

OFFER BY 21ST CENTURY FOX, INC. FOR THE REMAINING SHARES IN SKY PLC

UNDERTAKINGS GIVEN BY 21ST CENTURY FOX, INC. PURSUANT TO PARAGRAPH 9 OF SCHEDULE 2 OF ENTERPRISE ACT (PROTECTION OF LEGITIMATE INTERESTS) ORDER 2003

WHEREAS:

- (a) 21CF proposes to acquire the entire issued and to be issued share capital of Sky that 21CF does not already own.
- (b) On 16 March 2017 the Secretary of State issued a European Intervention Notice under section 67(2) of the Act and the Order in connection with the Transaction.
- (c) On 20 September 2017 the Secretary of State, in exercise of her powers under Article 5(3) of the Order in connection with the Transaction, made a reference to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 in order that the group might investigate and report on the questions referred to in Articles 6(2), (3) and (4) of the Order within the period set down in Article 9 of the Order (the **Reference**).
- (d) On [●] the Secretary of State received a report of the CMA under Article 8 of the Order.
- (e) On [●] the Secretary of State published his decision in connection with the Transaction under Article 12(2) of the Order (the **Decision**). In the Decision, the Secretary of State decided that the conditions set out in Article 12 (6)(a) – (c) are met.
- (f) Under Article 12(7) of the Order, the Secretary of State has a discretion to take such action under paragraph 9 or 11 of Schedule 2 to the Order as he considers reasonable and practicable to remedy, mitigate or prevent any of the effects adverse to the public interest which he has decided may be expected to result from the creation of the European relevant merger situation.
- (g) Under paragraph 9 of Schedule 2 to the Order, the Secretary of State may accept undertakings as he considers appropriate to remedy, mitigate or prevent such effects.
- (h) The Secretary of State considers that the undertakings given below by 21CF are appropriate to remedy, mitigate or prevent the effects adverse to the public interest which the Secretary of State has decided may be expected to result from the creation of the European relevant merger situation.

NOW THEREFORE 21CF hereby gives to the Secretary of State the following undertakings for the purpose of remedying, mitigating or preventing the effects adverse to the public interest which may be expected to result from the Transaction.

1. EFFECTIVE DATE OF THE UNDERTAKINGS

- 1.1 These undertakings shall take effect (subject to the variation and termination provisions in section [14]) from the date that, having been signed by 21CF, they are accepted by the Secretary of State.

2. CREATION OF NEWCO

- 2.1 21CF shall incorporate Newco as a private limited company, which will be a wholly owned subsidiary of Sky, at the Closing Date or as soon as reasonably practicable following the Closing Date, subject to any extension of time agreed with the consent of the Secretary of State.
- 2.2 21CF shall take (or procure the taking of) the following steps to achieve the formation of Newco:

- (i) the formation of Newco as a new private limited company incorporated under the laws of England and Wales as a Subsidiary of Sky; and
- (ii) the establishment of the corporate governance arrangements set out in section [3] below.

2.3 On or as soon as reasonably practicable following the formation of Newco, 21CF shall take (or procure the taking of) the following steps to achieve the transfer of the business of Sky News to Newco:

- (i) the transfer of the business of Sky News (as set out in section [7] below) into Newco in exchange for shares in Newco; and
- (ii) the entering into of the agreements between Sky and Newco set out in sections [7.4 and 8] below.

3. CORPORATE GOVERNANCE OF NEWCO

3.1 21CF shall ensure that the corporate governance structure of Newco shall be established as follows:

- (i) the articles of association of Newco shall provide that the object of Newco is to maintain a Sky-branded news service received primarily in the UK which will abide by the principle of editorial independence and integrity in news reporting and will comply with the Ofcom Broadcasting Code. The articles of association of Newco shall be [in a form to be approved by the Secretary of State prior to the Effective Date]/[in the form attached as **Annex 1** to these undertakings];
- (ii) the articles of association of Newco shall provide that the Newco Board shall:
 - (A) comprise solely members who are Independent Directors and consist of a [minimum of [5] Independent Directors and a maximum of [7]] Independent Directors, with such members:
 - I. initially comprising [3] existing Sky independent directors and [2] members nominated by the Sky independent directors. Each such appointment shall meet the definition of Independent Director contained in these undertakings;
 - II. each serving for a single, non-renewable term of not more than six years;
 - III. on the resignation or removal of an Independent Director, the remaining Independent Directors in office at such date shall nominate and appoint a new Independent Director to maintain at least the minimum number of Independent Directors of Newco, if required. Any such newly appointed Independent Director shall be approved by the [Secretary of State/Ofcom/CMA] as meeting the criteria of an Independent Director;
 - (B) be chaired by an Independent Director with senior editorial and/or journalistic experience;

- (C) be quorate in respect of the consideration of editorial or journalistic matters only if an Independent Director with senior editorial and/or journalistic expertise is present; and
 - (D) on each occasion where it seeks the [Secretary of State/Ofcom/CMA's] approval for the appointment of a new Independent Director, prepare a statement setting out the basis on which it considers the proposed appointee to meet the criteria of an Independent Director, and provide a copy of any such statement to the 21CF Board and [the Secretary of State/Ofcom/CMA] certified as accurate by one Independent Director;
- (iii) Material Transactions between Newco and 21CF (as enlarged by the acquisition of Sky) shall require the approval of Newco's audit committee. Material Transactions between Newco and 21CF (as enlarged by the acquisition of Sky) involving amounts of £[5] million or more shall also require the approval of the Newco Board;
- (iv) the articles of association of Newco shall provide that the Newco Board and its committees shall have the appropriate balance of skills, experience, independence and knowledge of Newco to enable them to discharge their respective duties and responsibilities effectively and that at least one Independent Director must have senior editorial and/or journalistic experience;
- (v) the articles of association of Newco shall provide that Newco shall establish a subcommittee of the Newco Board (the **Newco Editorial Committee**) which will:
- (A) be chaired by an Independent Expert Director with senior editorial and/or journalistic experience;
 - (B) be entitled to appoint as many members as it considers appropriate to discharge its functions, including by ensuring an appropriate balance of skills and expertise;
 - (C) actively monitor 21CF's compliance with all aspects of these undertakings and report any potential breaches to 21CF's Board. If the Newco Editorial Committee is dissatisfied with the 21CF Board's response, it shall report the matter to [the Secretary of State/Ofcom/CMA]. 21CF shall co-operate fully with the Newco Editorial Committee in the discharge of its functions under this section [3];
 - (D) operate under terms of reference which will stipulate that the Newco Editorial Committee will:
 - I. be adequately resourced and have powers to review and investigate all areas within the remit of the Newco Editorial Committee;
 - II. be entitled to appoint external advisers to assist in the discharge of its functions;
 - III. meet as frequently as it considers necessary to discharge its functions, but in any event not fewer than four times a year;
 - IV. consider any representations made by the Head of Sky News as to Sky News' compliance with the Sky News Editorial Guidelines and report any such representations to the 21CF Board; and

- V. advise the Newco Board on any issues within its remit;
- (E) have exclusive authority over the following matters:
 - I. the selection and appointment of the Head of Sky News (including all aspects of the search and selection process);
 - II. the removal of the Head of Sky News;
 - III. the remuneration package of the Head of Sky News;
 - IV. any material changes to the authority or reporting relationship of the Head of Sky News; and
 - V. any future changes to the Sky News Editorial Guidelines;

(the **Newco Editorial Committee Authority**).
- (F) keep a written record of any matters escalated to it by the Head of Sky News as provided for in section [5.2(iii)] below, and provide a copy of any such record to the Newco Board, the 21CF Board and [the Secretary of State/Ofcom/CMA] certified as accurate by one Independent Expert Director; and
- (G) on an annual basis, subject to no written records having been made under section [(F)] above in the preceding 12 months, prepare a statement confirming that no matters have been escalated to it by the Head of Sky News as provided for in section [5.2(iii)] below, and provide a copy of any such statement to the Newco Board, the 21CF Board and [the Secretary of State/Ofcom/CMA] certified as accurate by one Independent Expert Director.

3.2 21CF shall ensure that the articles of association of Newco provide that Newco may not make any subsequent amendments to the Newco Editorial Committee Authority without the prior approval of [the Secretary of State/Ofcom/CMA].

3.3 21CF shall ensure that:

- (i) a summary of any report provided under section [3.1(v)(F)] above;
- (ii) a copy of any statement provided under section [3.1(v)(G)] above; and
- (iii) a copy of any statement provided under section [3.1(ii)(D)] above

shall be included in its annual report.

3.4 21CF shall not cause, or attempt to cause, Newco to act in breach of its articles of association.

4. NON-INTERFERENCE WITH NEWCO'S EDITORIAL INDEPENDENCE

4.1 21CF shall ensure that, subject to general compliance procedures and oversight, no employee or officer of 21CF, or member of the 21CF Board, will influence or attempt to influence the editorial choices made by the Head of Sky News or the Head of Sky News' delegates (including, but not limited to, the selection, prominence or running of news stories or the political comment and opinion to be broadcast on the Sky News services that will be transferred to Newco, the programming mix of

shows or TV formats broadcast on those services, the target demographics of the services and the presentation of the services, or in any other way seek to bring about changes to the editorial output of Sky News).

- 4.2 Prior to the Closing Date, 21CF shall procure that Rupert Murdoch, Lachlan Murdoch and James Murdoch provide personal undertakings to the Secretary of State not to influence or attempt to influence, or seek to cause any other person to influence, the editorial choices made by the Head of Sky News or the Head of Sky News' delegates (including, but not limited to, the selection, prominence or running of news stories or the political comment and opinion to be broadcast on the Sky News services that will be transferred to Newco, the programming mix of shows or TV formats broadcast on those services, the target demographics of the services and the presentation of the services, or in any other way seek to bring about changes to the editorial output of Sky News) in the form set out in **Annex 2**.

5. COMMITMENT TO ENHANCE AND MAINTAIN SKY NEWS EDITORIAL GUIDELINES AND OTHER POLICIES

- 5.1 21CF shall ensure that the articles of association of Newco shall provide that Newco shall continue to maintain and observe the editorial guidelines that are in place in relation to Sky News as at the Effective Date, as modified according to section [5.2] below and as attached at **Annex 3** to these undertakings (the **Sky News Editorial Guidelines**).

- 5.2 21CF shall ensure that the Sky News Editorial Guidelines specify that:

- (i) the Head of Sky News retains complete operational (including setting commercial strategy and operating within the Newco Financial Envelope) and editorial control over all news and current affairs output, including, but not limited to, the selection, prominence and running of news stories and any political comment and opinion broadcast on the Sky News services, the programming mix of shows or TV formats broadcast on those services, the target demographics of the services and the presentation of the services, as well as to bring about changes to the editorial output of Sky News;
- (ii) subject to general compliance procedures and oversight, instructions to Sky News editorial staff including journalists shall be given only by the Head of Sky News or those to whom the Head of Sky News has delegated authority;
- (iii) in the event that the Head of Sky News becomes aware of an attempt by any employee, officer or director of 21CF or Sky outside the Sky News editorial function to influence matters within the authority of the Head of Sky News under section [5.2(i)], the Head of Sky News will escalate such matters to the Newco Editorial Committee; and
- (iv) in the event that any other member of Sky News' staff becomes aware of an attempt by any employee, officer or director of 21CF or Sky outside the Sky News editorial function to influence matters within the authority of the Head of Sky News under section [5.2(i)], he or she shall report such matters to the Head of Sky News.

- 5.3 21CF shall ensure that the articles of association of Newco shall provide that Newco may not make any subsequent amendments to the Sky News Editorial Guidelines without the prior approval of [the Secretary of State/Ofcom/CMA].

- 5.4 With effect from the Closing Date, 21CF will ensure that the internal disciplinary policies of 21CF and Sky require that:

- (i) any attempt by an employee, officer or director of 21CF or Sky outside the Sky News editorial function to influence matters within the authority of the Head of Sky News under section [5.2(i)] will be treated as a serious disciplinary matter that may render the individual liable to summary dismissal; and
 - (ii) any reprisal by an employee, officer or director of 21CF or Sky against a member of Sky News staff for making a good faith report under section [5.2(iii) or 5.2(iv)] above is prohibited and will be treated as a serious disciplinary matter that may render the individual liable to summary dismissal.
- 5.5 With effect from the Closing Date, 21CF will ensure that the Newco Editorial Committee is informed of the outcome of any disciplinary investigation in respect of the conduct described in section [5.4].
- 5.6 The Newco Editorial Committee shall ensure that Sky News staff:
 - (i) receive regular reminders of the policies set out in sections [5.2] and [5.4]; and
 - (ii) are asked to certify on an annual basis that they are aware of the policies set out in sections [5.2] and [5.4] and have complied with those policies as applicable.

6. COMMITMENT TO MAINTAIN FINANCIAL ENVELOPE

- 6.1 21CF shall maintain: (i) the Operational Net Investment in Newco at a level not materially different (taking into account cost and revenue inflation) from the aggregate of Sky's Operational Net Investment in Sky News; plus (ii) the incremental costs expected to be incurred in operating the Sky News business as a separate corporate entity, in each case as set out in the Schedule attached under **Annex 4 (the Newco Financial Envelope)**, for 10 years from the Sky News Business Transfer (the **Initial Investment Period**). In the five-year period thereafter, 21CF shall maintain the Newco Financial Envelope at a level not materially different to the preceding period (taking into account cost and revenue inflation, and market conditions).
- 6.2 The Newco Board shall recommend to the 21CF Board for approval the level of Newco Financial Envelope to be made by 21CF in the five-year period after the Initial Investment Period, taking into account cost and revenue inflation, and market conditions.
- 6.3 If 21CF does not intend to accept the Newco Board's recommendation, 21CF shall inform the Newco Board promptly, explaining its reasons. If, following receipt by the Newco Board of the 21CF explanation contemplated in this section [6.3], the Newco Board does not intend to amend its recommendation, the Newco Board shall refer the matter to arbitration for final determination, in accordance with the provisions of **Annex 5**.
- 6.4 The Head of Sky News shall have full authority to manage Newco within the scope of the Newco Financial Envelope.
- 6.5 21CF shall procure that Newco will maintain financial records showing the annual Newco Financial Envelope by 21CF (the **Newco Investment Report**). The Newco Investment Report shall be certified by an independent auditor, with a copy provided to [the Secretary of State/Ofcom/CMA].

7. SKY NEWS BUSINESS TO BE HELD WITHIN NEWCO

- 7.1 21CF shall cause the Sky News business to be transferred, as a going concern, to Newco (**the Sky News Business Transfer**). This will require the transferring or making available of those assets

required to conduct the Sky News business, which will be set out in a Schedule of Assets which will be provided to the Secretary of State prior to the Effective Date and which will include:

- (i) all or substantially all tangible assets currently used exclusively for the purposes of carrying on Sky News' business (including, for example, broadcasting and newsgathering facilities and equipment). Arrangements will also be made for Newco to have the use of assets required or currently used to conduct the Sky News business but which are not used exclusively in the Sky News business on normal market terms if so requested by Newco;
- (ii) all or substantially all intangible assets currently used exclusively for the purposes of carrying on Sky News' business (including, for example, Sky News produced content, including video and audio and archive footage and related consumer-facing software and applications, including the Sky News website and social media accounts). Arrangements will also be made for Newco to have the use of other intangible assets required or currently used to conduct the Sky News business but which are not used exclusively in the Sky News business on normal market terms if so requested by Newco;
- (iii) all Key Sky News Editorial Staff and all or substantially all staff currently engaged principally in the Sky News business, including news gathering staff (UK and international staff), production, online and multimedia staff;
- (iv) all relevant customer, credit and other records; and
- (v) all or substantially all licences, permits, consents and authorisations issued by any governmental or regulatory organisation for the benefit or purpose of the Sky News business, including broadcast licences (and, to the extent that such licences, permits, consents or authorisations are not capable of transfer, 21CF will endeavour to assist Newco in applying for new licences, permits, consents or authorisations).

7.2 21CF shall (subject to customary limitations) not solicit staff transferred to Newco for a period beginning on the Closing Date and ending 24 months after the date of the incorporation of Newco as a private limited company.

7.3 Without prejudice to the generality of section [7.1] above, and subject to obtaining the necessary third party consents, 21CF shall also use all reasonable endeavours to procure that there will be transferred to Newco or that Newco will otherwise have the benefit of:

- (i) general commercial contracts for the sale and distribution of Sky News content to third parties, including (i) video content on third party TV, online and mobile services and (ii) audio content on third party radio services;
- (ii) content supply contracts for the provision of news content by third parties to Sky News, including contracts for the provision of still images, text, graphics and video;
- (iii) UK/Ireland distribution agreements, being the carriage agreements between Sky and third parties for the supply of the Sky News channel on third party platforms; and
- (iv) international distribution agreements, being the carriage agreements between Sky and non-UK/Ireland third parties for the supply of the international feed of the Sky News channel for distribution on international third party platforms.

- 7.4 21CF shall ensure that Sky will enter into a [royalty-bearing] **Brand Licensing Agreement** with Newco, under which Newco will receive a licence of the Sky News brand for as long as Sky continues to hold 100% of the shares in Newco, in a form to be approved by the Secretary of State prior to the Effective Date.
- 7.5 Any Brand Licensing Agreement approved by the Secretary of State for the purpose of the obligation in section [7.4] above shall:
- (i) permit Newco to use the Sky News brand in connection with its news output;
 - (ii) not provide Sky or 21CF with any ability to determine or influence the editorial content of Sky News output or the appointment or termination of editors or other staff of Newco; and
 - (iii) subject to section [8.5] below be terminable by Sky only in the event of a material breach that has not been cured, in the event that Newco ceases to provide output which is branded “Sky News” and/or in the event that Newco ceases to broadcast Sky News in the UK and/or in the event of a change in Control of Newco.

8. OPERATIONAL AGREEMENTS BETWEEN SKY AND NEWCO

- 8.1 21CF shall ensure that Sky will, on or before the Sky News Business Transfer, enter into the agreements listed below with Newco under which Sky will provide facilities and support services to Newco, on arm’s-length terms (and which will be included in the incremental costs expected to be incurred in operating the Sky News business as a separate corporate entity, as set out in the Newco Financial Envelope attached as **Annex 4**):
- (i) an advertising sales agreement between Newco and Sky under which Sky will sell advertising and sponsorship on behalf of Newco for a term of up to [5] years;
 - (ii) a lease of land and buildings under which Sky will agree to lease the Sky News land and buildings (or relevant parts thereof) to Newco for a period of up to [15] years. In the event that existing contractual restrictions preclude the granting of such a lease, Sky will ensure equivalent access for Sky News to the relevant land and buildings for the same period;
 - (iii) a site support services agreement under which Sky will agree to provide certain support services to Newco while Newco leases premises from Sky including IT support services for a term comparable with the term of the lease;
 - (iv) one or more agreements in relation to broadcast and technical services under which Sky will offer to Newco:
 - (A) an **EPG Services Agreement** (subject to EPG regulation including Ofcom’s Code of Practice on EPGs, and Sky’s published “Method for allocating listings in Sky’s EPG”);
 - (B) satellite capacity;
 - (C) playout;
 - (D) uplink;
 - (E) DTT transmission;

- (F) online transmission; and
- (G) mobile distribution,

in each case for a term of up to [10] years (or such shorter time as required by Newco); and

- (v) broadcast operations (including studio operations staff such as camera operators and sound technicians; edit suite services and staff; in-studio graphics specialists; and video library staff) and creative services (on- and off- screen design services) agreements.

8.2 Each of the agreements set out at [8.1(i) to 8.1(v)] above will be terminable by Newco on the provision of reasonable notice to Sky and, where appropriate, break fees to cover Sky's unavoidable costs of early exit. The required period of notice (and, where applicable, break fees) will be set out in each agreement.

8.3 21CF shall ensure that the agreements listed in sections [8.1(iii), 8.1(iv) and 8.1(v)] above will provide that charges to Newco are set for the first year at a price (for each relevant agreement) equivalent to the cost of Sky providing the relevant services (including internal cost allocations). Thereafter the charge to Newco for each agreement will be based upon the price increased by CPI for each following year for the remainder of the agreement, with the following adjustments:

- (i) Sky will adjust pricing to reflect actual usage levels for services where Newco has variable demand (e.g. IT support services and broadcast operations and creative services); and
- (ii) Sky will adjust pricing to pass on savings or cost increases of services which Sky obtains from a third party (for example, the cost of web hosting or mobile transmission); and
- (iii) the percentage increase in the total amount charged to Newco on a like-for-like basis (i.e. assuming the same levels on consumption for those costs which are variable in nature based on usage levels) will be subject to an aggregate cap on the increase in the total amount charged to Newco of [6%] plus [50%] of the incremental increase in CPI between [6%] and [10%], and to the extent that this is exceeded the CPI adjustment applied to the charge for each agreement will be reduced.

8.4 21CF shall grant Newco reasonable audit rights in relation to such actual usage levels, savings or cost increases in each case to the extent that Newco reasonably requires such an audit, in the event that Sky fails to provide any relevant information within a reasonable period of time following a written request for such information from Newco, such right not to be exercised more frequently than once per year. In the event that any audit identifies any discrepancy, appropriate adjustments to charges will be made.

8.5 21CF shall ensure that any agreements entered into under sections [7.4 and 8.1(i) to 8.1(v)] above will contain a dispute resolution mechanism. In the case of the Brand Licensing Agreement described in section [7.4] above, the lease agreement described in section [8.1(ii)] above and the agreement(s) in relation to services described at section [8.1(iv)(A), 8.1(iv)(B), 8.1(iv)(C) and 8.1(iv)(D)] above, 21CF will ensure that the relevant agreements cannot be terminated by Sky until any dispute between Newco and Sky as to the validity of that proposed termination has been finally resolved under the dispute resolution process specified in the relevant agreement. 21CF will bear all reasonable costs (including Newco's reasonable costs) of any dispute resolution process originating from a proposed termination by Sky of the relevant agreement (irrespective of the outcome of that dispute resolution process).

8.6 In the event any additional services have historically been provided to the Sky News business by Sky, 21CF will ensure that Sky will, on or before the Sky News Business Transfer, enter into any additional services agreement as are necessary in order for Newco to continue to operate the Sky News business and associated costs shall increase the Newco 21CF Financial Envelope.

9. APPOINTMENT OF MONITORING TRUSTEE

9.1 Within 20 Working Days of the Effective Date, 21CF shall nominate a Monitoring Trustee to be approved by the Secretary of State in writing on such terms to be approved by the Secretary of State in advance in writing and remunerated by 21CF. The Monitoring Trustee so approved shall be appointed by 21CF within 7 Working Days.

9.2 The Monitoring Trustee shall possess appropriate qualifications and experience to carry out the Monitoring Trustee's Functions.

9.3 The Monitoring Trustee shall be independent of 21CF, its Affiliates and any member of the same Group of Interconnected Bodies Corporate and shall have no conflict of interest in relation to the performance of the Monitoring Trustee's Functions.

9.4 If the person nominated by 21CF pursuant to section [9.1] above is not approved by the Secretary of State, 21CF shall nominate an alternative person within 7 Working Days to be approved in accordance with the procedure set out in [9.1] above.

9.5 In the event that:

- (i) 21CF fails to nominate any person or persons in accordance with the provisions of section [9.1 above] or [9.4 above]; or
- (ii) none of the persons nominated by 21CF pursuant to section [9.1 above] or [9.4 above] is approved by the Secretary of State; or
- (iii) 21CF is unable for any reason to conclude within the time limit stipulated in section [9.1 above] the appointment of any such person following approval by the Secretary of State,

21CF shall appoint from such person or persons nominated by the Secretary of State one person to act as Monitoring Trustee in accordance with such a mandate as is approved in advance in writing by the Secretary of State. 21CF shall use its best endeavours to make such appointment within 7 Working Days of receiving the nominations from the Secretary of State and in any event within 15 Working Days.

9.6 21CF shall secure that a Monitoring Trustee is appointed in accordance with sections [9.1 to 9.5] above prior to the Closing Date.

9.7 In the event that the appointment of a Monitoring Trustee terminates for any reason prior to the fulfilment of the undertakings to the satisfaction of the Secretary of State, including where the Monitoring Trustee has ceased to perform or to be able to perform its functions or for any other good cause (including a conflict of interest or illness), 21CF shall, if directed to do so by the Secretary of State, upon the direction of the Secretary of State, propose a replacement within 7 Working Days to be appointed in accordance with sections [9.1 to 9.4] above. If no replacement Monitoring Trustee is appointed within 30 Working Days of this section being triggered, 21CF shall appoint a Monitoring Trustee in accordance with section [9.5] above. Where required by the Secretary of State, the outgoing Monitoring Trustee shall continue as Monitoring Trustee until a new Monitoring Trustee is in place and a full handover of all relevant information has taken place.

9.8 The Monitoring Trustee shall remain in place until all of the operational agreements detailed in section [8.1] above become effective.

9.9 21CF shall not vary the terms upon which a Monitoring Trustee is appointed save with the consent of the Secretary of State.

10. FUNCTIONS OF MONITORING TRUSTEE

10.1 The Monitoring Trustee shall act on behalf of the Secretary of State and shall be under an obligation to the Secretary of State to carry out its functions to the best of its abilities.

10.2 The Monitoring Trustee shall monitor 21CF's compliance with all and any part of these undertakings prior to the operational agreements detailed in section [8.1] above becoming effective and shall provide to the Secretary of State any advice that he may reasonably require in relation to his review of the key operational agreements in section [8.1] above which require his prior approval.

10.3 The Monitoring Trustee shall, as soon as reasonably practicable, comply at all times with any reasonable instructions or written directions made by the Secretary of State and such person nominated by the Secretary of State for the purposes of carrying out or securing compliance with the undertakings (or any matter incidental thereto) and shall provide to the Secretary of State such information and reports in relation to the carrying out of the Monitoring Trustee Functions as the Secretary of State may reasonably require.

10.4 The Monitoring Trustee shall promptly report in writing to the Secretary of State and to the CMA if the Monitoring Trustee concludes on reasonable grounds that the undertakings have been breached, or if it considers that it is not in a position to effectively carry out its functions. In that situation, the Monitoring Trustee should set out the reasons for its view and attach any relevant supporting evidence available to it (unless doing so would infringe its obligations referred to in section [13.2] below). If the Monitoring Trustee sends a report to the Secretary of State or to the CMA under this section [10.4], the Monitoring Trustee shall, at the same time, inform 21CF of such a report being sent.

10.5 The Monitoring Trustee shall ensure that:

- (i) no arrangements are put in place or completed that affect the ability of 21CF to comply with its obligations under these undertakings; and
- (ii) 21CF takes no action or makes no omission that might adversely affect 21CF's compliance with its obligations under these undertakings.

10.6 The Monitoring Trustee shall:

- (i) facilitate the provision of information by 21CF to the Secretary of State in accordance with section [12] of these undertakings; and
- (ii) have access to all relevant information and documents which it shall pass to the Secretary of State if so requested (unless doing so would infringe its obligations referred to in section [13.2] below).

10.7 In furtherance of the Monitoring Trustee's functions outlined above, the Monitoring Trustee shall take such steps as it reasonably considers necessary including giving such directions to the officers or staff of 21CF, including any person holding such position on a temporary basis, as are reasonably necessary for the fulfilment of the Monitoring Trustee's functions.

10.8 In order to provide advice to the Secretary of State in relation to his review of the operational agreements as set out in section [10.2] above, the Monitoring Trustee shall be permitted to call on the advice of any third party that the Monitoring Trustee reasonably considers to be expert in this area and independent of 21CF and Newco. 21CF will bear all reasonable costs incurred by the Monitoring Trustee under this section [10.8].

11. REMUNERATION OF MONITORING TRUSTEE

11.1 21CF shall pay the Monitoring Trustee a reasonable remuneration for the services it provides in carrying out the Monitoring Trustee Functions, and shall pay the Monitoring Trustee in a way that does not impede the independent and effective fulfilment of the Monitoring Trustee Functions.

12. OBLIGATIONS OF 21CF FOLLOWING APPOINTMENT OF MONITORING TRUSTEE

12.1 21CF shall not give any instruction or request to the Monitoring Trustee which conflicts with the Monitoring Trustee Functions.

12.2 21CF shall take all such steps as are reasonably necessary to enable the Monitoring Trustee to carry out the Monitoring Trustee Functions and shall cooperate fully with the Monitoring Trustee, including but not limited to:

- (i) complying promptly and securing that its officers and staff comply promptly with such written directions as the Monitoring Trustee may from time to time give pursuant to section [10.7 above]; and
- (ii) providing the Monitoring Trustee with all such assistance and information, as it may reasonably require in carrying out the Monitoring Trustee Functions including the provision of full and complete access to all personnel, books, records, documents and facilities of 21CF, Sky and Newco as the Monitoring Trustee may reasonably require access to.

12.3 If 21CF has any reason to suspect that these undertakings might have been breached, it should notify the Monitoring Trustee and [the Secretary of State] immediately.

13. REPORTING OBLIGATIONS OF THE MONITORING TRUSTEE

13.1 Starting four weeks after Closing Date the Monitoring Trustee shall provide every four weeks to the Secretary of State and [the CMA/Ofcom] a statement certifying whether or not, in his view, 21CF has complied with these undertakings in the preceding four weeks.

13.2 When providing its reports to the Secretary of State and [the CMA/Ofcom] the Monitoring Trustee must ensure that it does not disclose any information or documents to the Secretary of State or [the CMA/Ofcom] which 21CF would be entitled to withhold from the Secretary of State or [the CMA/Ofcom] (as applicable) on the grounds of legal privilege.

13.3 All communications between the Monitoring Trustee and the Secretary of State and [the CMA/Ofcom] shall be confidential and should not be disclosed to 21CF, save with the express written permission of the Secretary of State and/or [the CMA/Ofcom]. For the avoidance of doubt, nothing in this section [13.3] shall restrict the Monitoring Trustee from informing 21CF of any report sent to the Secretary of State or to [the CMA/Ofcom] under section [10.4] above. In relation to the possibility of disclosure of such communications to third parties, the Secretary of State shall act in accordance with the provisions of Part 9 of the Act. The Monitoring Trustee shall not disclose such communications to third parties.

14. VARIATION AND TERMINATION

- 14.1 These undertakings shall remain in force until such time as they are varied, released or superseded under the Order.
- 14.2 In the event of a material change of circumstances, the Secretary of State may, in response to a request from 21CF, vary or release one or more of these undertakings. Upon receipt of such a request, the Secretary of State shall consult the CMA on whether the change of circumstances identified in the request results in the adverse effects identified in the Secretary of State's Decision ceasing to apply.
- 14.3 The variation, release or supersession of these undertakings shall not affect the validity and enforceability of any rights or obligations that arose prior to such variation, release or supersession.

15. COMPLIANCE

- 15.1 21CF shall comply promptly with such written directions as the Secretary of State may from time to time give:
- (i) to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with these undertakings; or
 - (ii) to do or refrain from doing anything so specified or described which it might be required by these undertakings to do or to refrain from doing.
- 15.2 21CF shall procure that any member of the same Group of Interconnected Bodies Corporate as 21CF complies with these undertakings as if it had given them and actions and omissions of the members of the same Group of Interconnected Bodies Corporate as 21CF shall be attributed to 21CF for the purposes of these undertakings.
- 15.3 Where any Affiliate of 21CF is not a member of the same Group of Interconnected Bodies Corporate as 21CF, 21CF shall use its best endeavours to procure that any such Affiliate will comply with these undertakings as if it had given them. Until the Closing Date, Sky shall not be treated as an Affiliate of 21CF for the purposes of this section [15.3].

16. INTERIM ACTION

- 16.1 From the Closing Date until the Sky News Business Transfer, 21CF shall ensure that (except with the prior written consent of the Secretary of State or for the purposes of preparing for the transfer of the Sky News business to Newco and/or effecting the incorporation of Newco as a private limited company):
- (i) without 21CF accepting any duty to provide any substantial capital expenditure to the Sky News business in addition to the capital expenditure plans in place at the time of the Transaction, the Sky News business (as at the Closing Date) is maintained as a going concern and sufficient resources are made available by 21CF for the continuation of the Sky News business on the basis of its pre-merger business plan;
 - (ii) no material changes are made to the organisational structure of the Sky News business or the management responsibilities within the Sky News business, other than in the ordinary course of business;

- (iii) the Sky News business, including its facilities and goodwill, is maintained and preserved and is run in the ordinary course;
- (iv) 21CF shall not attempt to influence the editorial decisions of the Sky News business prior to incorporation of Newco as a private limited company;
- (v) the nature, description, range and standard of news gathering and production and broadcast news currently supplied by the Sky News business is maintained;
- (vi) the separate brand identity of the Sky News business is maintained;
- (vii) no assets of the Sky News business are disposed of, and no Interest in such assets is created or disposed of, other than in the ordinary course of business;
- (viii) there is no new integration of the information technology used by Sky with that used by the Sky News business and the software and hardware platforms of the Sky News business shall remain unchanged, except for changes and maintenance in the ordinary course of business; and
- (ix) all reasonable steps are taken to encourage all Key Sky News Editorial Staff and all or substantially all staff currently engaged principally in the Sky News business (as set out in section [7.1] above) to remain with the Sky News business.

16.2 21CF shall provide to the Secretary of State such information as the Secretary of State may from time to time reasonably require for the purposes of monitoring compliance by 21CF with these undertakings.

17. PROVISION OF INFORMATION

17.1 21CF shall furnish promptly to [the Secretary of State/CMA/Ofcom] such information as [the Secretary of State/CMA/Ofcom] considers necessary in relation to or in connection with the implementation and/or enforcement of and/or the compliance with these undertakings, including for the avoidance of doubt, any confidential information.

18. INTERPRETATION

18.1 The Interpretation Act 1978 shall apply to these undertakings as it does to Acts of Parliament.

18.2 References in these undertakings to any English law term for any legal status, interest, concept or thing shall in respect of any jurisdiction other than England and Wales be deemed to include what most nearly approximates in that jurisdiction to the English law term.

18.3 In these undertakings the word "including" shall mean including without limitation or prejudice to the generality of any description, definition, term or phrase preceding that word and the word "include" and its derivatives shall be construed accordingly.

18.4 For the purposes of these undertakings:

“**21CF**” means 21st Century Fox, Inc.;

“**21CF Board**” means the board of directors of 21CF;

“**Act**” means the Enterprise Act 2002;

“**Affiliate**” of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on and any enterprise that the second person carries on from time to time would be regarded as being under common control for the purposes of section 26 of the Act;

“**Brand Licensing Agreement**” has the meaning set out in section [7.4 above];

“**business**” has the meaning given by section 129(1) and (3) of the Act;

“**Closing Date**” means:

- (a) if the Transaction is effected by way of a takeover offer (as that term is defined in section 974 of the Companies Act), the date on which such takeover offer becomes or is declared unconditional in all respects; or
- (b) if the Transaction is effected by way of a scheme of arrangement, the date on which the scheme of arrangement becomes effective in accordance with its terms;

“**CMA**” means the Competition and Markets Authority;

“**Control**” shall be construed in accordance with section 26 of the Act, and in the case of a body corporate, a person shall be deemed to Control it if he holds, or has an interest in, shares of that body corporate amounting to 40 per cent or more of its issued share capital or carrying an entitlement to vote at meetings of that body corporate of 40 per cent or more of the total number of votes which may be cast at such meetings;

“**CPI**” means the consumer prices index, as published from time to time by the Office for National Statistics;

“**Effective Date**” means the date that, having been signed by 21CF, these undertakings are accepted by the Secretary of State, as described at [1.1] above;

“**EPG**” means Electronic Programme Guide;

“**EPG Services Agreement**” has the meaning set out in section [8.1(iv)(A)] above;

“**Group of Interconnected Bodies Corporate**” has the meaning given in section 129(2) of the Act; references to a Group of Interconnected Bodies Corporate shall be to the Group of Interconnected Bodies Corporate as constituted from time to time;

“**Head of Sky News**” means the individual responsible for setting commercial strategy and operating within the Newco Financial Envelope, and setting editorial strategy and direction for Sky News’ digital, television and radio output, including holding the ultimate responsibility for the appointment and dismissal of Sky News employees (including presenters);

“**Independent Director**” means a member of the Newco board of directors who:

- has not been an employee of 21CF, News Corp, any member of the Murdoch Family, or any member of the same Group of Interconnected Bodies Corporate as 21CF (excluding Newco) or News Corp within the last five years;
- does not have, and has not had within the last three years of the date of their first appointment to the Newco board, a material business relationship with Newco, 21CF, News Corp or any member of the Murdoch Family, either directly, or as a partner,

shareholder, director or senior employee of a body that has such a relationship (Sky's independent directors shall not be excluded from this definition by virtue of having served on Sky's board);

- has not received and does not receive additional remuneration from Newco, 21CF, News Corp or any member of the Murdoch Family, apart from a director's fee, does not participate in Newco's, 21CF's or News Corp's share option or performance-related pay scheme, and is not a member of Newco's, 21CF's or News Corp's pension scheme;
- does not have close family ties with any of Newco's, 21CF's or News Corp's advisers, directors or senior employees or with any member of the Murdoch Family;
- does not have significant links with directors of 21CF or News Corp through involvement in other companies or bodies or with any member of the Murdoch Family;
- does not represent a significant Newco, 21CF or News Corp shareholder or any member of the Murdoch Family; and
- has not served on the board of Newco, 21CF, News Corp, any company controlled by any member of the Murdoch Family or any company on whose board any member of the Murdoch Family has served within nine years from the date of their first appointment;

"Independent Expert Director" means an Independent Director that has experience in the UK media sector or experience of monitoring the implementation of merger remedies;

"Interest" includes shares, an interest in shares and any other interest carrying an entitlement to vote at shareholders' meetings; and for this purpose "an interest in shares" includes an entitlement by a person other than the registered holder, to exercise any right conferred by the holding of these shares or an entitlement to Control the exercise of such right;

"Key Sky News Editorial Staff" means the Head of Sky News, the executive editor of Sky News and the head of newsgathering of Sky News;

"Material Transaction" means any transaction that involves or could reasonably involve the payment or receipt by Newco or its subsidiaries of amounts of £5 million or more or such other limits agreed by Newco from time to time. For the avoidance of doubt any renewal of or material amendment to the Brand Licensing Agreement, the lease agreement described in section [8.1(ii)] above or the agreement(s) in relation to services described at section [8.1(iv)(A), 8.1(iv)(B) and 8.1(iv)(C)] above would be deemed to be a material transaction for the purposes of this definition;

"MFT" means the Murdoch Family Trust;

"Monitoring Trustee" means the person appointed pursuant to section [9] above to carry out the Monitoring Trustee Functions;

"Monitoring Trustee Functions" means the functions set out in section [10] above;

"Murdoch Family" means Rupert Murdoch, Lachlan Murdoch and James Murdoch;

"Newco" means the private limited company (including, where relevant, any wholly-owned subsidiary of such private limited company) into which the business of Sky News will be transferred and which will continue to operate that business, as described in section [2.1] above;

“**Newco Board**” means the board of directors of Newco;

“**Newco Editorial Committee**” has the meaning set out in section [3.1(v)] above;

“**Newco Editorial Committee Authority**” has the meaning set out in section [3.1(v)(E)] above;

“**Newco Financial Envelope**” has the meaning set out in section [6.1] above;

“**Newco Investment Report**” has the meaning set out in section [6.4] above;

“**News Corp**” means News Corporation;

“**Ofcom**” means the Office of Communications as established by the Office of Communications Act 2002, or, where relevant, the Director General of Telecommunications as appointed under section 1 of the Telecommunications Act 1984;

“**Operational Net Investment**” the revenue attributable to the relevant business minus direct and indirect costs attributable to the relevant business (excluding capital expenditure);

“**Order**” means the Enterprise Act 2002 (Protection of Legitimate Interests) Order 2003, as amended by the Enterprise Act 2002 (Protection of Legitimate Interests)(Amendment) Order 2014;

“**Secretary of State**” means Secretary of State for Digital, Culture, Media and Sport;

“**Sky**” means Sky plc;

“**Sky News**” means the business of news gathering and production, and creating and offering (whether on a free to air or subscription basis) the broadcast television news channels currently branded “Sky News” and “Sky News HD” provided by Sky UK and received primarily in the United Kingdom and related services under the Sky News brand (including digital and radio services) and/or news services provided to third parties, including the wholesale provision of news input to third party media enterprises. For the avoidance of doubt, “Sky Sports News” is a separate business which will remain under the sole control of Sky;

“**Sky News Business Transfer**” has the meaning set out in section [6.1] above;

“**Sky News Editorial Guidelines**” has the meaning given to it in section [5.1] above;

“**Sky UK**” means Sky UK Limited or any successor company that holds the licence for the Sky News service;

“**Subsidiary**” shall be construed in accordance with section 1159 of the Companies Act 2006 (as amended), unless otherwise stated;

“**Transaction**” means the proposed acquisition by 21CF of the entire issued and to be issued share capital of Sky that 21CF does not already own; and

“**Working Day**” means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a bank holiday.

ANNEX 1
ARTICLES OF ASSOCIATION OF NEWCO

ANNEX 2

FORM OF PERSONAL UNDERTAKING TO THE SECRETARY OF STATE

UNDERTAKINGS GIVEN BY [RUPERT/JAMES/LACHLAN] MURDOCH PURSUANT TO PARAGRAPH 9 OF SCHEDULE 2 OF ENTERPRISE ACT (PROTECTION OF LEGITIMATE INTERESTS) ORDER 2003

WHEREAS:

- (a) 21CF proposes to acquire the entire issued and to be issued share capital of Sky that 21CF does not already own.
- (b) On 16 March 2017 the Secretary of State issued a European Intervention Notice under section 67(2) of the Act and the Order in connection with the Transaction.
- (c) On 20 September 2017 the Secretary of State, in exercise of her powers under Article 5(3) of the Order in connection with the Transaction, made a reference to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 in order that the group might investigate and report on the questions referred to in Articles 6(2), (3) and (4) of the Order within the period set down in Article 9 of the Order (the **Reference**).
- (d) On [●] the Secretary of State received a report of the CMA under Article 8 of the Order.
- (e) On [●] the Secretary of State published his decision in connection with the Transaction under Article 12(2) of the Order (the **Decision**). In the Decision, the Secretary of State decided that the conditions set out in Article 12 (6)(a) – (c) are met.
- (f) Under Article 12(7) of the Order, the Secretary of State has a discretion to take such action under paragraph 9 or 11 of Schedule 2 to the Order as he considers reasonable and practicable to remedy, mitigate or prevent any of the effects adverse to the public interest which he has decided may be expected to result from the creation of the European relevant merger situation.
- (g) Whereas under paragraph 9 of Schedule 2 to the Order, the Secretary of State may accept undertakings as he considers appropriate to remedy, mitigate or prevent such effects.
- (h) The Secretary of State considers that the undertakings given below by [Rupert/James/Lachlan] Murdoch, in addition to the undertakings given by 21CF, [Rupert/James/Lachlan] Murdoch and [Rupert/James/Lachlan] Murdoch are appropriate to remedy, mitigate or prevent the effects adverse to the public interest which the Secretary of State has decided may be expected to result from the creation of the European relevant merger situation.

NOW THEREFORE [Rupert/James/Lachlan] Murdoch hereby gives to the Secretary of State the following undertakings for the purpose of remedying, mitigating or preventing the effects adverse to the public interest which the Secretary of State has decided may be expected to result from the Transaction.

1. EFFECTIVE DATE OF THE UNDERTAKINGS

- 1.1 These undertakings shall take effect (subject to the variation and termination provisions in section 3) from the date that, having been signed by [Rupert/James/Lachlan] Murdoch, they are accepted by the Secretary of State.

2. NON-INTERFERENCE WITH SKY NEWS' EDITORIAL INDEPENDENCE

- 2.1 [Rupert/James/Lachlan] Murdoch shall not influence or attempt to influence, or seek to cause any other person to influence, the editorial choices made by the Head of Sky News or the Head of Sky News' delegates (including, but not limited to, the selection, prominence or running of news stories or the political comment and opinion to be broadcast on the Sky News services, the programming mix of shows or TV formats broadcast on those services, the target demographics of the services and the presentation of the services, or in any other way seek to bring about changes to the editorial output of Sky News).

3. VARIATION AND TERMINATION

- 3.1 These undertakings shall remain in force until such time as they are varied, released or superseded under the Order.
- 3.2 In the event of a material change of circumstances, the Secretary of State may, in response to a request from [Rupert/James/Lachlan] Murdoch, vary or release one or more of these undertakings. Upon receipt of such a request, the Secretary of State shall consult the CMA on whether the change of circumstances identified in the request results in the adverse effects identified in the Secretary of State's Decision ceasing to apply.
- 3.3 The variation, release or supersession of these undertakings shall not affect the validity and enforceability of any rights or obligations that arose prior to such variation, release or supersession.

4. COMPLIANCE

- 4.1 [Rupert/James/Lachlan] Murdoch shall comply promptly with such written directions as the Secretary of State may from time to time give:
- (i) to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with these undertakings; or
 - (ii) to do or refrain from doing anything so specified or described which it might be required by these undertakings to do or to refrain from doing.

5. PROVISION OF INFORMATION

- 5.1 [Rupert/James/Lachlan] Murdoch shall furnish promptly to [the Secretary of State/Ofcom/CMA] such information as [the Secretary of State/Ofcom/CMA] considers necessary in relation to or in connection with the implementation and/or enforcement of and/or the compliance with these undertakings, including for the avoidance of doubt, any confidential information.

6. INTERPRETATION

- 6.1 These undertakings shall be interpreted in accordance with the provisions of section 9 of the undertakings given by 21CF pursuant to paragraph 9 of Schedule 2 of the Enterprise Act (Protection of Legitimate Interests) Order 2003 in relation to the offer by 21CF for the remaining shares in Sky plc.

ANNEX 3

UPDATED SKY NEWS EDITORIAL GUIDELINES

ANNEX 4

NEWCO FINANCIAL ENVELOPE

	FY 2016/17 £m	Further details
Revenues ¹	[X]	Includes: wholesale of Sky News channel [X]; international distribution agreements; spot advertising; sponsorship and online revenue; and syndication / distribution / radio revenue.
Direct costs	[X]	Includes: headcount costs; coverage/ newsgathering costs; production, studio & archive costs; Sky News International, digital, radio, and channel management.
Indirect Costs ²	[X]	Includes: satellite / freeview capacity; music licence fees & creative services; corporate & functional / facilities; and capex depreciation.
Incremental costs expected to be incurred operating the Sky News business as a separate corporate entity	[●]	
Newco Financial Envelope	[X]	

¹ Does not include: Sky Media [X]% sales commission for provision of ad sales.

² Does not include: property costs and facilities (rates and rent); marketing costs (advertising costs); equipment support costs or broadcast operations.

ANNEX 5

ARBITRATION OF DISAGREEMENTS BETWEEN 21CF AND THE NEWCO BOARD REGARDING INVESTMENT IN NEWCO

1. Any disagreement referred to arbitration pursuant to section 6.3 above as to the level of Newco Financial Envelope to be made by 21CF under section 6.1 above shall be finally resolved by baseball arbitration under the LCIA Arbitration Rules as amended from time to time (for the purpose of this annex, the **Rules**).
2. Capitalised terms used in this annex which are not otherwise defined in these undertakings shall have the meaning given to them in the Rules.
3. **Appointment of Arbitrator.** The number of arbitrators shall be one. 21CF and the Newco Board (each a Party) shall jointly nominate the sole arbitrator for appointment by the LCIA Court. If 21CF and the Newco Board fail to nominate an arbitrator within 10 business days of referring the matter for arbitration, the LCIA Court shall appoint an English-speaking arbitrator that has substantial experience of the UK media sector and of financial and/or accounting matters.
4. **Written Submissions.** Within twenty (20) days after the appointment of the arbitrator by the LCIA Court, each Party shall submit to the arbitrator a proposed level of Newco Financial Envelope to be made by 21CF under section 6.1 above, supported by written submissions, relevant factual (documentary) evidence and one expert report (the **Proposals**). Within fifteen (15) days after the delivery of the Proposals to the arbitrator, each Party may submit a written rebuttal of the other Party's Proposal (**Rebuttals**) and may also amend and re-submit its original Proposal.
5. **Hearing.** Unless otherwise agreed, the Parties and the arbitrator shall meet within fifteen (15) days after the Parties have submitted their Proposals (and Rebuttals, if any), at which time each Party shall have two (2) hours to argue in support of its Final Proposal, including any presentation by their appointed experts (the **Hearing**). The Parties shall not have the right to call any witnesses in support of their arguments, nor compel any production of documents or take any discovery from the other Party in preparation for the Hearing.
6. **Award.** Within thirty (30) days after the Hearing, the arbitrator shall select one of the final Proposals as the resolution of the Dispute, by reference to the factors for determining the level of Newco Financial Envelope identified in section 6.1 above. The arbitrator may not alter the terms of either final Proposal and may not resolve the Dispute in a manner other than by selection of one of the submitted final Proposals. If a Party fails to submit a Proposal within the initial twenty (20)-day time frame set forth above, the arbitrator shall select the Proposal of the other Party as the resolution of the Dispute.
7. The seat or legal place of arbitration shall be London.
8. The language used in the arbitral proceedings shall be English.
9. Notwithstanding any provision to the contrary in the Rules, 21CF and the Newco Board shall agree that any arbitrator may have the same nationality as any party to the arbitration.
10. As at the Sky News Business Transfer, 21CF will enter into a binding arbitration agreement with Newco to give effect to the provisions of this annex.