances and the time and date on which the 21CF Offer lapses or is withdrawn (or such other date as the Panel may decide), other than where such lapsing or withdrawal is a result of 21st Century Fox exercising its right to implement the Acquisition by way of a Scheme of Arrangement, or (ii) if the Acquisition is implemented by way of a Scheme of Arrangement, the earlier of the time and date on which the Scheme of Arrangement becomes effective and the time and date on which the Scheme of Arrangement lapses or is withdrawn (or such other date as the Panel may decide)
“Opening Position Disclosure”	an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the offer if the person concerned has such a position, as defined in Rule 8 of the Code

“Original 21CF Offer”	the pre-conditional cash offer by 21st Century Fox for the fully diluted share capital of Sky which 21st Century Fox and its Affiliates do not already own at a price of £10.75 for each Sky Share, announced on 15 December 2016
“Original 21CF Offer Announcement”	the joint announcement made on 15 December 2016 by 21st Century Fox and the Independent Committee of Sky pursuant to Rule 2.7 of the City Code in relation to the Original 21CF Offer
“Original Comcast Offer”	the pre-conditional cash offer by Comcast for the entire issued and to be issued share capital of Sky at a price of £12.50 for each Sky Share, announced on 25 April 2018
“Overseas Shareholders”	Sky Shareholders not resident in, or who are nationals or citizens or residents of jurisdictions other than, the United Kingdom
“Panel” or “Takeover Panel”	the Panel on Takeovers and Mergers
“Panel Executive”	the body of the Panel responsible for the day-to-day work of takeover supervision and regulation
“PJT Partners”	PJT Partners (UK) Limited
“RCF”	the £1 billion syndicated multicurrency revolving credit facility for Sky’s general corporate purposes as set out in paragraph 5(c) of Part II of this document
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 95/3775)
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Sky Shareholders or Sky ADS Holders in that jurisdiction
“RSUs” or “RSU Grant”	a grant of restricted stock units in 21st Century Fox to certain senior members of Sky’s executive management team as described in paragraph 6(a) of Part II of this document
“Rule 3 Advisers”	Morgan Stanley and Barclays, who are each providing independent financial advice to the Independent Committee for the purposes of Rule 3 of the Code
“Scheme of Arrangement”	a court-sanctioned scheme of arrangement under Part 26 of the Companies Act
“Sky”	Sky plc, incorporated in England and Wales with registered number 02247735
“Sky ADS”	an American Depositary Share created pursuant to the Deposit Agreement and trading on the over-the-counter market in the US, each representing ownership interests in four Sky Shares
“Sky ADS Holders”	holders of Sky ADSs
“Sky Board”	the directors of Sky collectively from time to time
“Sky CP”	Sky CP Limited, registered in England and Wales with number 09513259
“Sky Directors”	Chase Carey, Tracy Clarke, Jeremy Darroch, Martin Gilbert, Adine Grate, Andrew Griffith, James Murdoch, John Nallen, Matthieu Pigasse, Andrew Sukawaty and Katrin Wehr-Seiter
“Sky Finance”	Sky Group Finance plc, registered in England and Wales with number 05576975
“Sky Group”	Sky and its subsidiaries and subsidiary undertakings from time to time (unless otherwise stated)

“Sky Share Plans”	the LTIPs (under which both long term incentive and co-investment awards are made) and the Sky Sharesave Schemes
“Sky Shareholders”	holders of Sky Shares from time to time
“Sky Shares”	the existing unconditionally allotted or issued and fully paid ordinary shares of 50 pence each in the capital of Sky and any further such ordinary shares which are unconditionally allotted or issued and fully paid while the 21CF Offer remains open for acceptance or before such earlier time and date as 21st Century Fox (subject to the Code) may determine, not, unless the Panel so permits, being earlier than the time and date on which the 21CF Offer becomes or is declared unconditional as to acceptances or, if later, the First Closing Date (but excluding any such ordinary shares held or which become held in treasury)
“Sky Sharesave Schemes”	the Sky Sharesave Scheme and the Sky 2013 Sharesave Scheme (the “UK Sharesave Schemes”); the Sky 2005 Irish Sharesave Scheme and the Sky 2016 Irish Sharesave Scheme; and the Sky 2015 International Sharesave Scheme
“Sky Subscribers”	Sky Subscribers Services Limited, registered in England and Wales with number 02340150
“Sky UK”	Sky UK Limited, registered in England and Wales with number 02906991
“STSL”	Sky Telecommunications Services Limited, registered in England and Wales with number 02883980
“S&P”	Standard & Poor’s Financial Services LLC
“Takeover Appeal Board”	an independent body which hears appeals against rulings of the Hearings Committee
“Tripartite Confidentiality Agreement”	the confidentiality agreement entered into between Sky, 21st Century Fox and Disney, effective 15 March 2018
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the FCA as the authority for listing in the UK when it is exercising its powers under Part VI of FSMA
“uncertificated” or “in uncertificated form”	in relation to a share or other security, a share or other security which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia, and all other areas subject to its jurisdiction
“US Exchange Act”	the US Securities Exchange Act 1934, as amended
“£” or “sterling” or “pounds”	pounds sterling, the lawful currency for the time being of the UK and references to “pence” and “p” shall be construed accordingly
“\$” or “US\$” or “US dollars”	US dollars, the lawful currency for the time being of the United States
“€” or “EUR” or “euro”	euro, the currency introduced at the start of the third stage of economic union pursuant to the treaty establishing the European Union

All times referred to in this document are London times unless stated.

References to the singular include the plural and vice versa.

All references to statutory provisions or law or to any order or regulation shall be construed as a reference to that statutory provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

All references to “subsidiary”, “subsidiary undertaking” and “undertaking” have the respective meanings given to them in the Companies Act.