

Terms of Reference of the Sky News Board

Purpose of the Sky News Board

The primary purpose of the Sky News Board is to provide oversight of:

- i) the Sky News operations so as to ensure the editorial independence of Sky News;
 - ii) compliance of the Sky News service with the Sky News Editorial Guidelines; and
 - iii) compliance with the Sky News Investment Undertaking
- for a period of 10 years, as set out in the Post Offer Undertakings dated 8 May 2018 and the Deed Poll to be entered into on or around 4 December 2018.

The Sky News Board has the power and shall be granted adequate resources to review and investigate all areas within the remit of the Sky News Board.

Editorial Independence of Sky News

The Sky News Board serves to ensure the editorial independence of Sky News, free from external influence and that the Head of Sky News (or his/her authorised delegates) retains complete editorial control over all news and current affairs output on all platforms including the selection and running of news stories and any political comment and opinion broadcast on Sky News.

If the Head of Sky News becomes aware of any attempt by any employee or officer of Comcast (which for these purposes would include any employee or officer of Sky) outside the editorial or compliance function of Sky News to influence the selection or running of news stories or the political comment and opinion to be broadcast on Sky News, the Head of Sky News must escalate such matters to the Sky News Board. In the event of any such escalation, the Sky News Board will consider the representations and report them to the Comcast Board.

The appointment or removal of the Head of Sky News is subject to approval by the majority of the Sky News Board. The Sky News Board also has the right prior to any replacement to be consulted on any replacement candidate (in particular in relation to such candidate's editorial experience and integrity) and to nominate a candidate for appointment to the role. The remuneration package and any material changes to the authority or reporting relationship of the Head of Sky News are also subject to approval by the majority of the Sky News Board.

Compliance with the Sky News Editorial Guidelines

The Sky News Board is entrusted with oversight of compliance by Sky News with the Sky News Editorial Guidelines. Those guidelines include provisions relating to the editorial independence of Sky News and compliance with legal obligations and the Ofcom Broadcasting Code.

The Sky News Board will consider any representations made by the Head of Sky News as to the compliance of Sky News with the Sky News Editorial Guidelines and report such representations to the board of Sky plc.

The Sky News Board will ensure that no amendments are made to the Sky News Editorial Guidelines (other than to meet legal or regulatory requirements) without the prior approval of the majority of the Sky News Board.

Sky News Investment Undertaking

The Sky News Board is responsible for monitoring Comcast/Sky's compliance with the Sky News Investment Undertaking.

Composition and duties of the Sky News Board

The Sky News Board shall be composed of not less than three individuals to include the following:

- an Independent Chairperson with senior journalistic/editorial experience;
- not less than two and not more than three other members (between whom it is desirable to have experience of legal/editorial compliance and experience relevant to ensuring compliance with the Sky News Investment Undertaking)

all of whom meet the Independent Expert Board Member Criteria (as set out in Schedule 1 to the Deed Poll), having experience in the UK media sector and independence from Comcast.

An Independent Expert Board Member shall be removed from the Sky News Board by a unanimous vote in favour of removal by the other Sky News Board members in the event: a) of gross negligence, wilful misconduct, dishonesty, or fraud committed by that Independent Expert Board Member; or (b) he or she no longer meets the Independent Expert Board Member Criteria and in such event, he or she must notify each of the other members promptly. Otherwise, an Expert Board Member may be removed or otherwise required to vacate office under any applicable law.

The Sky News Board shall:

- meet as frequently as is necessary to discharge its functions, but in any event not less than four times a year;
- be quorate only if at least two Independent Expert Board Members (Including the Chairperson) are present;
- advise the board of Sky plc on any issues within its remit, including the Sky News Board Approvals (as set out in Schedule 1, 1.3 (i) of the Deed Poll), namely appointment or removal and the remuneration package of the Head of Sky News, any material changes to his authority or reporting relationship and any future changes to the Sky News Editorial Guidelines;

- take all decisions (bar the removal of an Independent Expert Board Member by unanimous decision, as above) on the basis of a majority vote (including as to the enforcement by the Sky News Board (or by any individual acting in his or her capacity as a member of the Sky News Board) of the Deed Poll.

Monitoring and reporting duties of the Sky News Board

Following its establishment, the Sky News Board shall publish an announcement via a RIS, certified by the Independent Chairperson as accurate, that the Sky News Editorial Guidelines were amended to specify the matters set out in section 3.2 of Schedule 1 of the Deed Poll within three months of 9 October 2018.

Within 30 days after the date on which the audited annual accounts of Sky have been published in relation to a financial year falling (whether in whole or in part) within the Independence Undertaking Period (of 10 years from the date of establishment of the Sky News Board), the Sky News Board shall publish a confirmation via RIS announcement, certified by the Independent Chairperson as accurate, confirming whether during the relevant financial period:

- i) the Sky News Board comprised solely members who had certified to the Independent Chairperson in a form acceptable to the Independent Chairperson that they met the Independent Expert Board Member Criteria and was chaired by an Independent Chairperson;
- ii) the Sky News Board operated under these Terms of Reference (as required by section 1.1(c) of Schedule 1 of the Deed Poll);
- iii) no matters subject to Sky News Board Approvals took place without the approval of a majority of the Sky News Board and no amendments to the Sky News Board Approvals (other than amendments made to comply with law or regulation) were made without the prior approval of a majority of the Sky News Board (having taken into account the need for the continuing editorial independence of the Sky-Branded News Service); and
- iv) no amendments to the Sky News Editorial Guidelines (other than amendments made to comply with law or regulation) were made without the prior approval of a majority of the Sky News Board (having taken into account the need for the continuing editorial independence of the Sky-Branded News Service);
- v) Sky plc and Comcast Corporation are in compliance with the Sky News Investment Undertaking.

The Sky News Board shall also publish a report via RIS announcement on an annual basis, certified by the Independent Chairperson as accurate of:

- i) any representations made by the Head of Sky News as to the Sky News Service's compliance with the Sky News Editorial Guidelines (as required by section 1.1(c)(iv) of Schedule 1 of the Deed Poll);
- ii) any matters escalated by the Head of Sky News (as provided for in section 3.2(c) of Schedule 1 of the Deed Poll), or if no matters were escalated, confirmation of such; and
- iii) any fees paid to the Independent Expert Board Members.

Amendments

These Terms of Reference may be amended with the approval of each of (i) the majority of the Sky News Board; (ii) Sky UK Limited; and (iii) Comcast Corporation.

5 December 2018